



UnipolSai Assicurazioni

Sustainability Report

 2021

CONTENTS

KEY INDICATORS	3	Technology to support protection	52
METHODOLOGICAL NOTE	4	Customer relations	55
Overall summary of the Reports	4	Satisfaction monitoring	58
Reporting scope	4	Anti-fraud measures	60
Document structure	4	Complaints management	60
Data processing procedure and methods	4	The Distribution Network	62
IDENTITY AND STRATEGY	5	Geographical presence of the distribution network	62
The Group's identity	5	Relations with the Network	63
"Mission Evolve": the 2019-2021 strategies	6	UNIPOLSAI AND INVESTMENTS	65
Stakeholder engagement tools and processes	10	Investment policies	65
The material topics	11	The impact on the climate of the investment portfolio	69
Our Sustainability Process	13	The investment choices for the SDGs and combating climate change	71
Managing reputation	14	Information on the European taxonomy of sustainable economic activities - Investment KPIs	73
GOVERNANCE	15	Real estate portfolio	76
The Corporate Governance system	15	The development sectors	77
Relations with Shareholders	18	UNIPOLSAI AND EMPLOYMENT	78
Relations with investors and analysts	19	Employees	78
The Internal Control and Risk Management System	21	People and technology: towards a new way of working	80
Sustainability governance and monitoring environmental, social and corporate governance risks	22	Training, development and enhancement of employees	81
Integrity in doing business	26	Promotion of equal opportunities	84
The Organisation and Management Model, pursuant to Italian Legislative Decree 231/2001	26	Employees' health and safety	86
Combating corruption	26	Covid-19 - Group impacts and initiatives in 2021 in the context of the health emergency	88
Anti-money laundering and anti-terrorism measures	27	The welfare system	88
Responsible data management	28	Sustainable mobility	90
The protection of fair competition	30	Industrial relations	90
Sanctions	31	UNIPOLSAI AND SOCIETY	92
Tax management	31	Suppliers	92
Remuneration policies	36	Supply chain management	93
FINANCIAL PERFORMANCE	38	The Community	96
Profitability of the UnipolSai Group's activities	38	Monitoring environmental impacts	101
UNIPOLSAI AND PROTECTION	41	Direct impacts	101
Customers	41	Indirect impacts	106
Integration of ESG factors into insurance activities	43	Protection and restoration of biodiversity	109
Solutions of shared value	44	Advocacy and research activities on matters linked to climate change and the protection of biodiversity	111
The impacts of climate change on the insurance business	48	Integrating the Mobility ecosystem with services that help reduce environmental impacts	112
Information on the European taxonomy of sustainable economic activities	51	Appendix - UnipolSai in numbers	113

KEY INDICATORS

		UnipolSai Group	
Area	Indicator	2021	2020
Governance	Percentage of independent members of the Board of Directors pursuant to the Consolidated Finance Act and Corporate Governance Code	61%	59%
	Percentage of women on the Board of Directors	34%	29%
Financial performance	Direct insurance premium income (€ million)	13,329	12,210
	Non-life premium income (€ million)	7,943	7,882
	Life insurance premium income (€ million)	5,386	4,328
	Loss ratio - net reinsurance (Ratio of claims to premiums from direct business)	67.1%	58.8%
	Net reinsurance combined ratio	95.0%	87.0%
	Consolidated net profit (€ million)	723	853
	Value of real estate assets (€ billion)	3.8	3.9
Customer protection	Number of policyholder customers (million)	15.5	16.7
	Number of customers - natural persons (million)	14.6	15.8
	Number of customers - Legal persons (million)	0.9	0.9
	MV TPL claims settlement rate	77.2%	79.4%
	Amount of products with social and environmental value (€ million)	2,712	2,478
	Customer Satisfaction Index (CSI) UnipolSai Auto vs Market standard	83.5 (UnipolSai) vs 78.6 (market)	83 (UnipolSai) vs 78 (market)
	Percentage of channelled claims with direct repair services (UnipolService)	37.9%	35.7%
	IVASS sanctions paid on total Non-life premiums UnipolSai Assicurazioni S.p.A	0.0039%	0.001%
Distribution network	Number of agencies	2,442	2,532
	Number of sub-agencies	5,392	5,401
	Number of bancassurance branches	5,312	5,362
	Number of primary network agency collaborators	30,171	32,310
	Unipol Group investments in Academy for network training (€ million)	1.6	1.7
	Hours of training provided by Academy to the agency network in Italy	905,941	891,760
Investments	Amount of environmentally and socially monitored equity and debt securities class C, D, Heritage (€ billion), excluding UCIs, on own account	51.4	52.9
	Percentage of assets found to be sustainable after monitoring (excluding UCIs, on own account)	98.6%	98.0%
	Total thematic and impact investments (€ million)	862.2	609.4
Employment	Total number of employees	11,881	11,770
	Permanent employees	96.0%	96.4%
	Female employees	54%	54.1%
	Percentage of female employees in positions of responsibility	27.5%	27.6%
Suppliers	Total number of suppliers	9,200	8,500
	Incidence of expenditure on registered suppliers	55.5%	18.3%
	Percentage of value delivered to Italian suppliers	97%	98.5%
Community	Total value of contributions to the community (€ million)	10.2	28.3
	Community contributions as a percentage of pre-tax profit	1.1%	2.5%
Environment	CO ₂ emissions - Scope 1 (tonnes) from Buildings	7,564	8,395
	CO ₂ emissions - Scope 2 (tonnes) - location based criterion	26,271	29,434
	CO ₂ emissions - Scope 2 (tonnes) - market based criterion	7,345	9,148
	CO ₂ emissions per employee (tonnes) - location based criterion	2.98	3.21



For further data, please refer to the "Appendix - UnipolSai in numbers".

METHODOLOGICAL NOTE

Overall summary of the Reports

The Sustainability Report provides a transparent description of the UnipolSai Group's role and responsibilities to all its stakeholders through the measurement of the results achieved in relation to the commitments made on material topics.

The Sustainability Report is complemented by the other Unipol Group documents which offer a snapshot of financial and integrated market performance with assessments of risks and opportunities that will influence the medium- and long-term development of the business: the Integrated Report provides an overview that brings together all the information contained in the traditional consolidated financial statements and the environmental, social and governance performance records; the Report "Unipol and climate change: reporting climate-related information" contains climate-related information and data (financial and non-financial), with reference to the recommendations issued by the Task Force on Climate-related Financial Disclosures. Following Unipol's adoption of the Principles for Sustainable Insurance (PSI), the results and progress achieved by the Group in relation to the six principles are included.

The methodological reference for drafting the 2021 Report is the "Sustainability Reporting Standards" issued in 2016 by the Global Reporting Initiative (GRI), and subsequent additions and amendments. Several indicators of the Financial Services Sector Disclosure belonging to the GRI G4 guidelines were also reported, with a "GRI Referenced" approach, as well as indicators related to international sustainability protocols.

The figures presented refer to 2021 and, where possible and meaningful, are compared with the previous year to help understand performance trends over time. The data published in previous years has not been recalculated, restated, unless otherwise indicated.

Reporting scope

The UnipolSai Group Sustainability Report is drawn up every year in keeping with a time schedule aligned with that of the Consolidated Financial Statements. This reporting period is 1 January to 31 December 2021. In addition, certain information has been added concerning events after the reporting date, where significant and available.

The reporting scope covers 100% of the UnipolSai Group's consolidated financial statements at 31 December 2021, thus enabling an understanding of the Group's activities, its performance, its results and the impact it has generated. For certain data, it was deemed more significant to represent the scope of companies operating in Italy, or those in the financial-insurance sector: the exceptions to the scope are reported and appropriately described in the relevant sections of the document. In some cases, in relation to specific, limited fields and for reasons associated with information availability and Financial Statements reporting dates, the figures shown are the result of estimates adopted on the basis of values recorded in previous years.

Document structure

The Sustainability Report begins with a description of the Group's identity, the strategies defined for the three-year period 2019-2021 through the "Mission Evolve – Always one step ahead" Strategic Plan and the material topics for reporting. The "Governance" chapter contains the fundamental aspects of corporate governance and of the systems for monitoring and supervising "ESG" (Environmental, Social and Governance) factors. Performance is reported according to the different "roles" the UnipolSai Group has for its stakeholders in carrying out its business activities.

Further quantitative information is presented in the Appendix "UnipolSai in Numbers" for quick reference by interested stakeholders. The Sustainability Report is also available on the websites www.unipol.it and www.unipolsai.com.

Data processing procedure and methods

The data collection and drafting of the document is coordinated by the Sustainability Function and involves all corporate Departments and Group companies, with the support of an inter-functional working group that has for some years now been constantly involved.

The data necessary for compiling the performance indicators and drafting the document is collected through a dedicated information system which makes it possible to guarantee the robustness and full traceability of the data collection and consolidation process; over 160 people (data sources and approvers), from all the Group's corporate Departments, were involved through the system, each according to their role and competences.

The non-financial data reporting process is formalised in specific Operating Rules and Internal Provisions, which govern the process, activities, roles and responsibilities of the Group structures and bodies involved in the preparation, approval and publication of the document.

The content of the Report is supplemented throughout the year with additional information published in the "Sustainability" section of the www.unipol.it website.

IDENTITY AND STRATEGY

The Group's identity

The **UnipolSai Group** operates in four sectors (insurance, real estate, hotels and diversified); with a pre-eminent position in the Italian insurance market it is able to offer customised and innovative solutions to everyday needs and the long-term plans of households and companies alike, thanks to its proximity to the customer and its widespread professional agency network.

UnipolSai Assicurazioni, parent company of the UnipolSai Group, is a subsidiary of Unipol Gruppo S.p.A. and, like the latter, is listed on the MTA market of the Italian Stock Exchange. The investees operate in the following business activities.

Insurance

The Group offers the market the entire range of risk cover solutions: in mobility (vehicles, sportscraft and travel), for the home and condominiums, for work (products dedicated to businesses, traders, professionals and legal protection), for personal protection (particularly accident and health protection policies), and for investments and welfare. **UnipolSai Assicurazioni SpA** is the main Insurance Company, supported by specialist companies: **UniSalute**, specialising in the Health segment; **Linear**, a company specialising in direct sales, online and via call centres, of MV products; **SIAT**, operating in the Transport business, with corporate customers primarily reached through brokers.

Outside Italy, the Group operates in Serbia, through the subsidiary **DDOR Novi Sad** and the dedicated captive reinsurance company **Ddor Re**, and in Ireland with **UnipolRe**, a professional reinsurance company with AM Best A- rating, which provides reinsurance services to insurance businesses and groups in the EMEA region.

Bancassurance

The Group is active in the bancassurance channel through agreements with the BPER Banca Group and Banca Popolare di Sondrio for the distribution of **Arca Assicurazioni** and **Arca Vita** products, with Banca Intermobiliare for the sale of **BIM Vita** products and with the UniCredit Group which markets Fire and Credit Protection products in the Non-Life business and products with **Incontra Assicurazioni** healthcare coverage.

Real Estate and Other Businesses

The Group is one of the leading real estate operators in Italy in terms of assets and is also active in the following sectors:

- hospitality through **UNA Group**, with assets consisting of 38 facilities (hotels, residences and resorts through lease, franchise and management formulas) in some of the main cities and most renowned tourist destinations in Italy;
- agricultural through **Tenute del Cerro**, owner of around 4,300 hectares of land in Tuscany and Umbria, of which 300 hectares of vineyards among the most sought-after for high quality wine production;
- healthcare through the **Villa Donatello and Centro Florence care homes** and the **Dyadea multi-specialist centres**;
- harbour facilities through **Marina di Loano**, centrally located in western Liguria and able to moor over 900 craft with lengths from 6 to 80 metres.

Through **UnipolSai Investimenti SGR**, the Unipol Group manages real estate investment funds.

Commercial Services and New Projects

The Group has developed commercial initiatives to support insurance activities in the mobility ecosystem, as regards vehicle and glass repairs, black box management and long-term vehicle rental.

The service companies instrumental to the insurance business characterise and make Unipol's insurance offer distinctive with the direct and integrated governance of service processes:

- **UnipolService**, a network of repair shops located throughout the country and offering MV policyholders certified repairs with no cash advance;
- **UnipolGlass**, for glass repair and replacement services;
- **Unipol Assistance**, a multi-service company specialising in solving support requests for all categories of vehicles, people, homes and businesses;
- **UnipolRental** for the management of company fleets and long-term car rental;
- **UnipolTech**, electronic provider for UnipolSai and other Group companies, and provider of electronic motorway toll services;

Leithà is the company specifically dedicated to innovation.

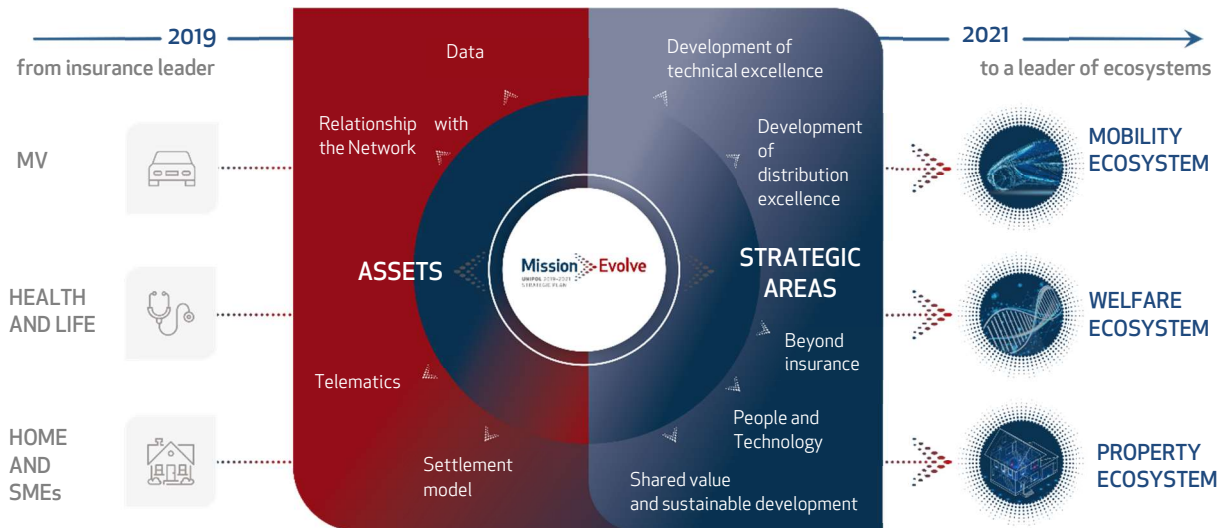
UnipolPay is an e-money institute (IMEL) is authorised to provide electronic payment and e-money services in Italy.

Cambiomarcia operates as a company specialising in the resale of used cars and the marketing of e-bikes (**Cambiobike**).

Unipolis is the business foundation of the Unipol Group, and one of the most important tools for implementing social responsibility initiatives, within the framework of the more comprehensive sustainability strategy.

"Mission Evolve": the 2019-2021 strategies

2021 marks the conclusion of the last year of the 2019-2021 Strategic Plan "Mission Evolve - Always one step ahead", divided into the five strategic guidelines set out below, during which the Unipol Group developed its strategy along the three ecosystems of Mobility, Welfare and Property, leveraging its fundamental assets.



For each of the three ecosystems, a summary of the main initiatives implemented and results achieved during the three-year Plan period is presented below, both from an insurance and from a Beyond Insurance perspective.

With regard to the **Mobility ecosystem, in the insurance area** pricing models have been further innovated through the use of new data on driving habits and the introduction of new parameters linked to traffic and speed; efficiency in the management of physical damage and property damage has increased; the number of claims channelled to affiliated structures has increased, particularly in MV TPL with a 7 percentage point increase (from 34% at the end of 2018 to 41% at the end of 2021) and in Land Vehicle Hulls with an 11.5 percentage point increase (from 50% at the end of 2018 to 61.5% at the end of 2021), and electronic settlement and anti-fraud systems have further evolved.

The **Mobility Beyond Insurance** area has been developed through numerous actions:

- after the acquisition in 2019 of the long-term rental company Car Server, its rebranding as UnipolRental was implemented and the new Strategic Plan was developed with the aim of becoming a leader in the Retail segment and a reference point in the Corporate segment for companies that were already UnipolSai customers; around 60,000 long-term rental contracts were signed at 31 December 2021;
- Cambiomarcia, a company specialising in the resale of used cars, was acquired in 2020. The car-selling platform was integrated into the reference ecosystem and flanked by a platform dedicated to the sale of e-bikes, called Cambiobike;
- the Group entered the mobility-related payments segment, making it possible to pay taxes and fines integrated with PagoPA, book and pay for parking in affiliated facilities; it also obtained the AISCAT certificate, which will enable activation of the electronic motorway toll services;
- in the field of roadside assistance, Unipol Assistance has launched the Tow Truck project to provide an end-to-end breakdown service;
- the Group has brought Qshino to market, a new anti-abandonment device for child car seats.

In the Welfare ecosystem, an integrated business model has been developed in the insurance field through the creation of specialised figures (Welfare Consultants) dedicated to supporting agencies on the Welfare insurance offer; a new Retail offer of individual online products has been launched to intercept the needs of specific targets.

In the Welfare Beyond Insurance area, during the three-year plan period the Group activated two new DYADEA medical centres, with subsequent extension of the brand to all other Group medical centres. The insurance offer has been flanked by Si Salute Cards (over 800,000 in the plan period), which provide access to the services of the Group's network of healthcare facilities. Unipol has also boosted telemedicine services, which were particularly important in the pandemic period, such as specialist medical teleconsultations with competent doctors. The chronic disease monitoring service has also evolved through a new portal and the use of an app connected directly to the measuring instruments.

With regard to the **Property ecosystem**, from an insurance point of view the Group has improved portfolio management efficiency to develop high-margin retail segments and has improved the efficiency of claims management by extending channelling to approved craftsmen and making greater use of direct repair techniques.

The following initiatives were implemented in the **Property Beyond Insurance** area:

- building renovation services: the 110% SuperBonus was promoted, with acquisition of the tax credit with insurance coverage of the building subject to the works and of the work execution phase;
- utility supply services: around 885 UnipolSai agencies are authorised to sell electricity and gas supply contracts;
- support for the agricultural sector: LIFE ADA (ADaptation in Agriculture) project to improve climate resilience in the agricultural sector has begun;
- identification of extreme climate events: contribution to the development of the European Extreme Events Climate Index (E3CI).

Important actions have also been carried out to support the three ecosystems (Mobility, Welfare & Property), aimed at increasing the frequency and effectiveness of contacts with customers and maximising the commercial effectiveness of Italy's leading agency network through the integrated support of remote contact channels (contact centre, app) and the introduction of new specialist professional figures (in addition to the Family Welfare mentioned, also Business Specialists).

The 2019-2021 Plan integrated within its strategic objectives the **creation of shared value** and the **contribution to sustainable development**, starting from the conviction that the opportunities and well-being of the customers and people who interact with Unipol are necessary conditions for the capacity to develop in the market and the Group's sustainable success. In the strategic planning phase, the Group identified the SDGs for which a priority commitment was required to contribute to their achievement, also due to some of the actions described above: Goal 3 "Good health and well-being", Goal 8 "Decent work and economic growth" and Goal 11 "Sustainable cities and communities". The main results achieved are described in the section "The outcomes of Shared value".

Some of the projects mentioned and their results are discussed in more detail in the section "Our role in protection", while other details on the Strategic Plan can be found on the dedicated page on the Unipol Group website.

The Unipol Group's climate strategy

In 2015, the Unipol Group took an important first step in structuring its strategy on climate-related issues with the publication of the **"Unipol for the climate"** position paper, which established the Group's vision of the need to activate a prevention and management model of natural disasters based on public-private cooperation, adopting mutually beneficial mechanisms of an insurance nature to manage the growing risks arising from climate change and cope with the huge claims expected, particularly in the specific Italian context, the main market in which the Unipol Group operates.

The Sustainability Policy, approved by the Board of Directors, specifies the Group's commitments to protecting the environment and land, sea and freshwater ecosystems, as well as combating climate change, which represents one of the main risks to which Group activities are exposed. This includes its own commitments to reduce climate-changing emissions, with the aim of contributing to the achievement of the targets set by governments in the Paris Agreement. Lastly, the Sustainability Policy details the governance and management approaches that seek to identify, assess, manage and reduce exposure to ESG risks, including climate-related risks, both with regard to Group activities and its spheres of influence.

In order to outline a coherent and overall direction, the Group's various policies have expressed this commitment in the fight against climate change in the three main areas of intervention, focusing on the specificity of the Group's approach beyond the excluded or sensitive sectors:

- **Insurance products and services:** through the skills and services it has developed, the Group undertakes to support its counterparties in the underwriting processes, improving their ability to manage environmental, social and governance issues with the development of risk assessment activities, consultancy on prevention approaches and the application of electronic solutions, thus reducing ESG risks and increasing the possibilities for accessing insurance services. Companies primarily engaged in coal mining and companies that use unconventional mining practices (such as mountaintop removal, fracking, oil sands, deep water drilling) are excluded from Non-Life underwriting;
- **Investment activities:** the Group supports the transition to a low-carbon economy through responsible investments and engagement activities with investees that have a significant climate impact, with plans to complete divestment from coal by 2030. In addition, in order to better understand how its investments affect climate change, the Group measures, monitors and reports on metrics related to the carbon footprint of its financial portfolio and assesses its future alignment with the Paris Agreement targets from a forward-looking perspective;
- **Real estate:** the Group is committed to carrying out property development activities aimed at maximum energy self-sufficiency, urban redevelopment investments designed to make cities more sustainable and investments for the energy reclassification of existing property assets, not only with reference to business assets but also to non-business properties managed.









In line with previous business plans and in view of the definition of the new 2022-2024 Strategic Plan, in 2021 the Unipol Group began a structured process of defining new objectives related to climate change that will lead to the drafting and publication of the Group's climate strategy by mid-2022.

The specific objectives of the "Shared value and sustainable development" strategic guideline of the 2019-2021 Mission Evolve Strategic Plan and the activities that contribute to achieving them and their trends are described in the following chapters.



For more details, refer to the page dedicated to the 2019-2021 Strategic Plan on the Unipol Group website

OUR OBJECTIVES BY 2021	Objective Description	Actual Data 31/12/2021		Material Topics
		Baseline 31/12/2018	Target 31/12/2021	
IMPACT OF PRODUCTS WITH ENVIRONMENTAL AND SOCIAL VALUE	Increased penetration for products with a social and environmental impact on the total insurance portfolio.	27%		<ul style="list-style-type: none"> - Product and service innovation - Solutions that promote sustainable and responsible behaviour - Adaptation and mitigation actions to climate change - Financial inclusion and financial education
	 8 11	23%	30%	
PENETRATION AMONG CITIZENS OF WELFARE COVER	Percentage of the Italian population with Vita&Salute coverage from the Group.	12%		<ul style="list-style-type: none"> - Development of public-private partnerships - Solutions that promote sustainable
	 3	10%	12%	
FINANCE FOR SDGs	Increase in the amount of thematic investments for SDGs. Investments to support the 2030 Agenda, in accordance with the European criteria for sustainable finance.	862 € million		<ul style="list-style-type: none"> - Far-sightedness in capital management and responsible remuneration - Contribution to sustainable development in different spheres of influence - Solutions that promote sustainable and responsible behaviour - Risk and control culture
	 11	326 € million	600 € million	
RATE OF MONITORING OF POINTS OF CONTACT WITH THE CUSTOMER	Monitoring of the quality of the relationship during the moments of contact with the Group throughout the customer journey. Percentage of customer journey events monitored through the Net Promoter System (NPS).	82%		<ul style="list-style-type: none"> - Relations with the agency network - Data protection and use - Customer leadership - Fairness in the sale of products and services - Development of human capital
	 8	53%	75%	
CO2 EMISSIONS PER EMPLOYEE	Average production of CO2 per employee for all Group companies.	-35%*		<ul style="list-style-type: none"> - Adaptation and mitigation actions to climate change - Risk and control culture - Solutions that promote sustainable and responsible behaviour - Contribution to sustainable development in the various spheres of influence
	 13	4 t CO ₂ eq	-7%	
REPUTATION INDEX	Public perception of the company. Reputation score among the general public, according to the RepTrak® Model.	Unipol: 79.3 Sector: 69.6		<ul style="list-style-type: none"> - Correct and responsible corporate behaviour - Sharing a common corporate culture - Development of human capital - Customer leadership - Relations with the agency network - Risk and control culture
	 11	Unipol 69	> Insurance sector average	

* change attributable to the gradual closure of all operating offices following the deterioration of the Covid-19 health emergency and the resulting reduction of Scope 1 and Scope 2 emissions subject to calculation. This reduction is partially offset by Scope 3 emissions attributable to the work performed by employees at home, as described in the Chapter "Oversight of environmental impacts".

Impact of the 2019-2021 strategies on the country

The Unipol Group has decided to measure the **economic value of its non-financial impacts**, defining a model that starts by identifying the areas in which its strategy generates positive social/economic/environmental impacts and calculates the value generated by such impacts in economic terms. The non-financial impacts were not only measured on an actual basis, but they became subject to the specific objectives of the 2019-2021 Strategic Plan, within the "Shared value and sustainable development" strategic guideline.

Alongside the figure relating to the total economic amount (reference <https://www.unipol.it/it/creare-valore-condiviso>), a composite measurement index has been defined which makes it possible to weight the various activities that generate positive social/economic/environmental impacts, not considering only the resulting monetary dimension but also the relevance in terms of the sustainability of the activities that generated them.

The results for 2020 are presented below (the 2021 results will be available in May 2022).

In relation to investment activities, investment choices in corporate securities aligned with the Guidelines for Responsible Investment Activities¹ (amounting to €18.2bn) led to the creation of environmental, social and governance value for €530m.

In terms of settlement, the value created by the greater speed in settling an MV TPL claim and a General TPL claim by Unipol with respect to civil proceedings has generated resources totalling €35m.

From the relationship with agents, adjusters and suppliers, the direct, indirect and downstream impact of fees, compensation and purchases was €7,914m.

Non-compulsory training, which involved 55% of the roughly 10k Italian employees of the UnipolSai Assicurazioni Group, generated €4.6m in terms of the increase in the capacity to create value, understood as greater productivity for the entire staff, and the increase in the value of human capital, in terms of the greater market value of the professionals trained. The same approach was used to calculate the impact of training for the Network, which reached 25,500 people (79% of the total), generating value of €39m.

On environmental impacts, recourse to electricity generated from renewable sources and the consumption reduction policy allowed lower social costs quantifiable as €1.5m compared to €1.8m in 2019.

From contributions to the community, the direct, indirect and downstream impact was €70.3m, including Covid-19 emergency health contributions.

The study also highlighted how the Group's remuneration policies have resulted in a narrower gender pay gap than the national average, making it possible to create value added from total female salaries of €8.9m.

One year after its conclusion, the outcome of activities envisaged in the 2019-2021 Strategic Plan is in line with the forecast of creating a total economic value distributed to stakeholders of €24bn over the three-year period.

¹ According to the Unipol Group's investment policies, a security is eligible when it is issued by a party (public or private) that respects environmental, social and governance criteria (ESG), defined by using the principles developed by major international bodies (UN Global Compact, UN PRI) as inspiration; securities are evaluated by an independent company specialised in the assignment of ESG ratings and the construction of sustainability indexes. The "UnipolSai and Investments" section provides details about the methodology which was adopted. The analysis quantifies a benefit in economic terms deriving from the costs of negative externalities avoided in the environmental, social and cognitive area; the benefit is generated against the Group's decision to invest in securities issued by a company considered eligible according to the model set forth above, rather than one considered not eligible.

Stakeholder engagement tools and processes

Stakeholder engagement activities are distinguished between those characterised by annual and/or continuous frequency throughout the year and those organised at the time of the development of the 2019-2021 Strategic Plan "Mission: Evolve", aiming to identify the most central topics in non-financial reporting for the three years of the Plan.

LISTENING/ENGAGEMENT

Stakeholders	Channels	Issues
EMPLOYEES	Focus Group	Construction of the materiality matrix
	Focus Group and Surveys	Work-related stress
	Shareholders' meetings and trade union meetings	Regulatory, economic and support conditions
	Surveys	Corporate welfare
	Surveys	Flexible working
	Intranet Community Platform	Training, Services and Utility
	Annual survey based on the Rep Trak® model	Reputation
SHAREHOLDERS	Shareholders' meeting	Performance and trends
	Periodic reporting	Performance and trends
	Website and social media	Performance and trends
CUSTOMERS	Individual interviews and Surveys	Construction of the materiality matrix
	Focus Group with trade associations	Definition of product characteristics
	Periodic Customer Satisfaction Index surveys	Listening and customer satisfaction levels
	Net Promoter Score	Customer experience assessment
	Website and social media	Products and services mix
	Annual survey based on the Rep Trak® model	Reputation
AGENTS	Meetings with the Agent Group chairmen	Strategic objectives and improvement of decision-making processes Product development Business initiatives Construction of the materiality matrix
	Operations work groups	
	Technical Committees	
	Agent Groups	
	Focus Group	Results and Objectives Action Plan Business reliability Satisfaction and loyalty Reputation
	Business Roadshow	
	Annual survey based on the Rep Trak® model	
SUPPLIERS AND BUSINESS PARTNERS	Individual interviews	Construction of the materiality matrix
	Partnerships	Research and Innovation
	Suppliers portal	Management, Selection, Periodic Assessment and Monitoring
COMMUNITY	Individual interviews with NGOs	Construction of the materiality matrix
	Interviews with interest protection associations	Construction of the materiality matrix
	Partnerships with universities	Recruitment, Research and Innovation
	Annual survey based on the Rep Trak® model	Reputation
	Surveys with Local Member Organisations	Construction of the materiality matrix
FINANCIAL COMMUNITY	Meetings with Investors	Strategy and Performance
	Questionnaires to SRI rating agencies	Sustainability Strategy and Performance
	Meetings with sector associations	Sector issues
	Annual survey based on the Rep Trak® model	Reputation
INSTITUTIONS	"ORA- Open Road Alliance" Project	Participatory project on sustainable mobility
	2020-22 Culturability project	Call for proposals for regenerated cultural centres
	"Welfare, Italia" project	Advocacy on White Economy opportunities
	Issue-specific meetings with the legislator and regulators	Legislation and Regulations
	Annual survey based on the Rep Trak® model	Reputation

Key: ■ Inclusion ■ Listening

The material topics

The Unipol Group initiates the **materiality analysis** process every three years in conjunction with preparation of the **Strategic Plan** to highlight the corporate governance, social and environmental issues relevant to understanding how the Group operates and the main impacts it generates; the results are summarised in a matrix.

The topics positioned in the upper right quadrant represent fundamental work areas through which the Group intends to contribute to reaching the three Sustainable Development Goals identified by the 2019-2021 Strategic Plan, and will be discussed at length in the Sustainability Report.

The starting point for the analysis is the identification of **sustainability topics significant to the sector and the company**, which is carried out starting from the macro-trends identified by the **Reputational & Emerging Risk Observatory**.

The relevance of topics to the company was verified by considering the business model, the strategy and main risks, and the impacts of the company's activities. In order to assess this area, documentary sources were used, such as the Strategic Plan and the study produced by The European House – Ambrosetti on the non-financial impacts generated by the Group. In addition, the Managers of the Key Functions and the Top Management were consulted. The results were validated by the Chief Executive Officer and Group CEO.

Stakeholder relevance was assessed through a stakeholder listening process aimed at understanding stakeholders' interests and expectations, involving corporate and retail customers, employees and agents, representatives of the organisations that make up the Unipol Regional Councils, suppliers and opinion leaders. The elements deriving from the direct listening were supplemented with the analysis and assessment of contributions from the European Commission, EIOPA and other authoritative sector and cross-sector bodies, important to identifying the main sector issues and priorities emerging from public policies and regulatory stimuli. Lastly, the materiality matrix was **approved by the Board of Directors**.

With particular reference to the **"Measures for adapting to and mitigating climate change"** material topic, in order to define the areas of impact for which reports are necessary, the Group took as reference points both the TCFD Recommendations and the European Commission Guidelines on reporting climate-related information, which explain the expectations of stakeholders with regard to the insurance sector. For this reason, the Sustainability Report contains a summary of both financial and environmental/social aspects ("**dual materiality**").

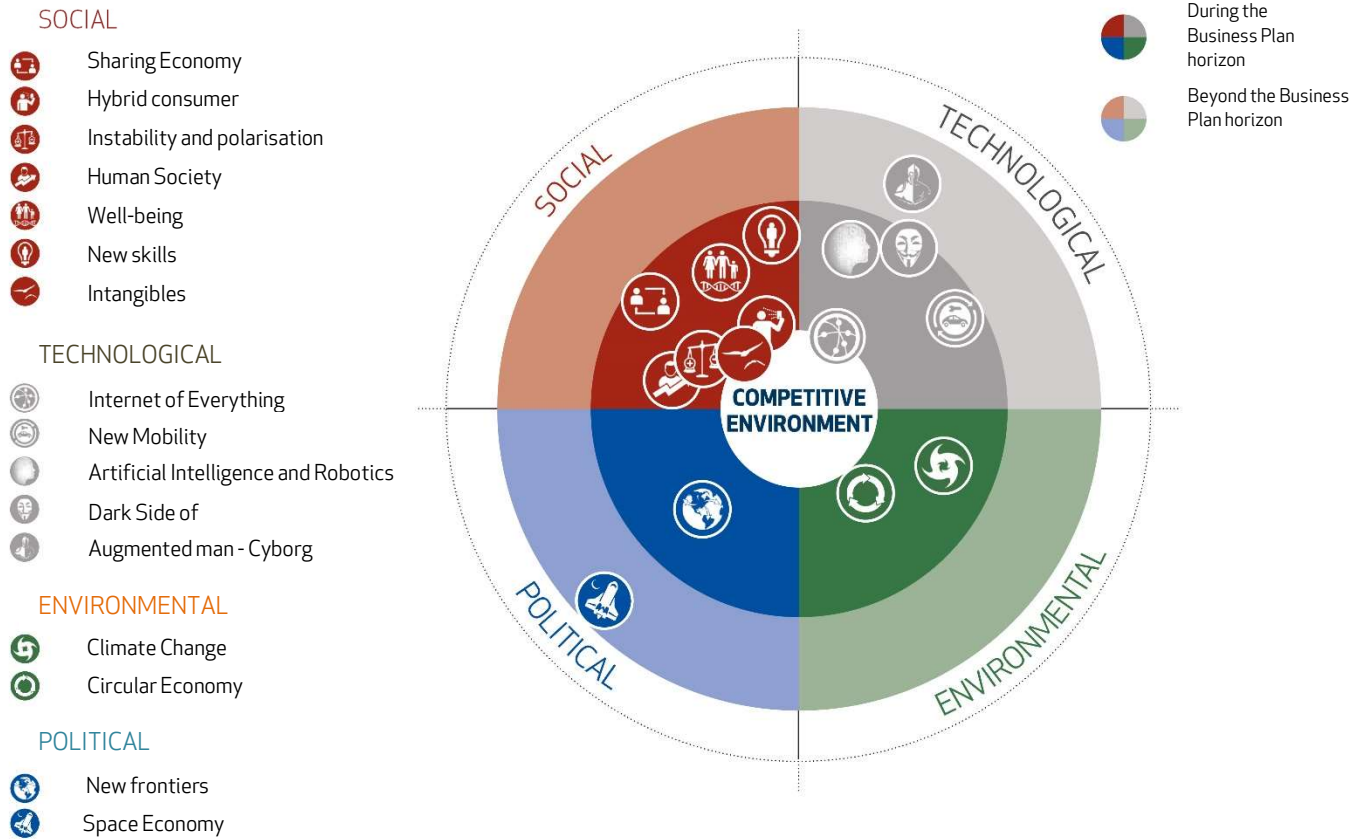
With respect to the effects of the pandemic on the material topics, this report provides information on how the impacts are being reflected in various ESG performances and how the triggering of a crisis of extraordinary magnitude is severely affecting households, businesses and society as a whole.

In addition to listening in order to update the materiality analysis, the Group carries out direct stakeholder engagement actions through continuous and structured listening and reporting activities in order to understand and effectively respond to the requests of customers, employees, agents, business partners, investors, institutions and the civil community.

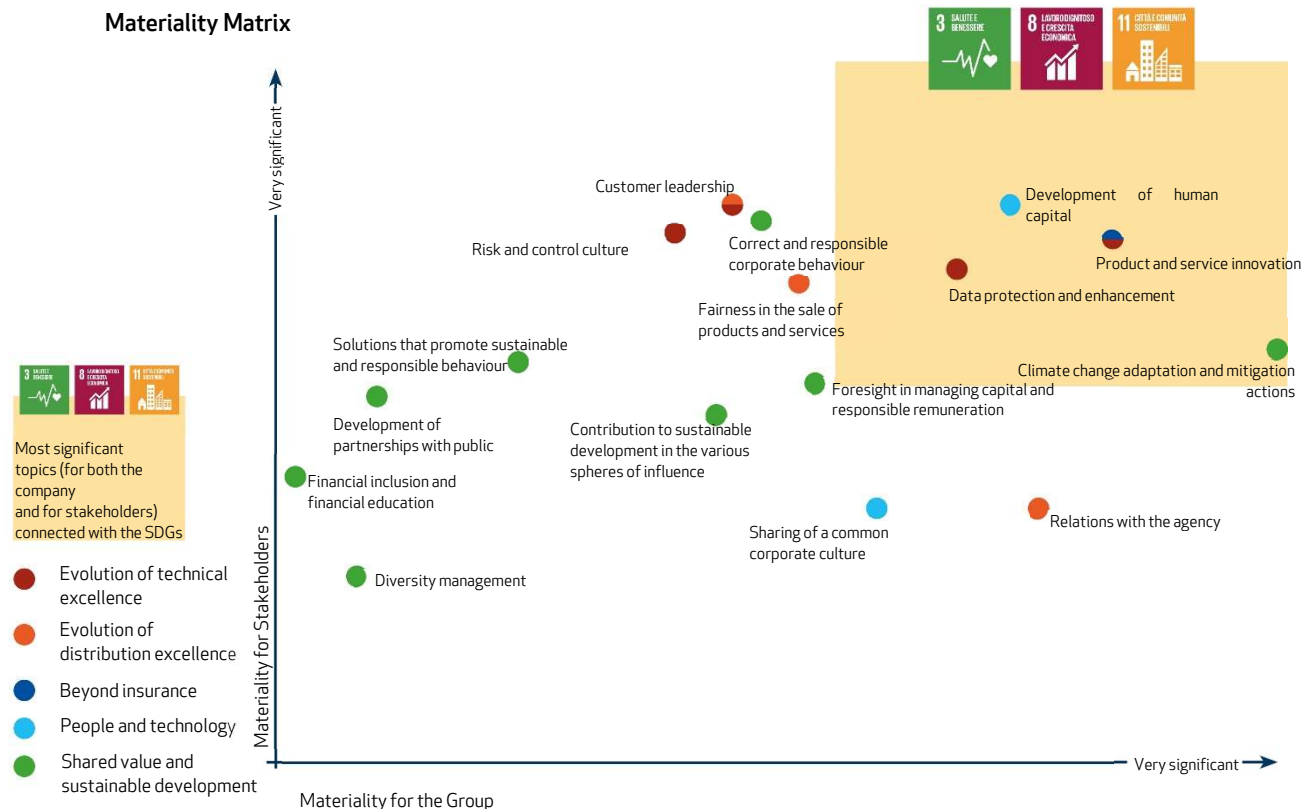


Please refer to the "Stakeholder Engagement and Management" section of the Unipol Group website for a detailed description of the stakeholder engagement activities and the definition of material topics.

CONNECTION BETWEEN MATERIAL TOPICS, MACRO TRENDS AND SDGs

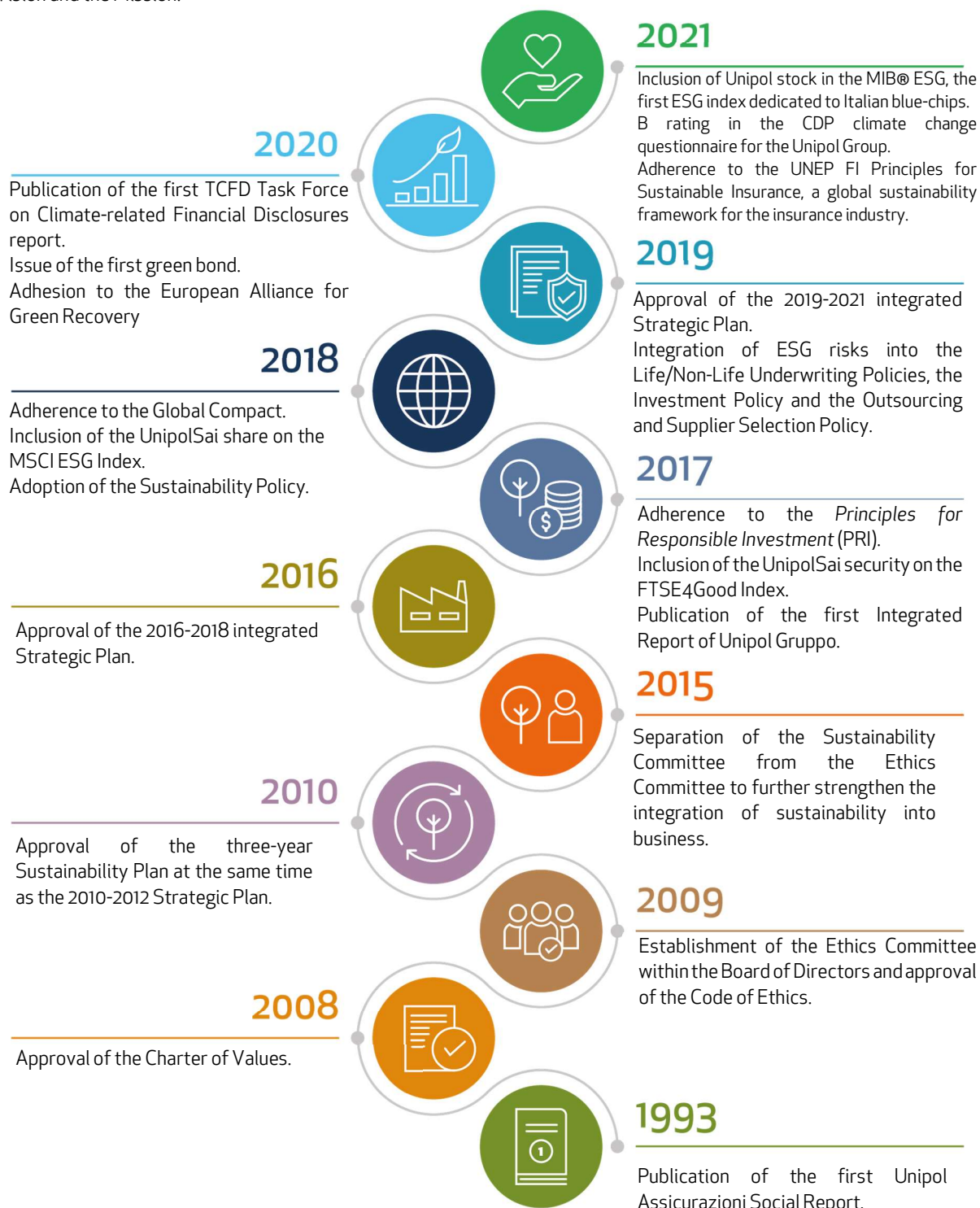


Materiality Matrix



Our Sustainability Process

2021 sees the addition of a stage to the long process, launched in 1993, which includes actions, tools and commitments that have defined the Group's Sustainability model over time. All the areas of intervention of the Sustainability strategy are based on the Vision and the Mission.



Managing reputation

The trust built over time by the Unipol Group is considered a fundamental asset to continue to successfully evolve within an insurance business in which trust constitutes the foundation of development possibilities.

Unipol launched its Reputation Management programme in 2014, gradually structuring its internal oversights until the formalisation of an **integrated governance model**, which clearly identifies the processes to implement and the parties involved, with the objective of ensuring even more effective management of the Group's reputation and of reputational risk.

The proactive management of reputational risk is centred on the prompt reporting of risk indices connected with values and the *core business* of the company which may be featured in the media, including social networks, or within the context of everyday operations.

In particular, two dedicated bodies have been established:

- The **Reputation Network**, consisting of managers of the corporate areas overseeing Group relationships with all internal and external stakeholders, which has the task of guaranteeing the proactive management of reputation and reputational risk, contributing to developing the reputational culture within the Group, and reputational index accountability, included within the company's incentive system;
- the **Reputation Management Operating Team**, composed of the "Media Relations, Corporate Reputation and Digital PR" and "Emerging and Reputational Risk" functions, which coordinates the Reputation Management activities of the Unipol Group (including as regards the impact of ESG factors on reputation).

As a result of this structured approach, the reputational index of the Unipol Group with public opinion in Italy, measured according to The RepTrak Company's **RepTrak®** analysis model, grew in 2021 to 79.3² (+5.7 points over 2020³) on a 100-point scale. This value falls within a "strong" reputational segment.

In the annual survey carried out in September 2021, reputational scores among employees (89.5/100 points), agents (90.8/100 points) and customers (84.8/100 points) remained stable in the excellent range.



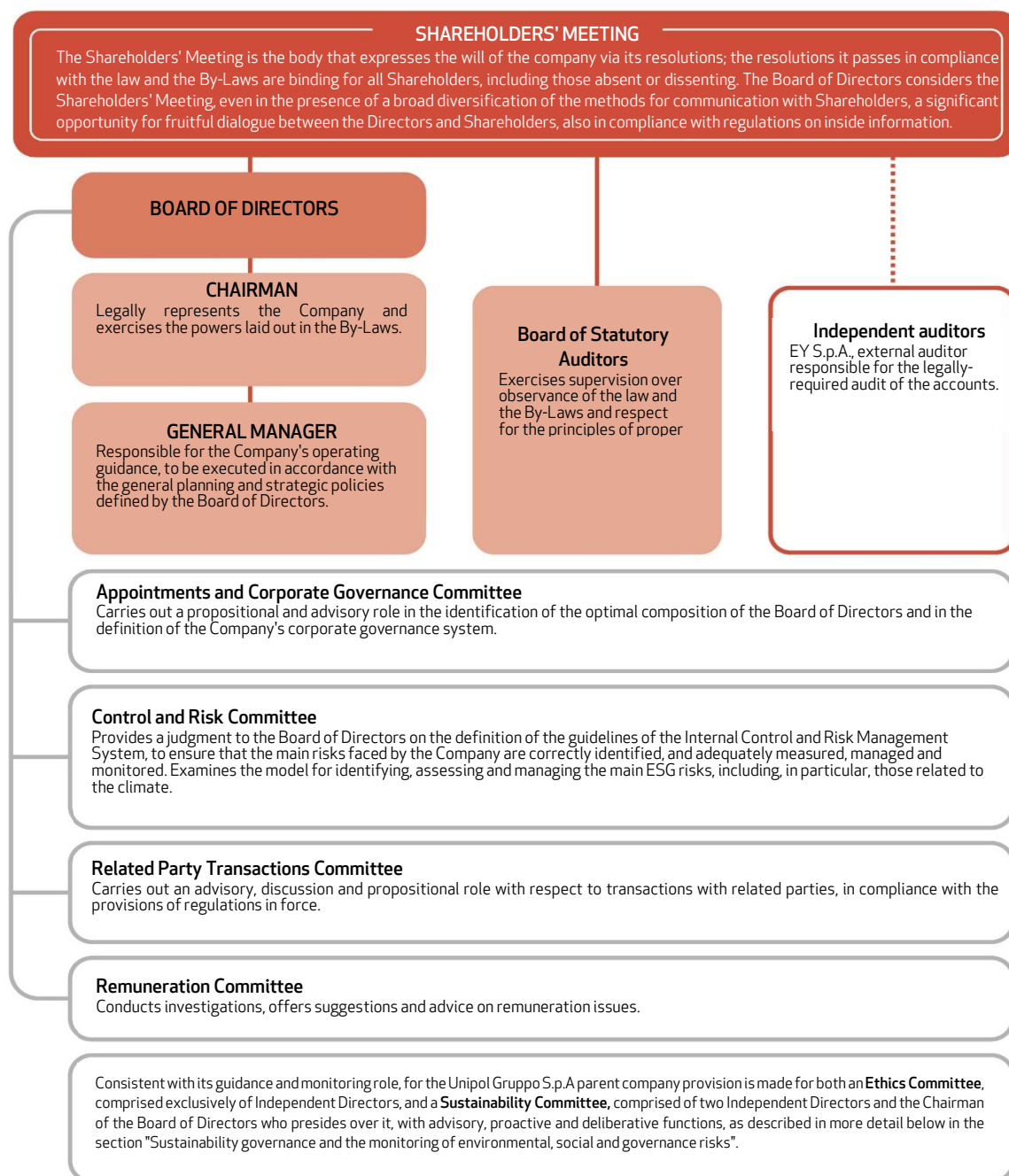
For a detailed analysis that illustrates the strategic and proactive approach to emerging and reputational risks, see the section "Reputational & Emerging Risk Observatory" and "Reputation Management" on the [unipol.it](https://www.unipol.it) website.

² Average of the 12 monthly surveys conducted with the General Public

³ As of January 2021, the RepTrak algorithm has updated the Cultural Weight factor to take social changes following the pandemic into account, which are different for each country. In Italy, the application of the algorithm resulted in an incremental delta of 4.0 - 5.0 reputation points across all monitored companies.

GOVERNANCE

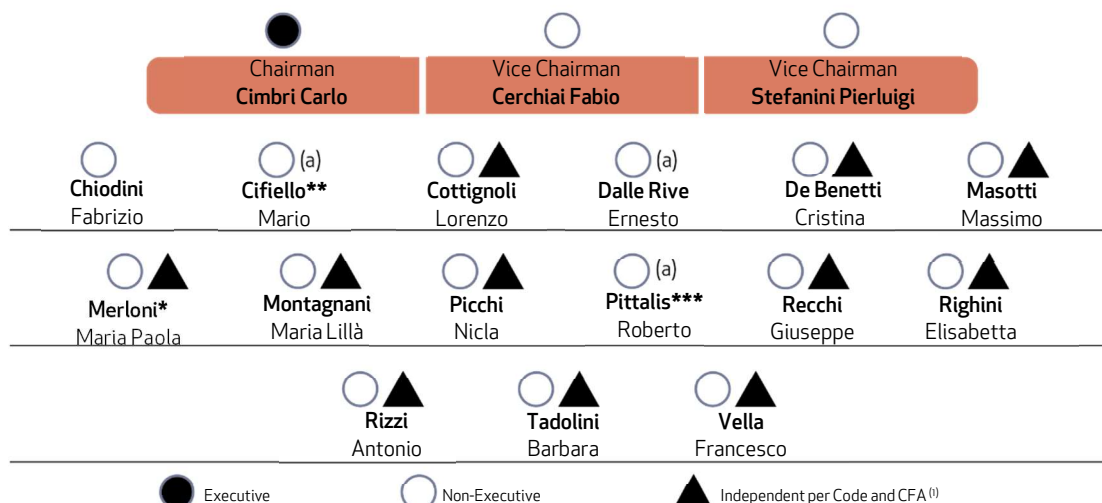
The Corporate Governance system



BOARD OF DIRECTORS

The Board of Directors is vested with the broadest powers for the ordinary and extraordinary administration of the Company. It is therefore entitled to carry out all acts, including disposals, it deems appropriate for achieving the corporate purpose, excluding only those which are reserved by law to the Shareholders' Meeting.

BREAKDOWN OF THE BOARD OF DIRECTORS APPOINTED BY THE SHAREHOLDERS' MEETING ON 17 APRIL 2019



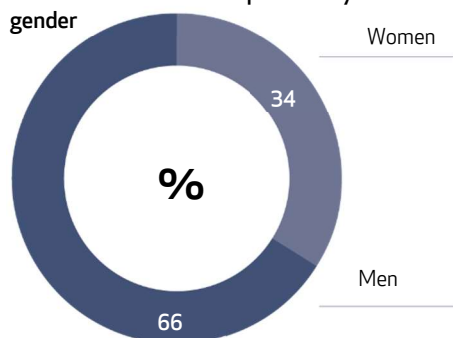
(*) Appointed by the Shareholders' Meeting of 28 April 2021

(**) Appointed by the Shareholders' Meeting of 29 April 2020

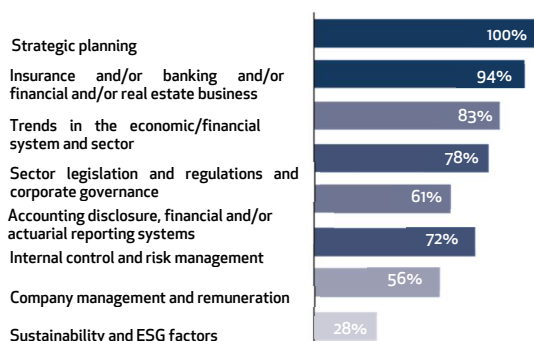
(1) Indicates whether the Director has been classified by the Board of Directors as independent in accordance with the criteria laid out by the Corporate Governance Code and at the same time meets the requirements established by Art. 148, paragraph 3 of the Consolidated Finance Act.

(a) Directors excluded, with reference to the year 2019, from the group of Independent Directors since they hold roles within the corporate bodies of the direct parent Unipol Gruppo S.p.A. pursuant to Art. 16 of the CONSOB Markets Regulation.

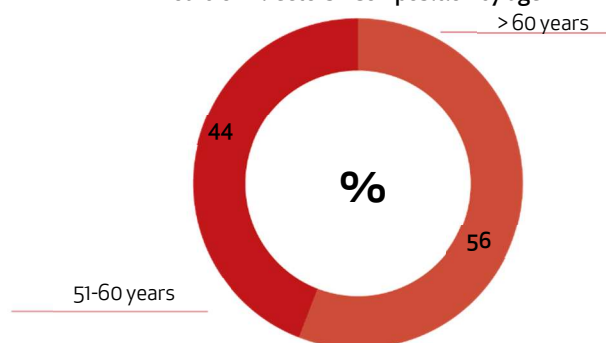
Board of Directors - Composition by gender



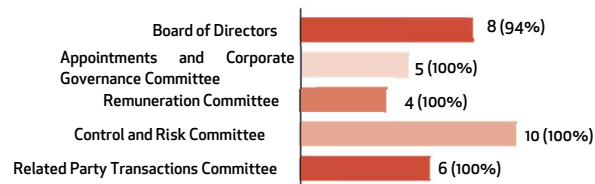
Skills



Board of Directors - Composition by age



Number of meetings and attendance rate



For detailed information, please refer to the Report on Corporate Governance and Ownership Structures, available in the "Governance" section on the UnipolSai website

Diversity policy of the Management and Control Bodies

At its meeting on 18 March 2021, the Board of Directors – with the assistance of the Appointments and Corporate Governance Committee – updated the Diversity Policy with regard to the composition of the Board of Directors and the Board of Statutory Auditors of Unipol Gruppo S.p.A.

This Policy was drawn up with the priority objective of providing guidelines on the criteria for optimal composition of the company's governing bodies, functional to the most effective performance of tasks and responsibilities entrusted to them by regulatory provisions, including self-governance, and by the By-Laws, taking into account the complexity and specific features of the sector in which Unipol and the Group operate, of the company's role as parent company of the Unipol Insurance Group, of the experience gained by the administrative body with regard to its activities and operating procedures, including with regard to the Internal Board Committees, and the results of the self-assessment processes.



For further information on the Diversity Policy, please refer to the "Governance" section of the UnipolSai.com website

Updating and training of Directors

Directors and Statutory Auditors regularly participate in initiatives promoted by the company aimed at acquiring adequate knowledge of the business sector in which the company operates, of corporate dynamics and their evolution, as well as of the reference regulatory framework, including with a view to the sustainable success of the company itself, and of the principles of correct risk management and of the regulatory and self-governance framework.

To this end, and also pursuant to IVASS Regulation 38 and the Code, specific in-depth studies were carried out during the year on certain matters, particularly concerning real estate operations, sustainability and the pursuit of sustainable success with a view to the evolution of the company and the Group.

Specifically, on the basis of presentations made by the company's Top Management responsible for such matters, the topics of relevance to the generation of value in the medium-long term were discussed, describing the context in which the company and the Group operate, the regulations that impact the insurance sector and the approach of the main sector operators, reflecting in particular on the path taken by the Unipol Group in this area and examining in depth the issues of greatest interest to the corporate bodies.



For more details on the skills declared by individual directors at a distinctive level, see the Corporate Governance and Share Ownership Report in the "Governance" section of the UnipolSai.com website

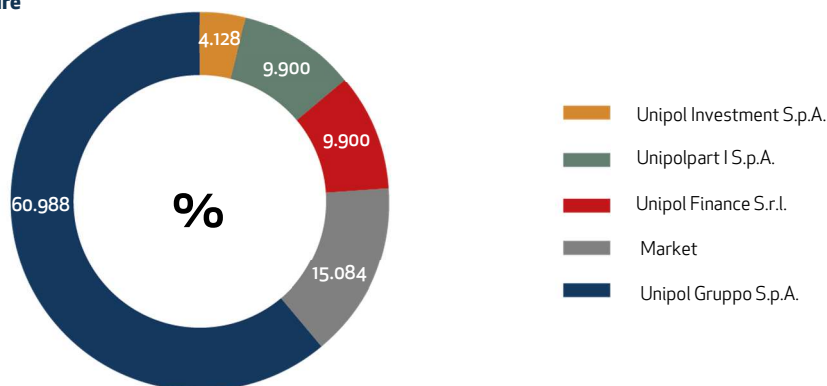
Relations with Shareholders

UnipolSai Assicurazioni is controlled by Unipol Gruppo, pursuant to Art. 2359, paragraph 1 of the Italian Civil Code, and is part of the Unipol Insurance Group.

The share capital of UnipolSai Assicurazioni is €2,031.5m divided into 2,829,717,372 ordinary shares.

The ownership structure at 31 December 2021 was as follows (direct and/or indirect holders of more than 3% of the ordinary share capital):

Shareholding structure



UnipolSai has relied for some time now on a Regulation for the orderly and functional running of Ordinary and Extraordinary Shareholders' Meetings.

The Group's capital management strategies and objectives are outlined in the "Capital Management and Dividend Distribution Policy", which describes the reference context and the capital management and dividend distribution process, including in terms of the roles and responsibilities of the stakeholders involved; the document also identifies the guidelines for managing capital and distributing dividends or other elements of own funds in line with the return on capital objectives and with the propensity to risk defined by the Board of Directors.

The financial statements as at 31 December 2021 of UnipolSai, drawn up in accordance with Italian GAAP, posted a profit of €648.1m. UnipolSai's Board of Directors proposes that the Ordinary Shareholders' Meeting allocate as dividends €0.19 per Ordinary Share, for a total amount, taking into account the treasury shares held, of €537.3m.

In order to encourage its shareholders to invest in the company in the medium-long term, UnipolSai has introduced enhanced voting rights pursuant to Article 127-quinquies of the Consolidated Law on Finance. The purpose of this introduction is to encourage a medium- to long-term approach to investing on the part of shareholders, favouring the presence of stable investors as a prerequisite for a lasting increase in the value of the company's shares and to enable the company to sustain profitable growth capable of ensuring sustainable profitability over time. The company's By-Laws establish that two votes are attributed for each share held by a shareholder who has requested to be included in a Special List – kept and updated by the company – and who has maintained it for a continuous period of not less than 24 months from the date of inclusion in that list.

Interested shareholders may submit, exclusively through their intermediary, an application for inclusion in the Special List using the format published on the company's website.

The terms and procedures for registration, maintenance and updating of the Special List, in compliance with applicable regulations, the By-Laws and market practices, are specified in the "Regulations on Increased Voting", also published on the company's website.

There are no categories of shares with special asset rights, as the share capital consists only of ordinary shares. Ownership of shares confers the right to attend and vote at ordinary and extraordinary Shareholders' meetings.



For further details on the Articles of Association and the Increased Vote, see the "Governance" and "Investors" sections of the UnipolSai.com website, respectively

Relations with investors and analysts

The Group's Investor Relations provides the market with adequate and accurate communication of the economic and financial data concerning the company, in full compliance with the provisions of the relevant regulations in force, to improve the visibility and attractiveness of the Group with respect to investors, ensure equal and continuous dissemination of information and facilitate a correct assessment of the outstanding financial instruments.

During 2021, 108 meetings were held with institutional investors (up from 2020); investor relations were always conducted via conference calls and/or videoconferencing platforms.

The organisation of meetings via virtual platforms increased the number of international conferences in which the Group participated to 18. Financial analysts continue to express positive opinions on the UnipolSai share, with 6 neutral recommendations and 4 positive.



For detailed information, refer to the Governance – Shareholders' Meeting section on the [unipolsai.com](https://www.unipolsai.com) website

The shares of Group companies are present in numerous series of SRI indexes, including **FTSE4Good, STOXX, Standard Ethics and ECPI**.

For example, some of the main SRI indices in which the Group is listed are indicated below.

With the support of Moody's ESG solutions, in October 2021 Euronext launched **the Mib ESG sustainable index, of which Unipol Assicurazioni is a member**. This index represents the top 40 listed companies from an environmental, social and governance perspective.

Series of SRI indices in which the UnipolSai Assicurazioni share is present (ISIN IT0004827447)	
ECPI	<ul style="list-style-type: none"> • ECPI World ESG Equity • ECPI Global Developed ESG Best in Class • ECPI Global Developed ESG High Yield Corporate Bond
S&P	<ul style="list-style-type: none"> • S&P Developed LargeMidCap Carbon Efficient Index • S&P International Environmental & Socially Responsible Exclusion Index
FTSERussell	<ul style="list-style-type: none"> • FTSE4Good
Standard Ethics Italian Index	<ul style="list-style-type: none"> • SE Italian Index • SE European Best in Class Index
SOLACTIVE ISS	<ul style="list-style-type: none"> • Solactive ISS ESG Global High Dividend Low Volatility Index
STOXX	<ul style="list-style-type: none"> • EURO STOXX Total Market Mid ESG-X • EURO STOXX Total Market Climate Transition Benchmark • EURO STOXX Total Market ESG-X • EURO STOXX Total Market Paris-Aligned Benchmark • EURO iSTOXX Ambition Climat PAB • STOXX Developed Markets Total Market Mid ESG-X

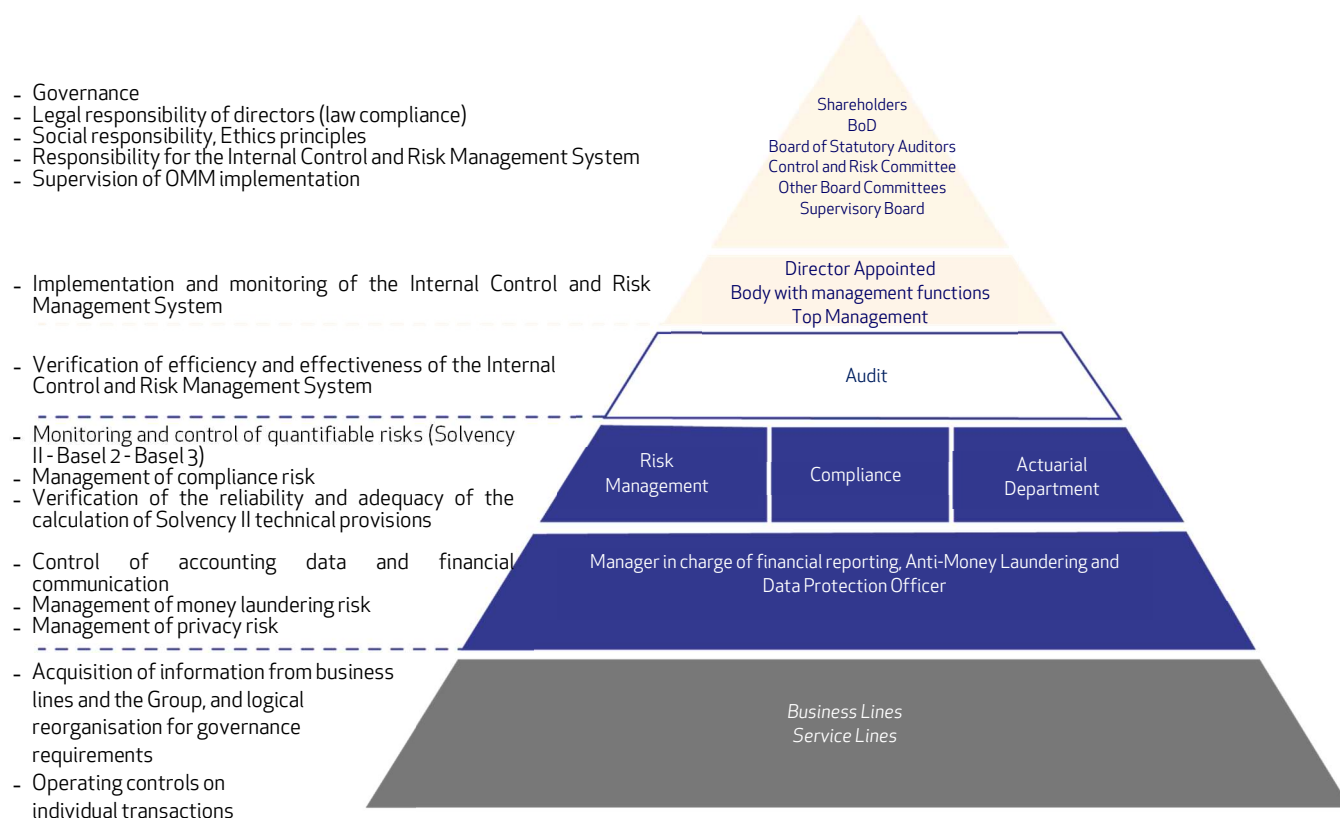
The main ESG ratings of UnipolSai Assicurazioni are shown below.

ESG rating of UnipolSai Assicurazioni	
Company	Rating
ECPI (MIN F; MAX EEE)	EE+
FTSE Russell (MIN 0; MAX 5)	3.8
Standard Ethics (MIN F; MAX EEE)	EE+
MSCI (MIN 1/CCC; MAX 10/AAA)	5.7 / A
Sustainalytics (MIN 0; MAX 40+)	27.8
S&P (MIN 0; MAX 100)	57
ISS – Oekom (MIN 0/D-; MAX 100/A+)	C/Prime (51.95)
CDP (MIN D-; MAX A)	B
MOODYS (MIN 0; MAX 100)	58

The Internal Control and Risk Management System

The Internal Control and Risk Management System (the "System"), a key element of the overall corporate governance system, is composed of a set of rules, procedures and organisational structures that aim to effectively and efficiently identify, measure, manage and monitor the main risks, with a view to contributing to the sustainable success of the Group.⁴

The following diagram provides a simplified view of the Group's *Risk and Control Governance Model*.



For a detailed description of the Internal Control and Risk Management System, please refer to the "Annual Report on Corporate Governance and Ownership Structures for 2021", available in the "Governance" section of [UnipolSai.com](https://www.unipolsai.com)

The Risk Management System adopted by the Group is inspired by an Enterprise Risk Management logic (ERM Framework). This means it is based on the consideration, with an integrated approach, of all the current and prospective risks the Group is exposed to, assessing the impact these risks may have on the achievement of the strategic objectives. Based on these principles, and to pursue to assigned objectives, the Risk Management System relies on a key element: the Risk Appetite.

The Risk Management Policy outlines the risk management strategies and objectives of the Group and companies within its scope, identifying the roles and responsibilities of the corporate bodies and structures involved in the process. Through the model outlined by this policy, and by the specific risk management policies, the Group defines suitable guidelines for the direction of activities which are aimed at identifying, assessing, monitoring and mitigating the risks to which the Group is exposed on an ongoing basis, also following its own strategic choices, as well as in order to take into account the various fields of activity and the different applicable regulations, changes in the nature and size of the business and in the market context, the emergence of new risks or the changes in existing risks.

The corporate bodies and Top Management of the Group companies are committed to promoting the dissemination of a control culture, to enable the active contribution of the entire organisation to implementing the Internal Control and Risk Management

⁴ The guidelines for defining the Internal Control and Risk Management System of the Unipol Group are contained in the "Directives on the Group corporate governance system", approved by the Unipol Board of Directors as well as other Group companies in scope, and periodically updated.

System. In order to strengthen the awareness of all corporate structures in this regard, more than 6,000 Group employees were involved in training courses on risk management (by video-conference and e-learning) in 2021.

Sustainability governance and monitoring of environmental, social and corporate governance risks

The control of ESG (Environmental, Social, Governance) risks is ensured by the System described above, with first-level controls performed by the operating structures or as part of back office activities to ensure the correct execution of transactions, added to which are second-level controls of risks and compliance performed, among others, by the Compliance and Anti-Money Laundering, Risk Management and Actuarial functions, and third-level controls performed by Audit, each for their own area of responsibility. In general, as established in the **Sustainability Policy**, the Unipol Board of Directors, also in the exercise of its management and coordination activities within the Group, is responsible for defining the model for identifying, assessing and managing the main ESG risks, with the support of the Sustainability Committee and review by the Control and Risk Committee and the Group Risk Committee⁵.

The Policy outlines the commitments made by the Group to improve its sustainability performance and to manage and mitigate the ESG risks to which it is exposed, consistent with the Group's overall risk management system, as well as the roles and responsibilities of the corporate structures involved in the ESG risk management process.

ESG risk management is the result of a complex process using different tools to identify and assess the risks incurred⁶ and the risks generated⁷ by the Group, related to environmental, social and governance dimensions.

These risks are fully integrated into the **ERM framework** and included in the taxonomy of risks common to the whole Group, defined by the **Risk Management Policy**. On this basis, the seven most important ESG risk areas were identified: climate change, the increase in social polarisation, socio-demographic change, technological development of the company (risks incurred), the violation of human and workers' rights, environmental damage and negative impacts on the environment and conduct in violation of business integrity (risks generated).

Specifically:

- the risks incurred are identified by focusing on emerging risks on environmental, social and governance aspects, through the **Reputational & Emerging Risk Observatory**⁸;
- to strengthen its capacity to systematically monitor and manage the risks generated, in 2021 the Group established its own **due diligence approach**. Taking as reference the "OECD Due Diligence Guidance for responsible business conduct" and the "OECD Guidelines for Multinational Enterprises" (also referred to in Art.18 of Regulation (EU) 2020/852 - the Taxonomy Regulation), Unipol has outlined a due diligence planning model, adopting a risk-based approach, starting with the areas identified in the Guidelines and associating the main ESG risks identified for the Group, the business processes involved and the strategic and regulatory controls in place at Group level.

ESG risks are also included in the Group's Risk Appetite Statement. For the ESG risks incurred, the Risk Appetite Statement refers to the framework for assessing and monitoring the emerging risks outlined above. The ESG risks generated are instead **monitored** through a **dashboard** dedicated to KRIs (Key Risk Indicators), to assess the degree of risk associated with each of the three areas: environmental, social and governance. In particular, the KRIs monitored cover the various risks identified in relation to each area through both monitoring and listening indicators, integrating an internal ("Inside-Out") and external ("Outside-In") view. At least once a year, the Unipol Group Board of Directors is informed of the results of this monitoring.

Increasingly driven by regulatory demands, climate change-related risks are given particular attention. The Unipol Group is continuing to implement **scenario analyses aimed at measuring the impact of physical and transition risks**. More specifically, with regard to physical risks and transition risks, specific stresses are assessed within the stress testing framework designed and disclosed in the ORSA Report.

The analysis of the impact of climate change on physical hazards in the ORSA Report consists of three levels: near-term, mid-term and long-term analyses for the most relevant acute physical perils (flood and convective storms), as well as long-term analyses for chronic perils (sea level rise) and acute perils that are currently considered secondary (forest fires, droughts). Conducted by cross-referencing the portfolio's current exposures with the climate projections of the IPCC's RCP scenarios, the analyses show an increase in risk and expected losses in an environment characterised by significant uncertainties. The near-term (2030) analysis for

⁵ Composed of the Chief Executive Officer and Group CEO, Insurance Group General Manager, Group General Manager, Business Development and Corporate Communication General Manager, Administration Controlling and Operations General Manager, Insurance Business Deputy General Manager, Chief Investment Officer, Chief Risk Officer, Chief Regulation and Economic Studies Officer, Chief Strategic Planning and Organisation Officer.

⁶ Events that represent a risk for the Group, which has no levers to influence their occurrence but can only act to guard against them, preventing or mitigating their consequences, or to turn them into opportunities.

⁷ Events whose triggers are directly related to the Group's operations, in respect of which the Group has levers to prevent their occurrence or mitigate their consequences should they occur.

⁸ Emerging risks are monitored through the "Reputational & Emerging Risk Observatory", set up by the Chief Risk Officer of the Parent Company in order to manage emerging risks with a holistic and anticipatory approach. This Observatory provides the Group with a structured way of listening to signals of change in the various dimensions of the external environment (social, technological, environmental, political and competitive context), in order to anticipate emerging trends and prepare today for the risks and opportunities of tomorrow.

the RCP 8.5 scenario, which was also conducted through the high spatial resolution models recently released by RMS Italy Flood and Italy SCS, was then used to quantify the loss of own funds within the dedicated stress test.

In relation to the assessment of the impact of climate change on transition risks, the Group quantifies the losses in value of financial investments, with reference to the various asset classes (bonds, shares, funds, etc.), resulting from the shocks, segmented by business sector (NACE), calibrated on the basis of the scenarios outlined by the Network for Greening the Financial System (NGFS).



For more details on climate scenario analyses, please refer to the "Unipol and climate change - Reporting on climate-related information" Report published in the "Sustainability" section of the Unipol Group website.

Ever since the topic "**Nature and Biodiversity**" was introduced to the Reputational & Emerging Risk Observatory as one "to watch" in 2020, the Group has been working on defining a framework for managing the risk of biodiversity loss with the aim of mapping natural risks and their inclusion in the various risk categories that make up the Group's ERM framework.



For more details on climate risk governance and the identification, assessment and evaluation of climate-related risks and opportunities, please refer to the "Unipol and climate change - Reporting on climate-related information" Report published in the "Sustainability" section of the Unipol Group website. The report contains a specific analysis of the risks associated with biodiversity loss and a presentation of the Unipol Group's projects to protect and restore biodiversity.

In 2021, the Group further consolidated the process of integrating ESG risks into the corporate policy system and developed procedures and tools to concretely implement the monitoring commitments undertaken.

For application of the Policies (particularly those relating to underwriting and investments) the Group defined processes envisaging the involvement the **Group Risk Committee** to adopt decisions on the management of ESG risks of particular significance (for their potential impact and the extent of potential transactions in which they emerge). The main progress in 2021 is described below.

As part of the systematisation of its due diligence approach, UnipolSai has defined a method for prioritising the most significant risk areas. This led to scheduling the subsequent in-depth analysis and assessment of the various areas according to a risk-based approach.

With this in mind, the activities in 2022 will focus on the "Human Rights" area, which is fundamental due to the relevance of the issues considered, the plurality of spheres of influence involved and the number of business processes involved. The Human Rights assessment will cover both the Group's direct activities and its main commercial relationships, starting with the supply chain.



The commitments contained in the policies for monitoring ESG risks in the various business areas, the controls supporting their application and the results obtained in the reporting year are contained in the chapters devoted to the specific areas of activity themselves (and, specifically, as regards **Underwriting Policies - Non-Life and Life Business**, in the chapter "UnipolSai and protection - Customers"; with regard to the **Investment Policy**, in the chapter "UnipolSai and Investments"; with regard to the **Policy on outsourcing and supplier selection**, in the chapter "UnipolSai in Society- Suppliers".



For details on the Policies referred to above, please refer to the "Sustainability" section of the Unipol Group's website.

As it does every year, the ESG Risk Inter-functional Panel⁹ verified and updated the map of these risks and related controls, summarised in the following table. To facilitate reading, the risks suffered and the risks generated are highlighted differently on the map. On the basis of a relevance assessment, it indicates the risks associated with the Group's core business.

⁹ Body composed of the Audit, Compliance and Anti-Money Laundering, Chief Risk Officer and Sustainability Departments, with the objective of identifying potential risks of a social, environmental and governance nature to which the Group is exposed, to map the oversights intended to manage such risks and to suggest possible improvement measures.

Risk areas connected with ESG factors	Risk	Topic identified by the materiality matrix	Main existing regulatory and strategic oversights
Climate change and biodiversity loss - Physical risks 	Increased technical and credit risk due to an increase in the frequency and seriousness of claims connected with the consequences of climate change (acute and chronic physical risks) and biodiversity loss, including pandemic events <i>Time frame: medium-term</i> ¹⁰	Climate change adaptation and mitigation actions Solutions that encourage socially responsible and sustainable behaviour	<ul style="list-style-type: none"> Sustainability Policy Risk Management Policy Reinsurance and Other Risk Mitigation Techniques Policy Operational Risk Management Policy Business Continuity Policy Business Continuity Plan Guidelines for the management of credit risk assumption activities Underwriting Policy – Life and Non-Life Businesses Reservation Policy – Life and Non-Life Businesses <ul style="list-style-type: none"> 2019–2021 Strategic Plan, "Development of Technical Excellence" and "Shared Value and Sustainable Development" Guidelines
	Non-insurability of climate-related risks due to poor resilience of society <i>Time frame: medium-term</i>	Climate change adaptation and mitigation actions	
	Damage to Group property and assets and business continuity risk for Group sites and agencies / Damage relating to interruption of the supply chain (operational risk) <i>Time frame: medium-term</i>	Climate change adaptation and mitigation actions	
Climate change and biodiversity loss - Transition risks 	Decrease in the value of the investment portfolio relating to companies not meeting expectations with regard to the path of transition towards a sustainable low CO ₂ emission economy (financial risk) <i>Time frame: medium-term</i>	Climate change adaptation and mitigation actions	<ul style="list-style-type: none"> Sustainability Policy Risk Management Policy Investment policy - Guidelines for responsible investment activities Underwriting Policy – Life and Non-Life Businesses Integrated Reputation Management System Policy for managing dialogue with general investors <ul style="list-style-type: none"> 2019-2021 Strategic Plan, "Shared Value and Sustainable Development" Guideline
	Negative impact on the Group's reputation due to the underwriting of insurance contracts and investment in companies whose process of transition towards a low CO ₂ emission economy is deemed insufficient by stakeholders (reputational risk) <i>Time frame: short-term</i>	Contribution to sustainable development in the various spheres of influence (investments, customers, suppliers)	
Technological evolution of society	Increased vulnerability of IT systems to outside attacks	Data protection and use	<ul style="list-style-type: none"> Sustainability Policy Risk Management Policy Operational Risk Management Policy Guidelines on cyber risk assessment and security methodology Business Continuity Policy Business Continuity Plan Information Security Policy Policy on the protection and use of personal data Organisational, Management and Control Model Charter for equal opportunities and equality at work Charter of Values and Code of Ethics Diversity Policy Policy on eligibility for office <ul style="list-style-type: none"> Information and Communication Technology Strategic Plan 2019 - 2021 (ICT Strategic Plan) 2019-2021 Strategic Plan, "People and Technology" area
	Decline in employment in specific roles and skills mismatches	Development of human capital Relations with the agency network	
Socio-demographic change	Impacts of the ageing population on the sustainability of the risk assumed in the welfare and pension areas and offer adequacy	Financial inclusion and financial education Product and service innovation Solutions that encourage socially responsible and sustainable behaviour	<ul style="list-style-type: none"> Sustainability Policy Risk Management Policy Underwriting Policy – Life and Non-Life Businesses Reservation Policy – Life and Non-Life Businesses 2019-2021 Strategic Plan, "Beyond Insurance" (particularly the Welfare Ecosystem) and "Shared value and sustainable development" areas
Increased social polarisation	Reduction of insurability for the most vulnerable segments of our society	Financial inclusion and financial education Product and service innovation	

Key:

 Risks incurred
 Risks generated
Aaaaa Regulatory oversight
Bbbbb Strategic oversight
¹⁰ With regard to the time frame of climate change-related risks:

- Short-term corresponds to the time frame of the strategic plan and therefore of the operational and financial planning;
- Medium-term corresponds to time frame of the Unipol Group's Reputational and Emerging Risk Observatory, that of identifying external risks and opportunities that might have an impact on the business model and company strategy;
- Long-term corresponds to the period up to 2050, which is one of the main tipping points outlined in the IPCC special reports and a key target of Europe's climate ambitions ("A clean planet for all", 2018; the "European Green Deal", 2019; "European Climate Act", 2020).

Risk areas connected with ESG factors	Risk	Material topic	Main existing regulatory and strategic oversights
Violation of human and workers' rights	Discriminatory statements or conduct in communications and in offerings	Fairness in the sale of products and services Enhancement of diversity customer prominence	<ul style="list-style-type: none"> • Charter of Values and Code of Ethics (signed by agents) • Diversity Policy • Charter for equal opportunities and equality at work • Sustainability Policy • Risk Management Policy • Underwriting Policy – Life and Non-Life Businesses • Investment policy - Guidelines for responsible investment activities • Outsourcing and supplier selection policy and Supplier Code of Conduct • Policy and further internal regulation on the protection and use of personal data • Policy on the management of conflicts of interest - insurance segment • Policy on insurance and reinsurance distribution • Policy regarding product governance and control - Non-Life and Life Businesses • Operational Risk Management Policy • Policy on authorisations and powers • Health and Safety Management System Manual • Organisational, Management and Control Model • Code of Good Practice • Sector and supplementary agreements • Policy for managing dialogue with general investors • Procedures for managing the company website and web services • Procedures relating to the performance of clinical activities • Clinical risk management procedures
	Use of data that is improper, non-compliant and inconsistent with the Group's data ethics commitments	Data protection and use	
	Incorrect handling of labour law issues (such as labour relations or the management of changes with an impact on employment)	Development of human capital Sharing of a common corporate culture	
	Incorrect actions on occupational health and safety	Sharing of a common corporate culture	
	Discriminatory statements or conduct in personnel management	Valuing diversity	
	Lack of professional development and promotion initiatives	Development of human capital	
	Violation of human or workers' rights, or on other sensitive social and governance topics, by the Group, the agency network or the supply chain	Correct and responsible corporate behaviour Contribution to sustainable development in the various spheres of influence Relations with the agency network	
	Violation of human rights or workers' rights, or on other sensitive social and governance topics, at companies insured or investee companies	Contribution to sustainable development in the various spheres of influence	
Environmental damage and negative impact on the environment	Low control over safety in clinics and medical centres	Risk and control culture	<ul style="list-style-type: none"> • Charter of Values and Code of Ethics (signed by agents) • Sustainability Policy • Risk Management Policy • Underwriting Policy – Life and Non-Life Businesses • Investment policy - Guidelines for responsible investment activities • Outsourcing and supplier selection policy and Supplier Code of Conduct • Operational Risk Management Policy • Sector and supplementary agreements • Organisational, Management and Control Model
	Negative impact of the Group's operations, agency network or supply chain, as well as of the insured or invested companies, in terms of air pollution and emissions of climate-altering gases and/or degradation of the natural environment (consumption of natural resources or soil, pollution of terrestrial or marine ecosystems).	Climate change adaptation and mitigation actions Contribution to sustainable development in the various spheres of influence (investments, customers, suppliers)	
Behaviour that violates the integrity of the company's conduct	Social degradation in the area of Group-owned real estate	Correct and responsible corporate behaviour	<ul style="list-style-type: none"> • Charter of Values and Code of Ethics (signed by agents) • Sustainability Policy • Risk Management Policy • Investment policy - Guidelines for responsible investment activities • Policy on the management of conflicts of interest - insurance segment • Policy on insurance and reinsurance distribution • Directives on the Group's Corporate Governance System • Policy for managing dialogue with general investors • Key Function Policies • Money laundering and terrorist financing risk management policy • Policy regarding product governance and control oversight mechanisms - Non-Life and Life • Policy and further internal regulation on the protection and use of personal data • Operational Risk Management Policy • Organisational, Management and Control Model • Policy on authorisations and powers • Procedures and operating guides governing transactions with related parties, intercompany counterparties and associated parties • Integrated Reputation Management System • Guidelines and further internal regulation on the management and communication of privileged information • Group Remuneration Policies
	Lack of awareness of social and environmental concerns of target communities in property development processes	Correct and responsible corporate behaviour	
	Lack of transparency, clarity and integrity in relationships with customers and other stakeholders	Fair and transparent corporate behaviour Fairness in selling products and services Development of partnerships with public and private actors	
	Non-compliance with rules in force (corruption, money laundering, tax, free competition, privacy)	Fair and transparent business conduct Risk and control culture Foresight in managing capital and responsible remuneration	

Integrity in doing business

The Organisation and Management Model, pursuant to Italian Legislative Decree 231/2001

The UnipolSai Organisation and Management Model (OMM) was updated in December 2020 to incorporate recently introduced legislation. It consists of a General Part and 16 Special Parts, each dedicated to a category of crimes theoretically conceivable within the company. In the Special Parts of the OMM, the specific principles of conduct and principles of control for preventing the commission of each type of such crimes are laid out in detail.

The OMMs of the Group companies have the same structure, with principles of conduct and principles of control tailored to the specific risks of each company.

The dissemination of the OMM to employees is carried out through the company's intranet with the creation of web pages, which are constantly updated, containing the OMM, a description of its purpose and the regulatory changes compared to the previous version of the Model. Updates are made known by means of a corporate communication via e-mail or similar electronic means to all employees in the workforce. The same approach is adopted by the Group companies with an Organisation, Management and Control Model.

The internal system for reporting violations has been formalised in a specific Whistleblowing Procedure. Staff (i.e. employees and anyone operating on the basis of a contractual relationship, even if different from an employment contract, which results in their entry into the company organisation) may use an IT platform to transmit reports on significant unlawful conduct pursuant to Italian Decree 231/01, acts or facts that may constitute breaches of the OMM, as well as violations of any other duly defined regulations¹¹, according to procedures which ensure the full confidentiality of the whistleblower and the contents of the report¹². The disciplinary system adopted envisages sanctions against those violating the whistleblower protection measures, and for those who with wilful misconduct or gross negligence submit reports that prove unfounded. During 2021, no reports of violations were received through this channel that would give rise to profiles relating to UnipolSai's administrative liability under Italian Legislative Decree 231/01.

The duty of supervising the functioning and observance of the OMM and handling its updating is entrusted to the Supervisory Board (SB) consisting of three independent non-executive directors who are members of the Control and Risk Committee, and a further two members from the company's Top Management responsible for the Compliance and Auditing functions.



For further details on the OMM, please refer to the "Governance" section of the UnipolSai.com website

Combating corruption

During the year, assessment activities were carried out on the processes of Group companies which have adopted their own OMM, assessing the risks relevant for the purpose of Italian Legislative Decree 231/2001.

The analysis is carried out on business processes, consistent with the planning of the above-mentioned functions.

On the basis of the results of this activity, a matrix is constantly updated which highlights the offences to which individual processes are exposed; in this context, corruption risk is subject to a specific assessment.

UnipolSai Assicurazioni's operations are represented in a total of 143 processes and the assessment of sensitivity to corruption risk concerns 45 of these (31% of the total).

The principles of conduct and control for combating corruption in relations with Public Administration are defined in Special Part 1 of the UnipolSai OMM on offences in relations with Public Administration, while Special Part 2 addresses the offence of corruption between private individuals envisaged in the Italian Civil Code. The OMMs of the Group's companies include similar principles of conduct and control tailored to the specific features of each company.

In the context of sensitive processes under Italian Legislative Decree 231/2001, certain activities have been identified as more exposed to the risk of corruption, such as: management of property inspections by Public Officials with control functions, management of inspections by the Supervisory Authorities, Financial Administration or the Finance Police, management of tender

¹¹ Reference is made to (i) Regulation (EU) no. 596/2014 relating to market abuse ("MAR"), (ii) Italian Legislative Decree no. 231 of 21 November 2007 on preventing the use of the financial system for money laundering and terrorist financing, (iii) Italian Legislative Decree no. 209 of 7 September 2005 ("Private Insurance Code"), (iv) Italian Legislative Decree no. 58 of 24 February 1998 ("Consolidated Finance Act").

¹² The IT platform adopted by the Group makes it possible to (i) manage reports in pseudonymised form and (ii) keep track of the relative information in encrypted form. Access to such information is limited to specifically identified members of the company structures responsible for the receipt, analysis and assessment of the whistleblowing reports.

procedures and awards relating to purchases or assignments in the real estate sector, management of tender procedures with Public Bodies for insurance services, management of donations, sponsorships and consultancy. For these activities, further specific control oversights are envisaged.

As regards the companies operating in Serbia, the By-Laws and Code of Ethics contain provisions for avoiding conflicts of interest. In the case of UnipolRe, which operates in Ireland, the signatory powers approved by the Board of Directors stipulate that a double signature is necessary for every transaction, thus more effectively monitoring the risk of corruption.

In 2021, based on available information, UnipolSai and the Group companies did not incur costs for any penalties pursuant to Italian Legislative Decree 231/2001 deriving from charges for crimes of corruption.

For employees of Group companies with an OMM, a periodically updated course is available on issues relating to the administrative liability of entities, in which particular attention is paid to corruption. In 2021, 61% of employees in the insurance, healthcare, agriculture, hospitality and tourism sectors completed training on the latest updates introduced (88% in 2020).

In order to ensure effective implementation of the OMM, agents were asked to acknowledge it. 88.5% of the UnipolSai network and 42% of the Siat network did so.

A clause is inserted into the contracts entered into with suppliers, whereby the suppliers undertake to adhere to the OMM, under penalty of termination of the contract. acknowledgement of the OMM is certified for suppliers registered in the dedicated portal, which in 2021 represented 24.5% of the total number of suppliers (18.3% in 2020), accounting for 60% of total expenditure.

Percentage of employees specifically trained on anti-corruption policies and procedures in Italy



There were no disciplinary measures in Italy connected with episodes of corruption.

Anti-money laundering and anti-terrorism measures

UnipolSai pays particular attention to compliance with national and international legislation designed to combat money laundering and terrorist financing and complies with the principle of active cooperation in preventing such phenomena.

The fight against money laundering and terrorist financing is based on the "Money Laundering and Terrorist Financing Risk Management Policy".

In accordance with the policy, specific processes and procedures are in place concerning customer due diligence, reporting suspicious transactions, abstention and suspension, risk assessment and management and internal control measures aimed at preventing and blocking the carrying out of transactions connected with money laundering or terrorist financing.

All UnipolSai Group companies affected by the Anti-Money Laundering Regulations (Italian Legislative Decree 231/2007, as amended) have a special structure in charge of managing the risk of money laundering and terrorist financing according to the organisational setup defined at Group level.

With regard to the evolution of the reference regulatory framework, note the entry into force from 1 July 2021 of the Measure of the Financial Intelligence Unit for Italy ("FIU") of 25 August 2020 on "Provisions for sending aggregate data"; the updating of Bank of Italy Circular 140 concerning subgroups of economic activity should also be noted. Following this update, on 7 December 2021 the FIU updated Annex 2 with the Measure of 25 August 2020, indicating the criteria for linking sub-groups of economic activities to the ATECO classification.

The provisions contained in IVASS Measure no. 111 of 13 July 2021 concerning the criteria and methodologies to be used to identify and assess own money laundering risk and the size and organisational criteria according to which obliged entities establish anti-money laundering and internal audit functions, appoint the heads of these functions and the officer responsible for reporting suspicious transactions, have also been transposed.

Furthermore, with the Letter to the Market Prot. No. 0144828/21 of 16 July 2021, IVASS required companies and representatives operating in Italy in the life insurance business to communicate a structured set of information for 2020 (sections I, II, III, IV, V) and to update and communicate a self-assessment of the AML/CFT risks they are exposed to only if the risk profile has significantly changed compared to that used in 2019 (section VI).

Taking into account regulatory developments and, where applicable, the procedures put in place to comply with the obligations to collect the information needed for customer due diligence, its recording and storage and the detection of anomalies for assessing suspicious transactions for the purpose of possible reporting, UnipolSai has established specific internal training programmes for staff, collaborators, the direct distribution network and brokers in order to disseminate a culture of compliance and respect for applicable anti-money laundering and anti-terrorism regulations.

Anti-money laundering training programmes are compulsory and have a continuous and periodic nature, with the aim of supporting those who directly manage customers in fulfilling their obligations under the Regulatory Provisions. For insurance companies operating in Italy, overall use of the "Anti-Money Laundering" course in 2021 totalled 93% (84.8% in 2020). In terms of the different job classification levels, 93% of Executives, 94% of Officers/Middle Managers, 92% of administrative staff and 98% of call centre personnel took the course.

For companies operating in Serbia, internal procedures are in place in line with local legal requirements, and activities are continuously monitored to prevent money laundering and terrorist financing. Activities and specific measures are envisaged to analyse the characteristics of the customers and monitor their transactions in accordance with the risk categories specified, including a check that the activities are compliant with the nature of the commercial relations and the usual volume and type of activities conducted with the customers. Procedures and mechanisms are also in place to flag up customers and transactions for which there are reasons to suspect involvement in money laundering and terrorist financing. Training is regularly provided to employees on this topic, with a course provided until March 2022, attended by 60% of employees by the end of 2021.

UnipolRe has its own anti-money laundering, anti-terrorism and anti-corruption safeguards in place in accordance with local regulations and is subject to audit and sanctioning by its supervisory body, the Central Bank of Ireland.



For further data please refer to the "Appendix - UnipolSai in numbers"

Responsible data management

UnipolSai holds a great deal of personal data relating to the behaviour, resources, health and preferences of its customers, and this information will grow in the future as connected devices become more widespread.

The **Policy on the Protection and Use of Personal Data** sets out the UnipolSai Group's general guidelines for the protection of individuals with regard to the processing of their personal data. The Policy describes the organisational model (organisation and roles, people, culture and skills), the operational model (processes, rules and documentation) and the architectural model (technologies and tools) structured for this purpose.

The UnipolSai Group uses this system to implement Regulation (EU) no. 2016/679 (the GDPR) and, with support from the Group Data Protection Officer (DPO), performs ongoing assessment of the effectiveness and efficiency of controls, processes and the organisation put into place for implementation of the GDPR.

To supplement the privacy protection framework, in 2020 Unipol approved the "**Unipol Data Vision**" which outlines and articulates the commitments of Group companies to the correct and transparent **use of data**, i.e., the data used to create shared value between the Group, its customers and the community. This is possible because advanced data management supports more informed risk-taking, which makes the handling of any claims more sustainable and leads to an increasing ability to protect customers in an accessible manner; it also provides useful elements for defining prevention initiatives, both at individual and collective level.

During 2021, 266 data breaches were recorded in the Group companies.¹³ The increase recorded compared to the 92 cases in 2020 to a progressive increase in Group employees' awareness of events that could constitute a breach, and is also due to the continuous training on GDPR issues, which has generated more reports.

All cases were promptly managed and resolved by the competent Data Controller companies.

In only two cases was it necessary to promptly notify the Italian Data Protection Authority, which then ordered them to be archived in view of the promptly adopted measures. The remaining cases were not reported, as they did not present any risk to the rights and freedoms of the data subjects.

In 2021, 3 documented reports of breach of privacy at Group level (6 in 2020) were received from the Regulatory Bodies (specifically, the Data Protection Authority), which were answered promptly without any follow-up by the Authority.

In relation to cyber security, the **Information Security Policy** calls for the adoption of suitable physical, logical and procedural security measures aiming to guarantee appropriate and consistent protection to the information processed in the IT systems throughout the entire life cycle.

The cyber security governance and control function, reporting to the Group Chief Information Officer, works in conjunction with the IT operating functions for the correct implementation of security procedures, consistent with the Control Functions and the DPO to adopt the regulations and assess the actions carried out.

During 2021, the initiatives envisaged in the Strategic Plan to strengthen and develop cyber security continued along three main lines:

- intense use of technologies and methodologies based on best market practices for controlling the various levels of the architecture (access perimeter, data protection, application and infrastructure vulnerabilities, etc.);
- strengthening and automation of detecting and responding to attacks;
- technical training for IT staff and awareness-raising for end-users, integrated with the adaptation actions required as a result of regulatory changes.

Initiatives continued during the year to strengthen data protection and security monitoring, with an increase in the encryption levels of sites and applications exposed on the internet, the strengthening of Threat Intelligence and Incident Detection & Response services for the automation of detection and response to cyber attacks, and the conduct of vulnerability assessments and penetration testing sessions on infrastructure and applications, with particular regard to those which are the most critical and exposed on the internet.

The risk control system associated with the management and use of data is completed by various Group policies, in particular the Risk Management Policy, the Personal Data Protection Policy, the Business Continuity Management Policy and the Data Governance Policy. Data Governance is the set of processes, methodologies, roles and technologies which on one hand allows for the formal management of data informational assets, establishing clear responsibility for them, and on the other offers opportunities to exploit the intrinsic value of the company's informational assets to support business strategies and objectives.

UnipolSai has been certified according to the international security standard ISO27001¹⁴ for its Advanced Electronic Signature service since 2013 and is audited annually by external auditors.

Training on privacy issues involved most of the Group's employees (over 92% of employees in Italy) and agents and sub-agents, respectively 84% and 79% of potential recipients, while cyber security courses focusing on phishing issues reached 8,319 employees (79%), 12,842 in the agency network (40%) and 10,092 in the bancassurance network.

The companies operating in Serbia are adopting changes to internal processes that regulate the protection of personal data in order to systematise and harmonise them with the European standard; employee training on privacy and information security is planned for 2022.

In terms of IT security, DDOR Novi Sad obtained ISO 22301 Business Continuity Management certification in 2021, which supports the organisation in reducing the likelihood of incidents and ensuring the resumption of operations following disruptions. No critical issues were reported in Serbia in 2021, either in terms of privacy or cybersecurity.

¹³ According to the GDPR, a data breach means a breach of security leading to the accidental or unlawful destruction, loss, alteration, unauthorised disclosure of, or access to, personal data transmitted, stored or otherwise processed.

¹⁴ ISO/IEC 27001 is an international standard that defines the requirements for setting up and managing an information security system and includes aspects concerning logical, physical and organisational security.

The protection of fair competition

Through its Code of Ethics, the Unipol Group undertakes to operate in favour of a market where free competition is guaranteed, refraining from practices that may be considered anti-competitive. This commitment is put into practice by structuring internal processes and procedures that ensure the necessary safeguards and controls, and by monitoring relevant regulatory changes in the various business sectors.

Among the main initiatives adopted by the Unipol Group during the year under review, note that, with a resolution passed by the Board of Directors on 22 June 2021, Linear adopted an antitrust compliance programme to "secure" its business processes and activities, further strengthening the antitrust culture and awareness among its employees.

With more specific regard to "consumer protection" in the insurance sector, note that UnipolSai has lodged an appeal with the Lazio Regional Administrative Court challenging measure no. 26025, notified on 27 May 2015 on conclusion of the proceeding PS 10223 27/5/2016. The Antitrust Authority (AGCM) claimed that during the period 31 January 2011-23 November 2015, UnipolSai had adopted an unfair trading practice pursuant to Article 20, paragraph 25 of the Consumer Code (as amended), consisting in having issued writs of summons against consumer customers in arrears, with a view to recovering its receivables, through a judicial authority in an area different to that of residence. In addition to prohibiting the continuation of this practice, the AGCM also imposed a fine of €1,800,000 on UnipolSai, which the company paid. A hearing date is still pending for these proceedings.

On 8 May 2020, the Antitrust Authority notified UnipolSai Assicurazioni of the initiation of preliminary proceedings concerning the #UnMesePerTe promotional campaign involving the dissemination, in print media, on television and in other media of advertising messages which allegedly lacked the required clarity and transparency. UnipolSai filed a detailed defence brief, affirming the full legitimacy and fairness of its initiative, as well as its ethical and social merit. Moreover, with a view to further improving transparency towards its customers, the company adopted a code of conduct at its own initiative which was then subject to a commitment proposal formalised with the Antitrust Authority on 26 June 2020 and supplemented, based on the Authority's observations, on 6 November 2020. These measures are intended to facilitate knowledge and use of the benefits deriving from this campaign by extending the initiative to 31 December 2021 (but still with reference to policies in force at 10 April 2020) and sending individual communications to potential beneficiaries concerning how to use the voucher offered when the policy is renewed, as well as providing a detailed disclosure on the possibility of revoking consent to the use of personal data for marketing purposes issued to the company on the "UnMesePerTe" mini-website from 11 April 2020 to 29 May 2020. By a measure passed on 26 February 2021, the Antitrust Authority accepted the commitments proposed by the company and closed the proceedings without confirming any infractions and, therefore, without imposing penalties.

On 26 November 2020, the Antitrust Authority notified UnipolSai Assicurazioni of the initiation of a second preliminary investigation concerning MV TPL claims settlement, characterised by alleged hindrance of the right of consumers to access the relevant documentation and failure to specify the criteria for quantifying damages in the phase of formulating the compensation offer. On 16 April 2021, the AGCM then notified the objective extension of these proceedings, claiming failure to comply with the legal deadlines pursuant to Article 148 of the Private Insurance Code for the settlement/dispute of MV TPL claims. UnipolSai deems these claims completely unfounded and, to protect its rights, has engaged its lawyers to represent it in the proceedings, which are currently ongoing.

With a measure notified on 20 May 2021, the AGCM decided to initiate investigative proceedings against the insurance company Linear SpA in order to ascertain the possible existence of an infringement of the ban of agreements restricting competition laid down in Article 101 of the Treaty on the Functioning of the European Union, in relation to an alleged agreement with the aim and/or effect of altering competitive dynamics in the market for the direct sale of MV TPL policies, which allegedly involved a number of companies active, including through their websites, in the market for the comparison and marketing of offers relating to services of various kinds, including insurance services, as well as a number of Italian insurance companies (and other intermediaries). While considering completely unfounded the alleged factual and legal assumptions on the basis of which the proceedings were initiated, together with the other parties, Linear submitted commitments pursuant to Article 14-ter of Italian Law 287/90. On 3 January 2022, the Authority published the above-mentioned commitments on its website in order to allow interested parties to comment and for the AGCM to then decide whether to accept them. In the context of the "Market Test", comments were received in favour of acceptance of the commitments by just one party. A decision by the Authority is now pending.

Sanctions

The overall number of IVASS actions against UnipolSai and the other insurance companies in the Group operating in Italy totalled 3,091 in 2021, a decrease from 3,374 in the previous year.

During 2021, UnipolSai Assicurazioni paid 54 penalties amounting to €259,274, all relating to claims¹⁵ in the settlement phase pertaining to previous years. No penalties were generated by complaints in 2021.

Under the current sanctions rules applied by the Supervisory Authority in relation to offences occurring after 1 October 2018, the administrative sanction ranges from a minimum of €30,000 to a maximum 10% of turnover, while offences committed up to 30 September 2018 and ascertained subsequently by IVASS are subject to the previous regime that correlates the amount of the sanction to the number of days' delay in meeting obligations imposed by the regulations.

With regard to complaints submitted by customers pursuant to IVASS Regulation 46/2016, which governs the management of complaints involving insurance intermediaries, UnipolSai Assicurazioni alone managed, together with its agents, 1,790 complaints, of which over 80% were rejected.

Number of IVASS actions and Sanctions paid

	2021	2020
Amount of IVASS sanctions paid (€ thousand)	259	67
Number of IVASS actions	3,029	3,242
Number of offences sanctioned	54	3

In relation to compliance with environmental regulations, there were no fines or non-monetary sanctions imposed for damage caused to the environment as a result of the activities of the Group companies, nor as regards health and safety.



For further data please refer to the "Appendix - UnipolSai in numbers"

Tax management

The Group's approach is geared towards ensuring the correct application of tax rules while maintaining a high degree of transparency in its dealings with tax authorities.

Consequently, UnipolSai acts in full compliance with the tax rules in the various countries in which it operates by fulfilling its tax obligations, cooperating with the bodies responsible for assessment and thus protecting the Group's reputation over time.

UnipolSai returns, fairly and responsibly, a percentage of the value created through the payment of taxes intended to finance the management of communal goods and services, in order to improve the conditions for widespread well-being.

The Group's Italian and foreign companies pay taxes and duties in application of the tax regulations in force in each country.

In 2021, the total taxes paid to the tax authorities (on income, premiums, ownership, etc.) by Group companies came to around €1.9bn. Income taxes recorded a tax rate for the year of 30% (29.4% in 2020).

In particular, the Group has a relationship of full collaboration with the competent tax authorities, supporting any audit activities and responding to the requests received with the highest possible speed and transparency.

In the locations where it operates, the Group promotes and supports streamlining and simplification of the relative tax administration and management systems. This conduct is in line with the principles of sustainability, given that tax contributions are the main pillar of the economic and social development of the community in which the group operates. Considering the ethical relevance of taxation, the Group operates by spreading the culture and value of the prompt and responsible application of tax regulations.

Tax management is mainly entrusted to the Group's Tax Service, which reports to the Administration, Controlling and Operations Co-General Manager; the Service supervises and manages the application of tax legislation and also provides advice, guidance and control to all companies within the Group by ensuring assistance and support as part of the control activities implemented by the Tax Authorities.

¹⁵ Complaints data also include those pertaining to Intermediaries registered in section D of the RUI (Single Register of Intermediaries).

The company processes contain procedures and tools for the management of tax aspects. A number of significant tax processes were recognised for the purpose of procedures pursuant to Italian Law 262/2005 (Law on the Protection of Savings and Governance of the Financial Markets). Aspects connected with the management of tax issues do not provide for the explicit and structured involvement of the Company's Board of Directors, which does not define the company's general tax strategies. However, where major problems emerge, the appointed Functions provide adequate information and conduct suitable prior assessment activities of the most significant tax consequences.

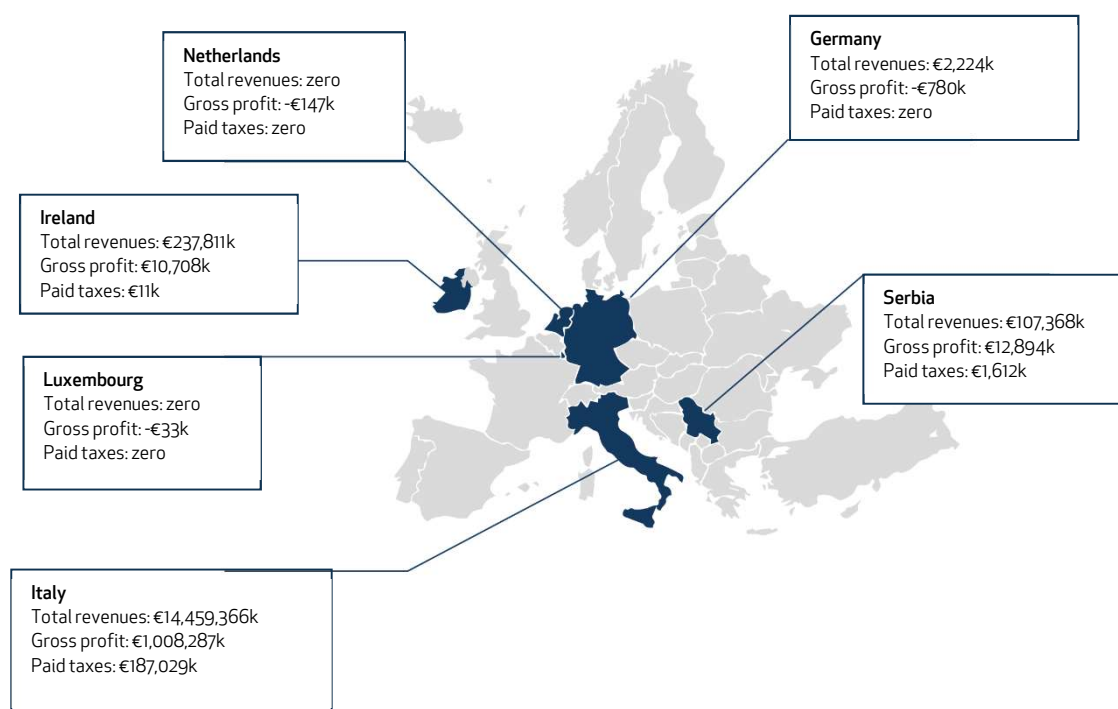
The Financial Statements documentation discloses the revenues, profit deriving from technical and financial management, taxes for the year, and also include a statement of reconciliation of the theoretical tax burden compared to the actual tax burden with an explanation of the main reasons for deviations. The main items that cause discrepancies between taxes paid and taxes recognised are subject to specific reporting.

Since 2016, the Unipol Group has been preparing a country-by-country income tax return known as the "CbCR", including UnipolSai data.

The financial statements include, where necessary, prudential provisions against current or potential disputes concerning the application of taxes, where there are divergent interpretations with respect to those expressed by the tax authorities in the context of relations based on mutual transparency and discussion.

Tax risk is in any event one of the operational risks monitored and measured for Solvency II purposes. The basis for the approach adopted is the identification, profiling and quantification of risks for the purpose of defining capital requirements.

Income and Taxes: Country by Country Report summary*



* The data shown relate to the 2020 tax period; this is because in order to meet the GRI standard, the Unipol Group also uses the data collected for Country by Country Reporting introduced, in line with the OECD's work on the Base Erosion and Profit Shifting project (BEPS), by Italian tax legislation (Article 1, paragraph 145 of Law 208/2015) which must be sent to local tax authorities within 12 months of the end of the relevant tax period.



For further details on Tax Management, please refer to the section "Appendix - UnipolSai in Numbers".

Relations with institutional stakeholders and representation of interests

In 2021, the activity of relations and dialogue with institutional stakeholders continued, with particular reference to their activity of producing legislation and regulations for the sectors of interest to the Group.

In line with the provisions of its "Vision, Mission and Values", the Group actively and transparently engages with institutional stakeholders with the aim of contributing, together with other stakeholders, to the knowledge of technical, economic and market dynamics of the sector, and thereby put those stakeholders in the best position to make policy decisions. Within this framework, the Unipol Group contributes with its own statements, hearings and studies to legislative and regulatory processes, at national and EU level, on issues of corporate interest.

In the area of relations with institutional stakeholders, Unipol actively contributes to each stage of the consultative process on political and legislative dossiers of corporate interest through careful monitoring and analysis.

The Unipol Group has been registered with the Parliamentary Register of Representatives of Interest since 2017 and with the EU Voluntary Transparency Register since 2014. The registers aim to provide citizens with single, direct access to information on those who engage in activities designed to influence national and EU decision-making on the interests they pursue and the resources they invest in such activities.

The Unipol Group complies with an Organisation and Management Model (OMM) aimed at preventing and minimising the risks arising from failure to apply legal provisions. Unipol also has a Code of Ethics and a Charter of Values.

The Group does not finance, either in Italy or abroad, political parties, their representatives or candidates, nor does it sponsor congresses or celebrations whose sole purpose is political propaganda, nor does it make contributions to or incur expense for political campaigns, political organisations, lobbyists or lobbying organisations, trade associations and other tax-exempt groups as explicitly set out in the Group Organisational Model (OMM), paragraph 1.2.

The Unipol Group has not been a member of the National Association of Insurance Companies (ANIA) since 2015.

With reference to advocacy activities, the **"Welfare, Italia" project** continued in 2021 with a view to building and expanding a permanent, open and transparent discussion platform on welfare, which can actively contribute to reshaping the country's healthcare and social/assistance policies.

Through the activities of its Think Tank promoted by the Unipol Group in collaboration with The European House-Ambrosetti, the project presented its Strategic Report 2021 which – with the contribution of national and international speakers – launched a public debate aimed at conveying guidelines and proposals for optimising and enhancing all components of the national welfare system. In particular, the Welfare Italy 2021 Report devotes a specific in-depth study to the socio-economic impacts of the COVID-19 crisis with the aim of providing a contribution to the process of redefining the welfare system in the new NRRP framework, highlighting the values of merit and the centrality of work as a means not only of subsistence but also of personal fulfilment and a driver of economic growth, a prerequisite for any redistribution of social protections.

In addition to the above, UnipolSai produced the first issue of the Welfare Report in 2021. It illustrates the welfare mechanisms at national and European level with the aim of producing evidence on the trend in total health expenditure and the various channels for financing government and intermediate health expenditure.

Contribution to regulatory processes - UnipolSai's position

2021 saw the continuation of the institutional positioning activities aimed at the Group's further accreditation as an authoritative and independent point of reference for national and European institutions, as well as multiplication of the relational areas useful for increasing support for business and awareness of the external competitive contexts.

These activities have been pursued mainly by leveraging lobbying and advocacy, as well as through participation in public consultation processes initiated by institutions, with a view to promoting the adoption of policies in the best interests of our customers and the insurance industry.

More specifically, 2021 saw an increase in regulatory and legislative activity, which led to the Group's participation in **30 public consultation procedures or surveys**: 4 at domestic level and 26 at European level which focused, especially at European level, on the topics of data and the application of digital technologies and sustainability.

The most important regulatory process for the insurance industry was the presentation of the proposal to amend the **Solvency II Directive (Directive 2009/138/EC)**, presented on 23 September 2021 by the European Commission and subject to a public consultation, in which the Unipol Group participated. On this occasion, while welcoming the overall structure of the reform aimed at strengthening the role of insurers in the real economy, the Group highlighted a number of critical technical issues that risk jeopardising the achievement of the reform's objectives. On the same date, the European Commission presented a proposal for a Directive for a recovery and resolution scheme for insurance and reinsurance companies (IRR), which incorporates the analogous banking discipline introduced by the BRRD, albeit with some important differences (in particular, there are no new capital requirements based on the obligation to hold adequate liabilities to absorb potential losses).

With reference to the topics related to data and the **application of digital technologies**, mention should be made in particular of the legislative proposals presented by the European Commission in the context of the "Digital Finance Package" and the consultation launched by EIOPA on "Open Insurance: Accessing and Sharing Insurance-Related Data", in respect of which Unipol highlighted the need to duly consider the peculiarities of the insurance sector in the adoption of Open Innovation models, since it is not possible to simply import the scheme introduced by PSD2 in the payments sector which, unlike the insurance sector, is characterised by the collection of fungible, standardised data with limited added value.

Equally important are the public consultations launched by the European Commission on the creation of a common European Health Data Space and the drafting of the Data Act, which together with the proposed regulation – still under discussion – on the Data Governance Act, will help create the framework for the creation of interoperable European sectoral data spaces.

In the area of **sustainability**, further significant steps towards the Green Deal goals were taken at European level in 2021, highlighting the EU's intention to take global leadership in setting international standards for sustainable finance. Specifically, at the end of the usual public consultation processes in which the Group participated during 2020, the European Commission published:

- the proposed Delegated Regulation supplementing Regulation (EU) 2020/852 ("Taxonomy" Regulation), which establishes the criteria for technical screening to determine the conditions under which an economic activity pursues the objective of mitigating or adapting to climate change, and does not harm any of the other environmental objectives;
- the proposed Delegated Regulation supplementing Article 8 of the Taxonomy Regulation, concerning the information that financial and non-financial companies are required to disclose on the sustainability of their activities;
- the proposed directive on the publication of corporate sustainability reporting directive ("CSRD"), which amends, among other things, the provisions of the non-financial reporting directive ("NFRD") with the intention of giving a strong impetus to the move towards greater environmental and social sustainability;
- the new Sustainable Finance Strategy, which sets out initiatives to address climate change and other environmental challenges, while increasing investment in the EU's transition to a sustainable economy;
- the proposed regulation establishing the *European Green Bond Standard*, i.e., a strict standard which bonds financing sustainable investments can voluntarily adopt.

Still in the area of sustainability, in a context of climate change where protection from climate risks is becoming increasingly urgent, the Group has also followed the relevant initiatives developed by EIOPA aimed, for example, at promoting the widest possible insurance coverage against the occurrence of extreme catastrophic events or at integrating the major risks related to the effects of climate change into insurance industry regulations.

Human Rights

In its Code of Ethics and Sustainability Policy, the Group has outlined the principles and guidelines for managing the human rights impacts of its business, in line with the commitments undertaken, including by joining the United Nations Global Compact.

UnipolSai's impacts in this regard can be negative, such as the exploitation of workers, and be generated both through direct actions and through conduct adopted by persons within the Group's spheres of influence and empowerment (starting with the supply chain and ending with investors and customers); or positive, such as the provision of innovative services that enable or facilitate people's exercise of their rights (e.g., access to health).

Through its value chain, the Group involves a number of actors including bodies, companies and public administrations with which it works to identify, mitigate and where possible prevent possible violations of human and labour rights connected with its activities, in particular by promoting the protection of workers from discrimination, exploitation, any form of harassment or violence and the violation of fundamental labour rights.

As mentioned in the section on "Sustainability governance and monitoring environmental, social and corporate governance risks", as part of the systematisation of its due diligence approach, UnipolSai has defined a method for prioritising the most significant risk areas, and consequently scheduled the subsequent in-depth analysis and assessment of the various areas using a risk-based approach. With this in mind, the activities in 2022 will focus on the "Human Rights" area, which is fundamental due to the relevance of the issues considered, the plurality of spheres of influence involved and the number of business processes involved. The Human Rights assessment will cover both the Group's direct activities and its main commercial relationships, starting with the supply chain.

In line with the framework of the UN Global Compact, as well as the OECD guidance on "Responsible business conduct for institutional investors: Key considerations for due diligence under the OECD Guidelines for Multinational Enterprises", which identify the exclusion of companies involved in human rights violations from its business relations as one of the pillars of ESG policy integration, the Group has taken appropriate measures in its main business policies. Both the Responsible Investment Guidelines and the Non-Life and Life ESG Risk Underwriting Policy affirm the principle of excluding companies or issuers involved in human rights violations, as specified below:

- exclusion if involved in serious violations from new investment and subscription transactions and in the case of companies already in the portfolio;
- close monitoring, engagement process and possible termination of relationships in case of ESG practices that are not consistent with the company's policies during the relationship.

As far as investments are concerned, the screening of exclusionary criteria, including respect for human rights (for other exclusionary criteria see the UnipolSai and Investments section), covers around €51bn.

The Group currently excludes 402 issuers from its investment universe due to various criteria, including 256 corporate issuers, 43 of which have been excluded due to issues related to human or labour rights violations, either exclusively (27) or together with other critical issues (16).

In the area of underwriting, there were no exclusions related to human rights violations in 2021.

In particular the issue of human rights, which affects various areas of the Group's operations, is widely addressed throughout the document, as summarised in the following table:

Stakeholders	Areas of impact	Page which describes the oversight in place
Employees	a. Health and safety	86
	b. Combating harassment	85
	c. Freedom of trade-union association	90
	d. Equal opportunities and non-discrimination	84-86
	e. Work/life balance	85
Customers/Employees	a. Privacy and personal data management	25; 28-29
Customers	a. Integration into assumption of risks	43-44
	b. Integration into management of investments	65-69
	c. Access to healthcare and welfare services	45-46
	d. Financial inclusion of the most vulnerable sectors of society	48
Suppliers	a. Inclusion of criteria regarding the respect for human rights into the supply chain	93-95



For detailed information concerning the United Nations Global Compact - CoP 2021, refer to the "Archive - Sustainability" section on the Unipol Group website; for more details on the Code of Ethics, refer to the "Our Identity" section on the Unipol Group website.

Remuneration policies

Every year, the Unipol Group Companies, based on the guidelines issued by the Parent Company in the Group's Remuneration Policies, adopt Remuneration Policies, approved by the Boards of Directors of the companies and respective Shareholders' Meetings, which seek to ensure fair remuneration, commensurate to the role, responsibilities, level of professionalism and individual capabilities, in accordance with the legal/regulatory provisions and consistent with the requirements of sustainable performance.

The key principles for determining remuneration are a sound and prudent risk management policy, internal fairness, meritocracy and comparison with the reference markets.

Annual **Director** compensation is fixed; they also receive attendance fees for participation in each board meeting and shareholders' meeting as well as reimbursements for expenses incurred to carry out their official duties. Non-executive Directors receive no variable remuneration component.

Executive remuneration involves payment of a fixed as well as a variable component. The parameters for the assignment of the variable remuneration component defined in relation to the 2021 Remuneration Policies are summarised below.

VARIABLE COMPONENT

One prerequisite for the recognition of any incentive is the continuation of effectively positive economic results and the minimisation of risk factors, aside from the presence of a Dividend Capability, i.e., the presence of the conditions, in terms of the economic result and the minimum solvency requirements of the Unipol Gruppo, for any distribution of a dividend to the Unipol shareholders.

The Total Bonus is broken down into a Short Term Incentive and a Long Term Incentive.



Short-Term Monetary Incentive

Each recipient is assigned four short-term objectives every year. The sum of the weights obtained by adding up the objectives determines the Individual Level of Performance. The Short-Term Incentive is attributed 50% in monetary form and 50% in the form of financial instruments consisting of Unipol ordinary Shares and UnipolSai ordinary Shares.



Long-Term Incentive

The Long Term Incentive is assigned 50% in monetary form and 50% based on a closed financial instrument-based remuneration plan, which involves the distribution of Unipol ordinary shares and UnipolSai ordinary shares in the three-year period 2023-2025 (five-year period 2023-2027 for Executive Level Managers).

The LTI is paid based on the achievement of Unipol Group profit indicators, the Unipol solvency capital requirement target, growth in the value of the Unipol share over the three year period and performance of the Group's reputational index in the three-year period 2019-2021.

The reputational index trend has a weight of 5% on the amount of the LTI Bonus. The objective to be reached is a Reputational Profile* of the Unipol Group over the applicable three-year period (understood as the average of the monthly measurements) which is higher than that recorded by the Financial-Insurance Sector as a whole during the same period.

* Value calculated and measured based on the RepTrak® model developed by the Reputation Institute.

The plan also includes malus and claw-back clauses.



For detailed information, please refer to the Remuneration Report, available in the "Governance" section of UnipolSai's website

With respect to the pay gap between women and men, as regards the overall remuneration of the companies operating in Italy, in the executive category the median values of women were around 2 percentage points higher than the overall remuneration of men, in the Officers and Middle managers category, the gap is in favour of men by around 6 percentage points (value in line with 2020), in the administrative staff category this gap is 7 percentage points (8 in 2020), while there was 1 percentage point, unchanged from 2020, in favour of women in call centre personnel.

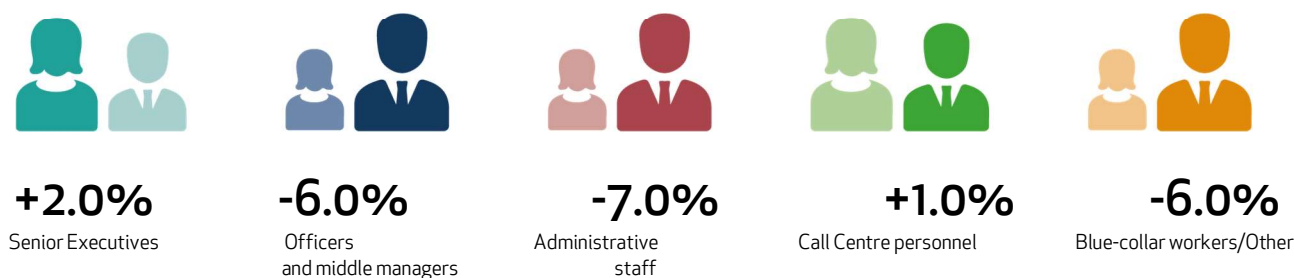
Also note that compared to the previous year, the gaps in fixed remuneration have further improved for executives and administrative staff.

Pay gaps by gender and job level category*

Differences relating to median values of gross annual fixed remuneration of employees



Differences relating to median values of total gross annual remuneration of employees (fixed and variable parts)



* The figures exclude the foreign companies Arca Vita International, DDOR, DDOR Auto, DDOR Re and Unipol Re.



For detailed information on pay differentials, please refer to the "Appendix-UnipolSai in numbers"

FINANCIAL PERFORMANCE

€13,329 million

Direct insurance premiums

€723m

Consolidated net profit

95.0%

Combined Ratio - net of
reinsurance

€0.190

Proposed unit dividend per share

Profitability of the UnipolSai Group's activities

During 2021, UnipolSai acquired 40,289,500 ordinary shares in Banca Popolare di Sondrio S.C.P.A. ("BPS" or the "Bank") equal to 8.89% of the share capital of BPS, taking into account the equity investment previously held, reaching an interest of 43,126,000 BPS shares (9.51% of the share capital of BPS). The transaction is part of UnipolSai's strategy to contribute to the development plans of the Bank, which has been an industrial partner of the Unipol Group since 2010 in the non-life and life bancassurance sector.

Key financial and capital indicators

	Amounts in € million	31/12/2021	31/12/2020
Non-Life direct insurance premiums		7,943	7,882
% variation		0.8	(3.5)
Life direct insurance premiums		5,386	4,328
% variation		24.4	(26.0)
of which Life investment products		1,272	569
% variation		123.4	45.0
Direct insurance premiums		13,329	12,210
% variation		9.2	(12.9)
Net gains on financial instruments (*)		1,496	1,371
% variation		9.1	(14.6)
Consolidated profit (loss)		723	853
% variation		(15.2)	30.3
Balance on the statement of comprehensive income		678	1,001
% variation		(32.3)	(42.7)
Investments and cash and cash equivalents		69,339	68,769
% variation		0.8	3.6
Technical provisions		57,128	57,707
% variation		(1.0)	0.2
Financial liabilities		8,411	7,055
% variation		19.2	17.6
Shareholders' Equity attributable to the Group		7,964	7,881
% variation		1.1	14.6
UnipolSai Assicurazioni SpA Solvency ratio (Partial Internal Model)		326%	318%

(*) Excluding net gains and losses on financial instruments at fair value through profit or loss for which investment risk is borne by customers (index and unit-linked) and arising from pension fund management.



For more detailed information, see the Investor Relations page on the website
<http://www.unipolsai.com/it/investor-relations/Pagine/default.aspx>

In 2021, the UnipolSai Group achieved a **consolidated net profit** of €723m, down compared to the corresponding result for the previous year, €853m, which was particularly affected by the reduction in claims following the *lockdowns* imposed by the government to deal with the Covid-19 pandemic. Though a year still affected by the pandemic, restrictions on the movement of people had less impact in 2021 and the fall in MV TPL premium continued, reducing the profitability of this class.

At 31 December 2021, the UnipolSai Group **direct insurance premiums**, gross of reinsurance, stood at €13,329m, up 9.2% from €12,210m at 31 December 2020.

Non-life direct premium income at 31 December 2021, totalling €7,943m, was up slightly on the €7,882m at 31 December 2020 (+0.8%), thanks to the good results achieved by the Non-MV business (+5.3%), which helped absorb the decline in the MV business (-3.7%).

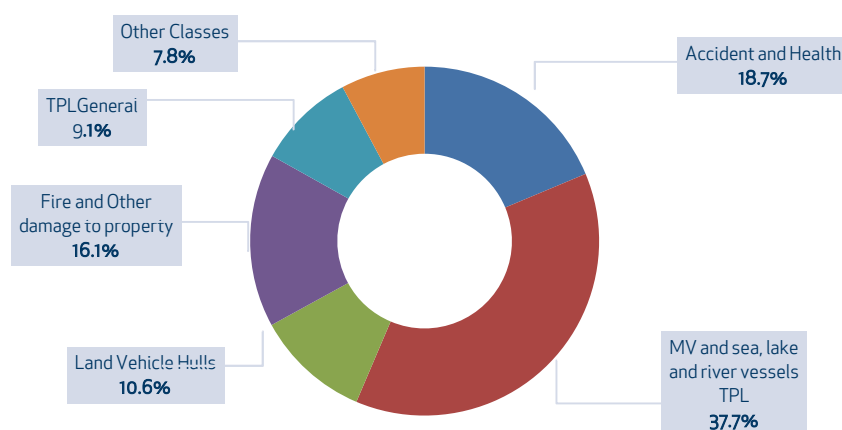
The further decline in the average MV TPL premium was particularly affected by UnipolSai, which recorded non-life premiums of €6,721m (-0.7%) and Linear (€185m, +0.1%), which remained at the previous year's level thanks to the increase in its policy portfolio. In contrast, UniSalute's premium income increased significantly (€519m, +7.5%).

The strategic nature of the bancassurance business, in which Arca Assicurazioni (€190m; +35.4%) and Incontra (€109m; +29.5%) operate, was confirmed, while SIAT's premiums fell (€126m, -2.4%), where the focus continued to be on portfolio selection in the Marine Vessels class.

Unipol*Rental*, the Group's long-term rental company, closed 2021 with strong business development. The total number of vehicles registered at 31 December 2021 was 14,438, compared to 9,562 last year, thanks also to the production boost given by the agency channel, which brokered more than 20% of the company's contract portfolio.

The profit before tax of the Non-Life business was €752m (€1,105m in 2020), reflecting the dynamics of the technical trends recorded.

Percentage Breakdown of Non-Life direct premiums



In the interests of sound and prudent management, the conservative measurement policy for financial statement claims provisions has been further strengthened.

The **claim ratio** (loss ratio of only direct business for the Non-Life business), including the OTI ratio, stood at 64% (57.3% in 2020). The number of claims reported, without considering the MV TPL class, increased by 18.6%.

For direct business in 2021, the frequency of claims for damage to property resulting from weather events was significantly lower than in the previous year. In July and August, major claims were reported as a result of catastrophic events, including the exceptionally severe events mainly in northern regions, while no significant events were recorded in the autumn months. The cost of reserving and settling weather-related claims therefore recorded a decrease at year end.

Non-Life business - net of reinsurance

Non-Life business	31/12/2021	31/12/2020
Loss ratio - net of reinsurance	67.1%	58.8%
Expense ratio (calculated on premiums earned) - net of reinsurance	27.9%	28.2%
Combined ratio - net of reinsurance (*)	95.0%	87.0%

(*) with expense ratio calculated on premiums earned

In the **Life segment**, direct deposits increased by 24.4% and amounted to €5,386m at 31 December 2021. The funding mix was mainly oriented towards multi-segment and class III products, which showed significant growth.

UnipolSai achieved direct premiums of €2,870m (-7.4% due to the comparison with 2020 affected by some contracts for significant amounts that were non-recurring), while in the *bancassurance* channel Arca Vita, together with its subsidiary Arca Vita International, recorded direct premiums of €2,423m (+112.6% compared with €1,140m in 2020), also benefiting from expansion of the BPER Banca network following the acquisition of former UBI Banca and Intesa Sanpaolo branches.

Pre-tax profit of the life business amounted to €218m, compared to €73m in 2020, negatively impacted by capital losses on sales of securities in the portfolio.

Breakdown of Life direct premiums

Amounts in € million	31/12/2021	% comp.	31/12/2020	% comp.	% var.
Total direct premiums					
I Whole and term Life insurance	3,449	64.0	2,732	63.1	26.3
III Unit-linked/index-linked policies	1,119	20.8	522	12.1	114.6
IV Health	9	0.2	7	0.2	27.3
V Capitalisation insurance	224	4.1	361	8.3	(38.0)
VI Pension funds	585	10.9	707	16.3	(17.2)
Total Life business direct premiums	5,386	100.0	4,328	100.0	24.4
of which Investment Products (IAS 39)					
III Unit-linked/index-linked policies	1,086	85.4	507	89.0	114.2
VI Pension funds	186	14.6	62	11.0	198.4
Total life investment products	1,272	100.0	569	100.0	123.4

With regard to the **management of financial investments**, in 2021 the gross profitability of the Group's portfolio of financial insurance investments, while continuing to be affected by low market interest rates, amounted to 3.1% of invested assets (3.0% at 31/12/2020), of which 3.0% related to coupons and dividends.

As regards the **other sectors** in which the Group operates, the continuation of the Covid-19 emergency in the first half of the year and in the latter part of the year had particularly negative repercussions on the hotel sector, which were only partially mitigated by the good results recorded in the summer season.

The pre-tax result of the Real Estate and Other Business sectors was a -€75m loss (-€60m at 31/12/2020).

As at 31 December 2021, **consolidated shareholders' equity** amounted to €8,234m (€8,144m at 31/12/2020). Shareholders' equity attributable to owners of the parent amounted to €7,964m (€7,881m at 31/12/2020).

UnipolSai's **individual solvency ratio**, determined in application of the Partial Internal Model, was 326% as at 31 December 2021, an improvement on the 318% at the end of 2020. The consolidated solvency ratio based on economic capital was 284% (281% at 31/12/2020).



For more detailed information, please refer to the UnipolSai Consolidated Financial Statements

UNIPOLSAI AND PROTECTION

Customers

15.5 million

Insurance customers

27.2%

Impact of products and services of social and environmental value

77.2%

MV TPL claims settlement rate

0.8%

Impact of the number of complaints on the number of UnipolSai claims reported

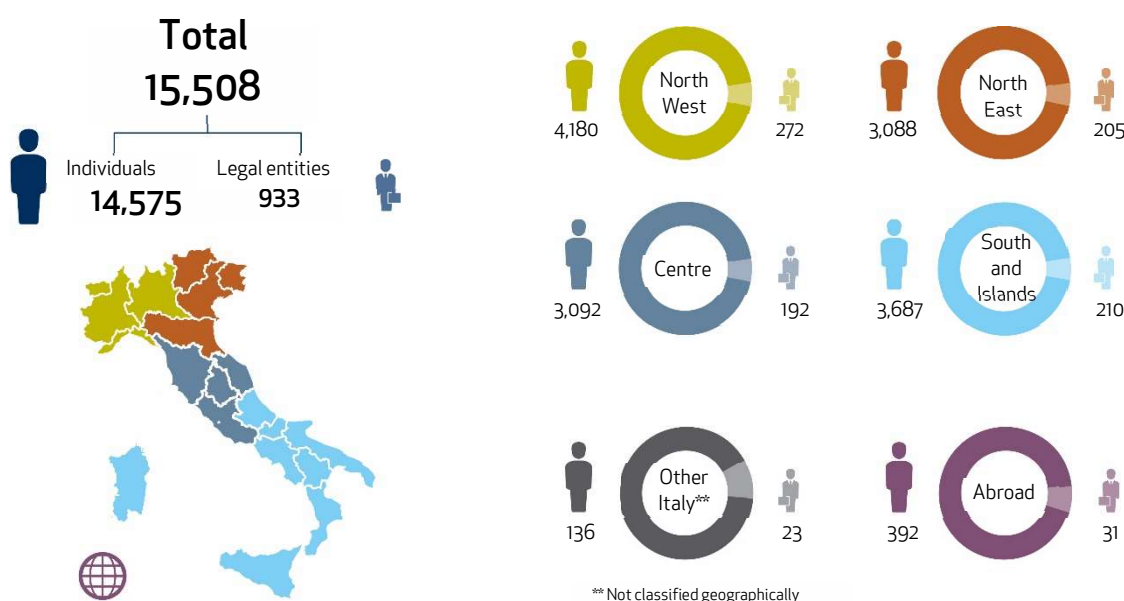
83.5%

Customer Satisfaction Index - MV Sector
+5 p.p. compared with market standard

In 2021, the Group provided its services to **15.5 million insured customer**, both individual and collective policyholders, a decrease of 7% compared to 2020 (a year in which numerous initiatives in the healthcare sector led to a higher than usual increase).

Local customers/policyholders

(Amounts in thousands)



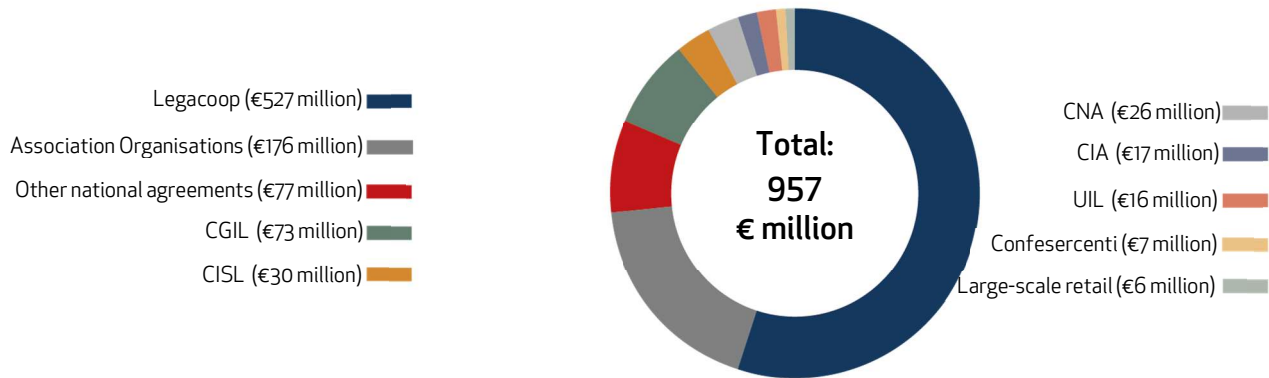
Business customers are divided into two segments: small and medium-sized enterprises (SMEs) and Corporate, distinguished by their characteristics and needs.

Businesses account for 30.1% of UnipolSai's non-life portfolio (13.5% Corporate and 16.6% SME). The sectors most represented (with a non-life premiums volume of more than 40m each) are real estate, construction, retail and wholesale commerce, metalworking and the third sector.

Presence in the Corporate segment is particularly significant in the business of UniSalute, which is concentrated primarily in the provision of group healthcare policies through Funds, Welfare Funds and mutual healthcare societies aimed at groups and companies of all sizes and sectors: handicraft businesses, banks and credit institutions, political institutions, supervisory institutions, trade associations and social security and welfare entities, and supplementary sector healthcare funds. UniSalute is also a leader in the management of national healthcare funds in Italy: it manages 51 (of which 45 under direct mandate), deriving from national collective agreements. 70% of the Fund members are located in the following regions: Piedmont, Lombardy, Veneto, Tuscany and Emilia Romagna.

Companies belonging to Member Organisations represent a significant proportion of the Group's business customers; they are self-employed workers' organisations, associations of small and medium-sized companies (CNA, Confesercenti, CIA) as well as cooperatives (Legacoop) historically close to Unipol. This relationship has strengthened, particularly by entering into specific agreements, which represent a specific relational model focusing on the aggregation of demand by the members and associates.

Amount of premiums from agreements



In 2021, premiums from agreements with the Member Organisations amounted to €957 million.

In addition, €533 million in premiums were earned through Workplace Agreements and €5.1 million from collective memberships associated with trade union organisations and third-sector associations.

Outside Italy, UnipolSai also operates in Serbia: the subsidiary DDOR Novi Sad is one of the main operators on the Serbian market with a portfolio of roughly 368k customers (5.5% companies), to which it provides Non-Life and Life services and products.

During 2021, the activities of the diversified companies generated commercial relationships with more than 233,000 customers (93% of whom were individuals, 50% from the tourism sector and 44% from the healthcare sector).



For detailed information on Customers, please refer to the Appendix-UnipolSai in numbers

Impacts and customer initiatives related to the Covid-19 health emergency

The spread of the Covid-19 pandemic also affected 2021, albeit with a lesser impact on operations to support customers and the agency network than in the previous year. The actions and initiatives already undertaken in 2020 were adapted and supplemented in relation to developments in the health emergency and related regulatory measures.

The insurance sector, in particular the MV TPL class, was still seeing a low level of claims frequency (though up compared to the previous year), and this encouraged strong competition on premiums, which continued to fall. The #UnMesePerTe initiative continued, which from April 2020 until the end of 2021 (for customers who had not already taken advantage of it when renewing their policy for the first time) allowed a discount of 1/12, or one month, of the premium previously paid.

The initiative allowed the disbursement of an average gross amount of €35 for the over 5.9 million vouchers used (3.5 million in 2020).

The performance of premiums and assets under management of Life customers was very positive, benefiting from favourable financial market dynamics which thanks to the economic recovery in 2021, did not experience any particular turbulence despite the succession of various waves of the pandemic.

With regard to customers of the Group's other businesses, in 2021 as in 2020, the only significant effects were reflected in the UNA Group company, which operates in the hospitality sector, on which the Covid-19 pandemic had a very significant impact. In order to limit the economic effects, the company continued to keep a large part of its structures concentrated in the main Italian cities and in some holiday resorts closed in the first part of 2021, and made use of the Salary Integrity Fund for employees of the closed hotels.

The situation improved with the summer season but soon, with the arrival of the "fourth wave", a number of the facilities were closed again.

Faced with the impact of the pandemic on its business, the UNA Group reacted by adopting the official UNAsafe protocol which introduced a series of operational measures to ensure maximum safety for guests. At the same time, the "UNAsafe" label was created, certifying the measures taken and promising not only a safe, but also a "sanitised and guaranteed" experience. The procedures are in line with and add further precautions to the indications contained in the World Health Organisation guide, the Decree of the President of the Council of Ministers, the Ministry of Health, the National Institute of Health and the national "Safe Welcome" protocol drawn up by Federalberghi, Associazione Italiana CoAlberghi and Assohotel. In particular, three areas of intervention were identified which focus on sanitisation and the implementation of medical controls, physical and social distancing guarantees and behavioural and safety practices.

The companies active in other business sectors were less affected by the health emergency, their sizes also certainly less significant to the Group's business.

Integration of ESG factors into insurance activities

In the insurance sector, the capacity to identify, evaluate and manage risks is an underlying element of the competitive capacity and long-term sustainability of a Company. In line with the positions of institutions and regulators, UnipolSai believes that the integration of risks linked to environmental, social and corporate governance factors is necessary for an increasingly improved understanding of the context in which the Group operates, a more aware assumption of risk and, finally, a greater capacity to provide a response to the needs of customers and communities by creating shared value.

As a signatory to the **United Nations Principles for Sustainable Insurance**, the Group is committed to implementing the Principles in our internal policies, procedures and standards and to working with our business partners to implement the Principles and integrate them into our decision-making process.

In the latter area, work continued in 2021 to implement the operational safeguards to the Underwriting Policy - Non-Life Business, which with respect to customers and potential customers that are legal entities, envisages two approaches:

- exclusion of potential customers from the group's policyholder target whose sectors present ESG risks that are incompatible with the Group's sustainability approach and risk management objectives;
- assessment of the ESG performance of potential customers, on the basis of which it is decided whether to pursue the business relationship.

These approaches are implemented through a data-driven ESG risk management model, whereby customers and potential customers are assigned an ESG Score (a statistical indicator of the company's adequacy with regard to ESG issues). The ESG Score is integrated into the system of controls in recruitment and feeds into the information assets of the transaction; if the ESG Score signals the potential presence of a high ESG risk, an investigation and verification process is triggered which may lead to blocking the business relationship if the counterparty does not comply with the Group's ESG risk management objectives. The model was finalised and consolidated in 2021, and will be extended and formalised in specific corporate documents in 2022.

The Underwriting Policy - Life Business, again with reference to customers and potential customers who are legal entities and in relation to investment products, identifies specific sectoral limitations aimed at preventing ESG risks. In 2021, the monitoring of ESG risks continued through an assessment process governed by Management and Sales Network Operating Rules, which envisages the involvement of various corporate players, depending on the assessment phase, for the management of critical or questionable cases.

In general, the exclusions and the assessment procedure do not apply to the underwriting of products that protect employees of the contracting legal entities in the event of illness and accident, in view of the social role that such coverage plays in relation to individuals, nor for pension, protection and savings products in the "collective" product catalogue, which see employees of the contracting legal entities as insured and which are considered to have an intrinsic social value, in a logic of integration between public and private welfare.

In 2021, 15 investigations were launched (8 in 2020) with the involvement of the Sustainability Function in assessing potentially sensitive cases from the perspective of ESG risks. The cases had the following outcome:

- **Reports considered ineligible:** 1, as it related to sectors or activities considered excluded by the Policies (arms manufacturing and marketing in warzones);

- **Eligible relationships:** 14, as they relate to (i) sectors or activities which, following thorough verification, were found not to be excluded under the Policies, (ii) the underwriting of products that protect the employees of the contracting legal entities in case of illness and accident.

The approach adopted demonstrates the collaboration established with customers to build awareness and involvement that facilitates ESG risk recognition and solution identification.

Again with the aim of improving its practices in integrating ESG factors into the business, the Group adheres to the following institutional initiatives, in addition to the aforementioned UNEP FI Principles for Sustainable Insurance: UN Global Compact, UN Principles for Responsible Investment and is a supporter of the Task-Force on Climate-related Disclosure.

Among the activities aimed at continuous dialogue and learning, mention should be made of the Group's membership of associations committed to developing and disseminating the principles of sustainable development, such as the International Federation of Insurance Cooperatives and Mutual Societies (ICMIF) and CSR Europe, the main European network of companies for corporate sustainability and responsibility.

A further front of activities that can directly or indirectly influence public policy on climate-related issues is carried out through the Unipolis Foundation, which through studies, projects, and collaboration with stakeholders and public and private decision-makers promotes activities aimed above all at sustainable mobility to encourage new urban layouts and positive lifestyles capable of generating virtuous behaviour that benefits the entire community, especially to the most vulnerable road users.

For more information on the integration of ESG factors into the insurance business, please refer to the sections "Shared Value Solutions" and "Disclosure of the European taxonomy of environmentally sustainable economic activities" in this chapter.

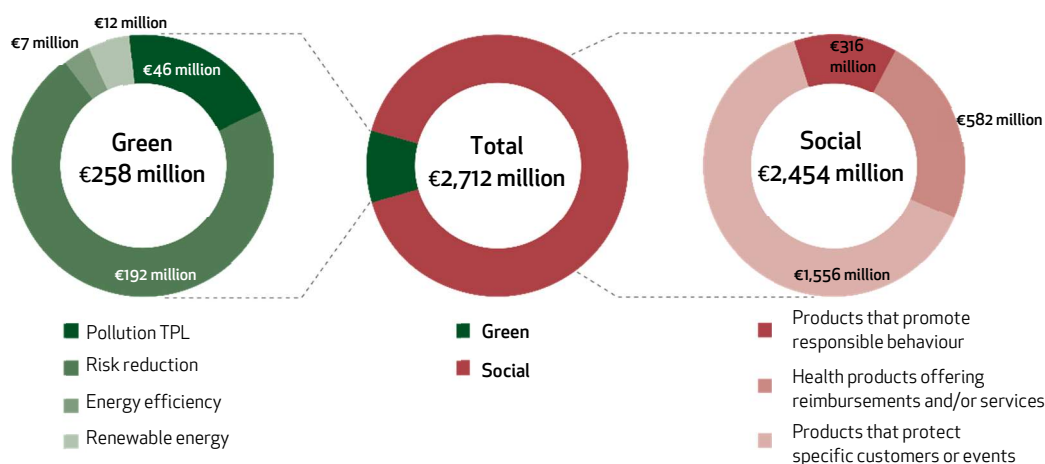
Solutions of shared value

The Group's strategic objectives include the development of distinctive insurance solutions that integrate economic growth with environmental aspects and social factors, by creating value shared with its stakeholders and contributing to the achievement of the Sustainable Development Goals and the implementation of the 2030 Agenda as a whole.

In 2021, Unipol collected premiums of €2,712m with solutions that integrate economic growth and social/environmental value, a share equal to 27.2%,¹⁶ up compared to 25.9% in 2020. 90% of these premiums are attributable to the non-life business, where they account for 31% of direct non-life premiums.

In order to be classed as a "solution with social and environmental value", a product or service must be able to satisfy social needs by improving people's lives, have a positive environmental impact or respond to concerns about the climate.

Impact of products and services of social and environmental value



To ensure greater granularity, this representation does not include premiums relating to electronic devices. The impacts of black boxes, as also highlighted in the previous chapters, concern both social aspects (in terms of safety and combating fraud) and environmental aspects (promotion of sustainable behaviour through kilometre-based pricing).

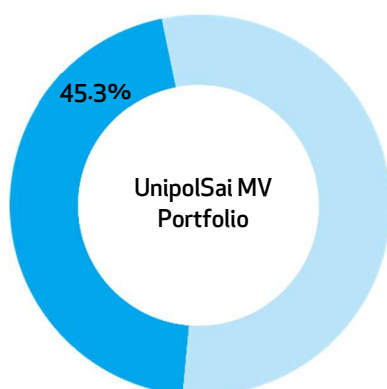
¹⁶ To ensure greater significance, the percentage is calculated on the total direct premiums from Non-Life Business products and the direct premiums pertaining to the family of corresponding products for the Life Business products.

The main areas of the shared value offer and the related results are indicated below.

Mobility

Thanks to its 9.6 million motor policies, the UnipolSai Group can make a significant impact on the development of more connected and sustainable mobility, developing new responses to the changing context and needs driven by technological innovation, environmental awareness, new working methods and new consumer habits.

Policies with Unibox electronics out of the UnipolSai MV portfolio



In the insurance field, Unipol continued to innovate its pricing models using new data on driving habits and introducing new parameters linked to traffic and speed. Thanks to the potential offered by electronics, new solutions have been made available to prevent and protect against mobility risks, such as assistance services and warnings of dangerous driving styles.

As shown in the graph, Unibox electronic policies accounted for 45.3% of the total UnipolSai motor portfolio at the end of 2021. The premium incidence of these policies is 50.4%.

Remaining within the Mobility ecosystem, in addition to the new "Unibox Safe" electronic device described in the "Technology at the service of protection" section, in 2021 Linear Assicurazioni also launched an innovative service through an app, which allows an MV TPL quote to be obtained based on driving style (the "Try-Before-You-Buy" approach).

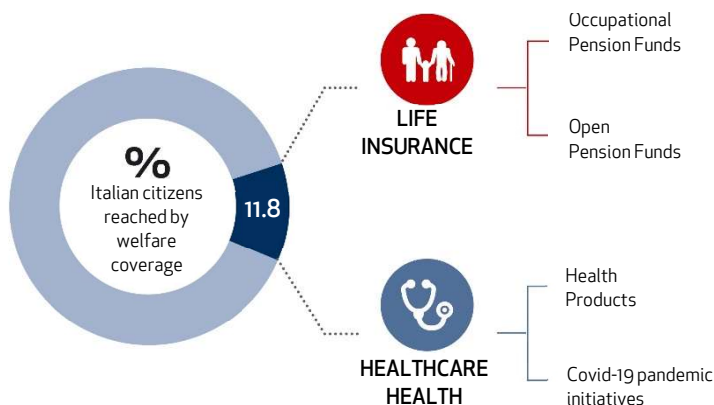
The Linear Drive&Save App allows drivers of all ages to measure their driving behaviour, with the possibility of receiving up to a 15% discount on their car insurance policy. The app monitors driving behaviour for five weeks, at the end of which drivers receive a discount for a new Linear MV policy, determined according to the driving behaviour demonstrated during the analysis period.

Through the Mobility ecosystem, which provides direct and integrated management of collateral services related to its core business, the Group supports customers at the time of an accident and until settlement of the damage suffered through direct repairs (UnipolService and UnipolGlass), offers new opportunities for mobility with long-term leasing (UnipolRental), and contributes to the development of the circular economy and sustainable mobility with the online sale of used cars and e-bikes through proprietary platforms.

Welfare

In the social healthcare and welfare field, in response to public health spending that is no longer sufficient to guarantee the services required by the more demanding population, needing more assistance and care than in the past, the Group aims to consolidate its leadership in the health segment and its prominent role in the welfare sector by developing an increasingly integrated offer of Welfare and Life products and enhancing it with services, with a particular focus on those needed for prevention.

Percentage welfare insurance among Italians



Unipol is committed to developing an offer that is increasingly integrated between Welfare and Life products and enriched with services, with particular attention to those supporting prevention.

In 2021, Unipol's role as a central player in the process of integrating public and private welfare continued, reaching **11.8% of Italian citizens** through the Group's welfare coverage (Health and Life).

To respond to needs that have been accelerated by the pandemic, the Group continues to invest in increasing the accessibility of its services, establishing innovative models of prevention, care and treatment for customers, including through **digital platforms, IoT and Telemedicine**.

In 2021, Unipol continued to provide support to policyholders in events related to the pandemic, particularly when testing positive for Covid-19 through daily benefits, indemnity, assistance and vaccine extension thanks to the initiatives #AndràTuttoBene Tempo Libero, #AndràTuttoBene New and #AndràTuttoBene (SME).

At the end of 2021, there were more than 40,000 policies associated with the various #AndràTuttoBene initiatives, representing almost €6m in premiums.

The Group also supported policyholders by extending coverage in its Health products to risks arising from vaccination, in the event of an adverse reaction within 30 days of vaccination.

More than 829,000 SiSalute Cards were distributed over the year, thanks to which customers can obtain appointments and examinations and access physical therapy services at discounted rates at affiliated healthcare facilities (418,000 in 2020 and 35,000 in 2019, the year the service was launched).

In this context and with the aim of accelerating the national vaccination campaign against Covid-19, UnipolSai prepared, in coordination with the relevant national and regional institutions, a **vaccination plan** dedicated not only to all its employees, their families, agents and agency staff, but also to companies belonging to the main Italian manufacturing companies. This was the first vaccination plan developed by a company active throughout the country, with around 200 affiliated administration sites and over 11,000 vaccinations carried out during the year in eight regions.

In the supplementary pensions plan sector, as at 31 December 2021 the Unipol Group managed assets totalling €4,032m and 21 mandates for **Occupational Pension Funds** (including 17 mandates for funds "with guaranteed capital and/or minimum return") and €963m with 41,370 members for **Open Pension Funds**, as described in more detail in the UnipolSai Consolidated Financial Statements.

The "**Bilanciato Etico**" segment, one of the seven segments of the UnipolSai Previdenza Open Pension Fund, invests its €62.5m in assets in a diversified portfolio of primarily bonds and, marginally, equity instruments in the Eurozone which are fully managed according to ESG criteria.

To complement the ESG offer in the Life class, the Group continued the market placement of the **Investimento MixSostenibile** multi-segment insurance proposal with total premiums at 31 December 2021 of around €165m).

Both are qualified as products promoting social and environmental characteristics in accordance with Article 8 of Regulation (EU) 2019/2088.

The Group's offer has been enhanced with a new individual product covering the risk of non-self-sufficiency, "**UnipolSai Autonomia Costante**", which envisages a constant premium throughout the contractual period. The main new features include the recognition of an increased initial annuity to cover initial contingencies, an increase in the entry age, and the possibility of obtaining a reduced benefit in the event of suspension of premium payments, starting from the eighth premium year. As a further distinctive element,

those who subscribe to the new LTC product are given the opportunity to subscribe free of charge to the range of integrated welfare benefits and services provided by UniSalute.

On specialised consulting, the Group continued to invest in hiring Family Welfare Specialists at the UnipolSai Agencies: there were 1,036 figures dedicated to consultancy for households on Individual Life and Individual General Classes products and services (Accident, Health, general classes professional damages) at the end of 2021 (+128 over 2020).

Property

In order to respond to the requirements of corporate customers, to a significant extent SMEs, the Group's offer has been integrated with services and conditions which, on the one hand, promote and support prevention, understood as an approach that facilitates the continuous existence of the insurability conditions of the individual actors and overall sustainability for the Company, and on the other facilitate the rebound in economic activities in the event of an accident which jeopardises this, by recognising this as a key element for the competitiveness of the parties involved.

Premiums from SMEs accounted for 10.8% of total UnipolSai Non-Life premiums (i.e., 26.5% of the Non-Life Non-MV premiums), i.e., over €720m.

With regard to **climate change**, in addition to the more traditional approach of protection (by offering products and guarantees designed to mitigate the economic consequences of claims from weather events or floods and to support effective Disaster Recovery), the Unipol Group has developed specific services and tools for risk prevention. The climate risk self-assessment tool (CRAM) developed by the DERRIS project to help Italian SMEs prevent and manage climate change-related risks is one example: by the end of 2021, the tool had been used by 8,000 companies (+1,000 compared to 2020).

In the field of catastrophic risks, the **Terraferma tool** was developed for Incontra Assicurazioni, with the aim of increasing customers' (individuals and companies) awareness of seismic risk. The tool contains an interactive map of the seismic hazards in Italy (source: INGV) and displays past seismic events and a representation of the propagation time and perception area of the tremors.

In a context of strong growth in cyber attacks, which constitute a serious **operational** risk related to **information, data** and **technological assets**, the Group has enhanced its **"Cyber Risk"** guarantee with an important service for customers, the *Cyber Incident Response*, which provides claims management support to policyholders. At the end of 2021, the "Cyber Risk" guarantee increased premium income by almost 100% over 2020.

The Più3 campaign continued, involving the activation of a new contract – with a duration of at least 15 months – with the first three months' premium at no cost for the customer on the Commercio&Servizi, Impresa&Servizi, Alberghi&Servizi, Agricoltura&Servizi and Infortuni Premium 2.0 products.

Similarly, Covid-19 coverage has been extended in the event of illness and business interruption (extension within the Income Protection guarantee) on the Impresa&Servizi, Commercio&Servizi, Agricoltura&Servizi products.

The insurance solution for **Third Sector** entities, which allows for a high degree of customisation based on the different economic and social purposes of the entities, collected premiums of €5.5m (compared to €3.4m in 2020). Third Sector entities are also party to Class 14 and 15 contracts (Loans and Guarantees) to guarantee advances of amounts for non-repayable projects granted by Public Administrations.

In view of the benefits provided by the **"Relaunch Decree"** for renovation works by citizens, condominiums and companies, the Group has structured an offer aimed at helping beneficiaries to take advantage of the measure.

This initiative responds to multiple needs from the Group's perspective: it supports citizens accessing an opportunity; it contributes to the relaunch of a key sector such as construction; it facilitates interventions which, in addition to improving the well-being of inhabitants and increasing the value of buildings, in many cases bring significant environmental benefits in terms of energy efficiency and reduction of emissions; and it introduces a system of rules and controls that encourages the correct and transparent use of public funds.

The offer includes a modular solution based on the acquisition of the tax credit at a certain price, defined at the outset according to the type of tax credit; the possibility of accessing a bridge loan thanks to an agreement with BPER Banca in order to meet any site opening costs to be incurred before the credit accrues; various types of insurance coverage, both for the customer (such as the CAR policy to cover catastrophic risks, or the "Principal TPL" policy) and for the company carrying out the work (such as the TPL policy for building company activities or the surety policy to guarantee successful works completion). At the end of 2021, credit worth €223.8m was purchased through the acquisition of 930 cases. More than 2,500 policies of various types are associated with these cases, with premium income exceeding €2.8m.

In support of the Property ecosystem, the introduction and training of **Business Specialists** has continued: specialised figures who represent the reference persons for companies and professionals, with whom they interface to increase the productivity and competitiveness of client companies. At the end of 2021, the network consisted of 749 Business Specialists spread across 572 agencies. The main objective of widespread local advisory services, with a strong range of solutions with more prevention, assistance, services and digital elements, is to provide responses to the priorities of business people in many sectors struck by the crisis triggered by the pandemic, to resume quickly and take advantage of new opportunities. The solutions offered by the Group are flexible and meet the current main requirements of small-sized companies: guaranteeing business continuity, achieving administrative simplification, taking advantage of digital opportunities by strengthening the weight of e-commerce, investing in well-being and in the protection of people and lastly providing a greater push to exports.

Financial inclusion

Shared-value solutions include initiatives and projects that provide disadvantaged sections of the population access to financial products.

In particular, there is smart coverage that is quickly and easily accessible to micro-businesses, specific coverage in the event of death and permanent invalidity due to accident for non-EU citizens, and insurance proposals specifically aimed at young people, who can take advantage of pension coverage with payments adapted to their availability.

Overall, more than €1.15bn of the Group's Non-Life and Life insurance premiums are paid by customers on an interest-free instalment basis (in line with 2020).

To help break down barriers through the use of technology, UnipolSai and Linear have activated the roadside assistance service within Pedius, an app that integrates useful functions for deaf people and all those who find themselves unable, even temporarily, to communicate their roadside assistance services vocally. The app allows users to report a breakdown, call for roadside assistance and indicate their location; with Pedius, the user uses a text chat that is transformed into a digital voice, while the call-centre operator proceeds with the voice response: their voice is transformed into text and sent in real time.

UnipolSai's support to communities to promote financial inclusion, resilience, financial education, risk reduction and accessible insurance products is also developed with the microinsurance project carried out in collaboration with ICMIF (*International Cooperative and Mutual Insurance Federation*). Called "5-5-5 *Mutual Microinsurance Strategy*", the project involves five countries (Colombia, Kenya, India, Sri Lanka, Philippines) and has reached more than 1.8 million low-income people, offering them access to insurance coverage for everyday risks such as disease, climate change and other phenomena.

The impacts of climate change on the insurance business

The Group recognises the importance of reducing the risk of disasters, as well as protecting and strengthening the adaptive capacity and resilience of areas, communities, ecosystems and business activities that are directly or indirectly vulnerable to the impacts of climate change and natural disasters.

With a particular concentration in the summer months, there were numerous claims from weather-related events in 2021 as well, reflecting the ongoing climate change that affected both Italy (direct coverage) and Northern Europe (Storm Bernd), where some reinsurance coverage was in place. The cost of reserving and settling weather-related claims therefore increased overall at the end of the year.

In the immediate aftermath of the most significant events, customers were always guaranteed Disaster Recovery assistance; the Group established measures to support the affected businesses to allow them to restart quickly, also in advance of the fast settlement procedures.

As at 31 December 2021, the net combined ratio after reinsurance was 95%, which was affected by natural catastrophe and large claims by 8.1 percentage points compared to 6.6 percentage points in 2020.

With the support of Leithà, the Group company specialising in Big Data analysis, the Unipol Group is strengthening its ability to analyse meteorological data and build predictive models to support the development of products and services for risk prevention and management and the pricing, risk taking and claims management process. The initiatives launched in 2021 include:

- the **Lorentz advanced weather data collection tool**, which allows the Liquidator and Trustee to use weather information such as rainfall intensity gathered from leading weather providers for optimal claim settlement. The use of this tool means that Group companies operating in the Non-Life segments are able to achieve faster investigation times and more accurate estimates, as well as identify potentially fraudulent claims.
- the **SAM project**, designed to improve the pricing process by using weather variables and property characteristics to accurately process the danger level in a specific area;

- the **Metropolis project** developed in collaboration with the Reinsurance department, which is based on machine learning models designed to provide an estimate of the severity and frequency of events based on weather radar data (heavy rainfall and flooding) and the characteristics of the properties following a weather event;
- the development of the **European Extreme Events Climate Index (E3CI)**, the first index in Europe for monitoring and managing the impact of extreme weather events, as an important application support for pricing or the development of parametric insurance;
- the launch of a **partnership with E-Geos**, an international leader in the field of Earth observation and geospatial information, aimed at studying advanced techniques for the perimeter of flooded areas using satellite data and simulations.

The Unipol Group has a range of insurance products and services to support customers in mitigating and adapting to climate change.¹⁷ In terms of mitigation, these include, for example: products aimed at business sectors such as renewable energy production ("Energia Sole" product); a dedicated offer for customers who are planning renovation works including energy efficiency, as described above; and "Pay as you drive" tariffs that reduce premiums based on the number of kilometres driven. In terms of adapting to climate change, one of the services developed to help customers prevent risks is the Weather Alert system, developed based on a predictive model that can warn customers of the risk of severe hail storms in advance. More than 1.8 million text messages were sent in 2021; since the campaign began, a total of 5 million text messages have been sent, with 3.9 million UnipolSai, Linear and Arca Assicurazioni customers involved.

In addition to these types of contracts, guarantees issued during 2021 for the costs of dismantling and restoring areas affected by renewable energy plants (hydroelectric, solar, biomass, wind) are also included.

Since September 2020, UnipolSai has been the lead partner in the **LIFE ADA (ADaptation in Agriculture)** project, which aims to **increase resilience to the impacts of climate change in the agricultural sector in three areas**: dairy (Parmigiano Reggiano), wine, and fruit and vegetables. 2021 focused on preparatory activities for drafting the ADA tool aimed at supporting the decision-making process to define efficient adaptation plans at farm and supply chain level. More specifically, thanks to the analyses carried out by ARPAE Emilia-Romagna, climate scenarios, seasonal hazard maps on hail, wind, frost, drought, temperature (minimum and maximum) and precipitation have been defined, as well as a library of adaptation measures in the three sectors covered by the project, which will then be included in the tool. In June 2021, Leithà organised a hackathon in which participants were asked to design an innovative solution to help players in the three supply chains to prevent and cope with the effects of climate change through technology. With the launch of the online training course in October 2021, the process of transferring knowledge about climate change adaptation to agricultural stakeholders became a reality.

Unipol also continued the **LIFE DERRIS** project, a public-private partnership through which the Group engages SMEs (UnipolSai customers and others), public administration (municipalities and regions), representative organisations (chambers of commerce and trade associations) and civil society in raising awareness and knowledge of the risks associated with climate change and of possible risk prevention and management measures to increase companies' adaptation. Unipol continued its commitment to disseminating the project in 2021 and in particular the CRAM tool (a free online climate risk self-assessment tool) both internally, through the involvement of SME tutors and agencies, and externally as part of a UnipolSai campaign on risk and emergency management targeting SMEs, as well as also through the organisation of (online) meetings in collaboration with Legambiente Emilia-Romagna as part of the dissemination of the dossier "We are involved in the climate: future risks in Emilia Romagna".

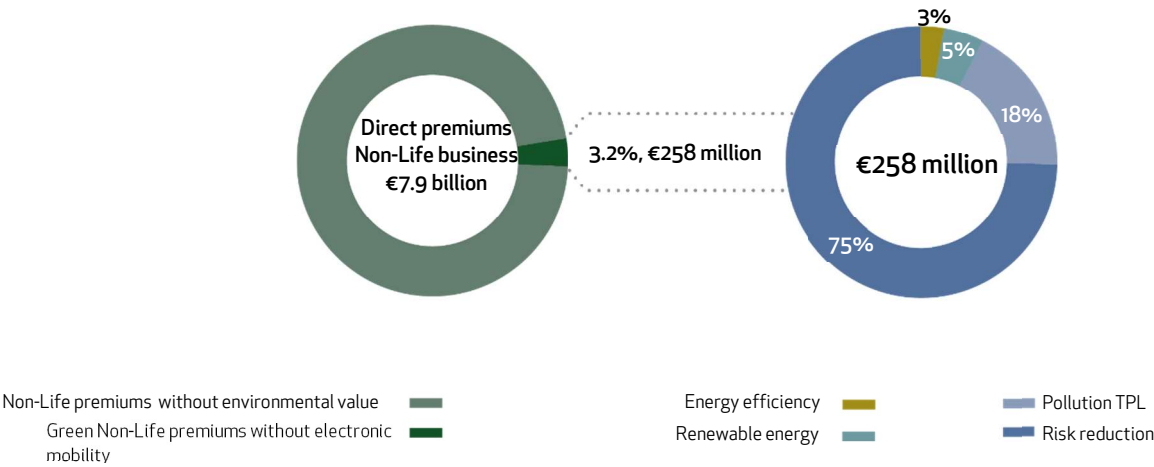
With reference to shared value insurance solutions, those which integrate economic growth and environmental impact (in terms of the mitigation or and/or adaptation to climate change) earned €258m in 2021 (€181.5m in 2020), equal to 3.2% of direct premiums for Non-Life products (2.3% in 2020), for the sale of over 2 million policies.

In addition, there are the premiums associated with MV policies, which envisage the installation of a black box, representing 17% of direct premiums for Non-Life products (compared to 18.1% in 2020).

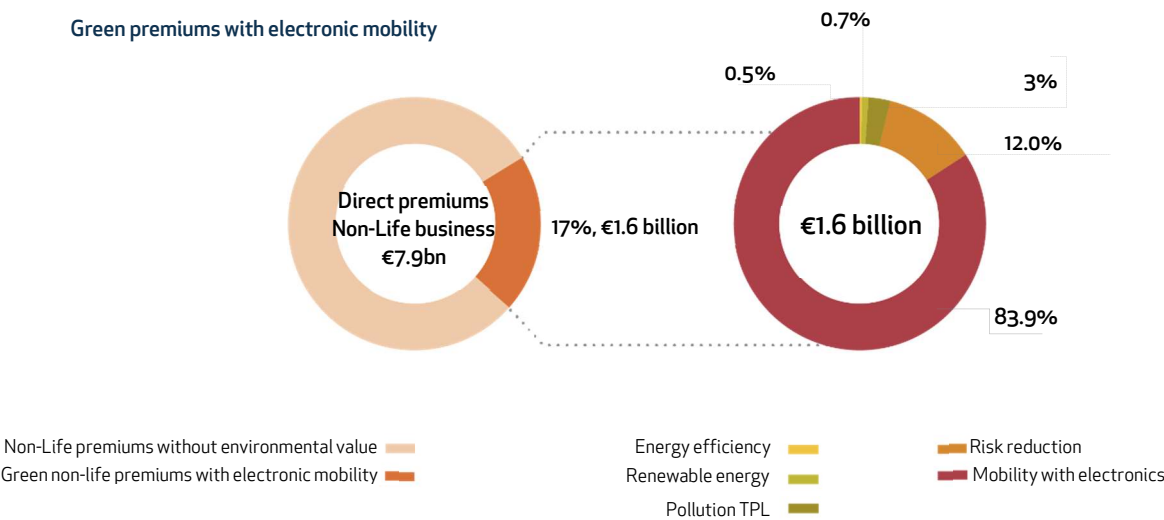
¹⁷ In terms of the type of phenomenon it is intended to represent, the information presented here differs from the information published below in the section "Information on the European taxonomy of sustainable economic activities", and is therefore in no way comparable thereto.

Incidence of environmental value products and services on direct premiums for non-life products

Green premiums without electronic mobility



Green premiums with electronic mobility



Information on the European taxonomy for sustainable activities

This section provides the information required by Article 11 of Del. Reg. (EU) no. 2021/2178 ("Taxonomy Regulation"), which governs the reporting of environmentally sustainable economic activities to be included in annual financial reports published between 1 January 2022 and 31 December 2023.

As part of the Group's efforts to contribute to the challenges posed by climate change through its main areas of activity, particularly underwriting, the European taxonomy of environmentally sustainable economic activities¹⁸ (the "Taxonomy") constitutes a fundamental support to strengthen the orientation of strategies towards the achievement of Community environmental objectives (the "Environmental Objectives"), starting with climate change mitigation and adaptation, which – among the six overall objectives – are the first to be subject to detailed regulation.¹⁹

The strategies and initiatives implemented by the Group with the 2019-2021 Strategic Plan to support the Objectives are described in detail in the section "The Unipol Group climate strategy". The information it provides was prepared based on criteria which, in terms of scope and method of application, are different from those defined in the Taxonomy and may therefore be inconsistent with those set out in this section. The 2022-2024 Strategic Plan will integrate the goals of the Group's climate strategy; the Taxonomy will acquire an increasingly important role in supporting the achievement of those goals.

Information on how and to what extent the Group's activities are associated with environmentally sustainable economic activities in relation to underwriting activities is presented below; this information is prepared based on the interpreted regulatory requirements, and also considering the interpretative and/or clarification documents published.²⁰ It should be noted that the Group has used templates for its reporting that are consistent with those contained in the annexes to Delegated Regulation (EU) 2021/2178 applicable for the period from 1 January 2024, adapting their content where necessary, supplementing the information that is currently available in the manner required by the regulations and indicating the cases in which such information is not currently available²¹. It should also be noted that in order to supplement the information provided on a compulsory basis, the Group has provided, on a voluntary basis, additional indicators relating to the objectives of the Taxonomy, specifying their assumptions, calculation methods and differences with respect to the mandatory reporting²².

KPI related to underwriting activities

Insurance and reinsurance business is included in the Taxonomy as an economic activity that can make a substantial contribution to the objective of climate change adaptation through the provision of insurance services relating to the **coverage of climate-related hazards** in accordance with Annex II, points 10.1 and 10.2, of the Climate Delegated Act. Specifically with regard to insurance, the economic activity described by point 10.1 is the provision of insurance services related to the **underwriting of climate-related hazards** (classified in Appendix A of the Climate Delegated Act), within the eight areas of the insurance line business (or "Lob") expressly stated.

In the first phase of the application of the Taxonomy Regulation, insurance and reinsurance companies are required to publish the percentage of non-life insurance business **that is Taxonomy-eligible and Taxonomy-non-eligible**. To be considered Taxonomy-eligible, in addition to belonging to one of the above-mentioned Lobs, a policy must have conditions that provide coverage for risks related to "climate-related perils"²³.

In order to identify the Taxonomy-eligible policies and the related premiums, the Group used the **risk category** as an element of analysis and selection, which represents the minimum unit of disaggregation through which the premiums written in the different ministerial lines of business²⁴ are attributed to the different types of guarantees. Among the risk categories in which its portfolio is classified, Unipol has selected those related to climatic hazard risks; among these, the risk categories related to atmospheric events, fire and flood are particularly significant in the portfolio. Based on these risk categories, the guarantees and products that contain them and therefore envisage coverage have been identified²⁵.

¹⁸ Defined in Regulation (EU) 852/2020 and its Delegated Acts.

¹⁹ Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021, as amended ("Delegated Climate Act")

²⁰ "FAQs: How should financial and non-financial undertakings report Taxonomy-eligible economic activities and assets in accordance with the Taxonomy regulation Article 8 Disclosures Delegated Act?" published in December 2021 and supplemented by the "Draft Commission notice on the interpretation of certain legal provisions of the Disclosures Delegated Act under Article 8 of EU Taxonomy Regulation on the reporting of eligible economic activities and assets" of February 2022. "Platform considerations on voluntary information as part of Taxonomy-eligibility reporting – Appendix 1" of the Platform on Sustainable Finance.

²¹ "FAQs: How should financial and non-financial undertakings report Taxonomy-eligible economic activities and assets in accordance with the Taxonomy regulation Article 8 Disclosures Delegated Act?", FAQ no. 5.

²² "Draft Commission notice on the interpretation of certain legal provisions of the Disclosures Delegated Act under Article 8 of EU Taxonomy Regulation on the reporting of eligible economic activities and assets", FAQ no. 7.

²³ "Draft Commission notice on the interpretation of certain legal provisions of the Disclosures Delegated Act under Article 8 of EU Taxonomy Regulation on the reporting of eligible economic activities and assets", FAQ no. 25

²⁴ In Italian law, "class" means the management of the form of insurance corresponding to a risk or a group of risks that are similar to each other from both the viewpoint of risk assumption and that of claim settlement.

²⁵ It should be noted that in the limited number of cases where a reliable breakdown of premiums by risk category was not available in the databases, such premiums were conservatively considered ineligible.

The analysis thus carried out has made it possible to highlight the lines of business in which the Group provides insurance cover against climate-related perils, and within these insurance activities, which policies cover risks relating to climate-related perils, to be reported for the purposes of calculating the KPI related to underwriting.

As a result of the analysis carried out, the Group detected significant underwriting activities linked to climate-related perils in the following Lobs:

- other MV insurance;
- marine, aviation and transport insurance;
- fire and other damage to property insurance.

The amount of premiums reported below is therefore concentrated in these three Lobs, which together account for **28% of total gross written premiums** for the Non-Life business.

Economic activities	Absolute premiums, year t	Share of premiums, year t
	Value (€ millions)	%
A.1. Non-life insurance underwriting - Taxonomy eligible assets ²⁶	817.2	10.0%
A.2 Activities not included in A.1	7,397.1	90.0%
Total (A.1 + A.2)	8,214.3	100%

Technology to support protection

In the UnipolSai strategy, technology represents an important enabler through which to achieve its programming, and is continuously enriched thanks to investments in innovation.

In 2021, **ICT investments** amounted to €97.4m (€88m in 2020). 153 terabytes of electronic data were managed (compared to 138 Terabytes in 2020), marking an 11% increase linked to development in the projects based on electronics and process digitalisation and automation. The investment in data, electronics, and in Artificial Intelligence and *Robotic Process Automation* (RPA) applications generates tangible returns for characteristic activities, for example in the area of anti-fraud and for developing offers starting from better knowledge of customer needs.

In order to support the underwriting phase with respect to legal entities, in 2021 Unipol developed a **business risk indicator** which associates each VAT number/tax code with an index aimed at providing advance information on the customer's risk characteristics not captured by the product premium. Complementing this service, a pilot project has been launched to assess ESG risk (for more details see the section "Integrating ESG factors into the insurance business").

In the Mobility area, in order to better prevent risks and protect customers, the new electronic device "Unibox Safe" has been developed, equipped with an Emergency Call system that allows both hands-free contact with the assistance centre that can be activated at any time by the customer in case of need, and the automatic activation of roadside and medical assistance to guarantee timely support. Unibox Safe also meets the requirements of environmental sustainability as it is solar powered.

On the other hand, initiatives are being incubated or tested to develop an electronic device to increase the effectiveness of vehicle recovery in the event of theft, the black box connected to smartphones and the implementation of electronic models without the use of black boxes through agreements with car makers and/or neutral servers to make it possible to receive electronic data directly from the vehicle.

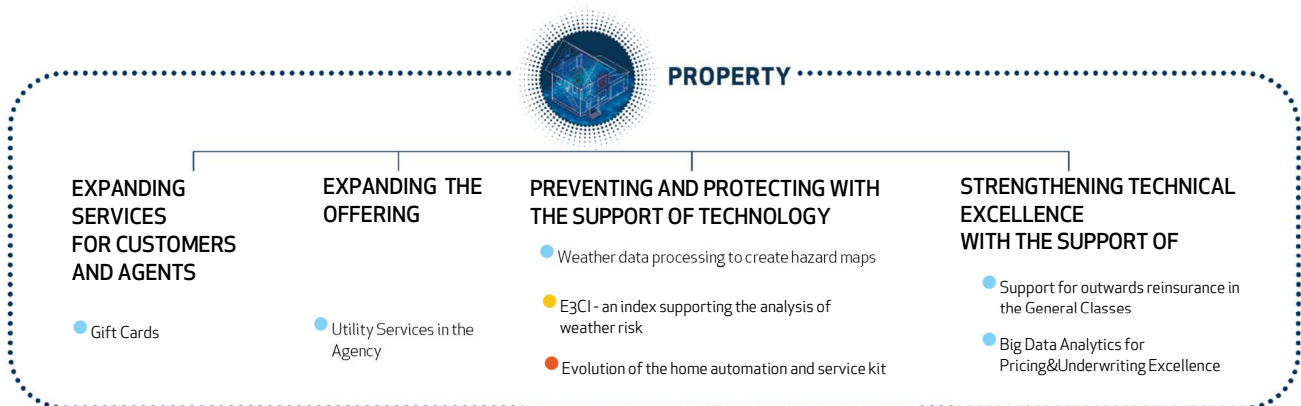
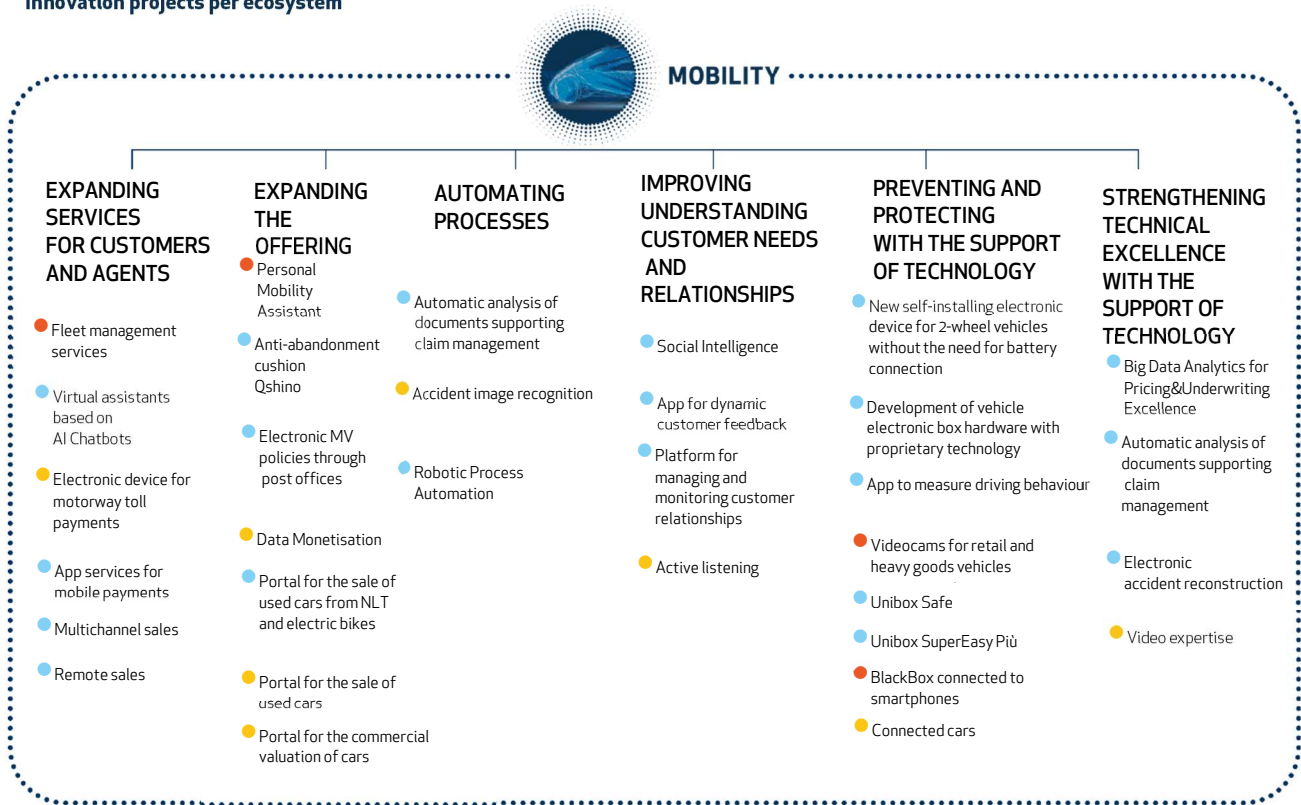
At settlement stage, the potential of the "**electronic settlement**" process which uses the information provided by the black box to verify the actual dynamics of claims was further realised during the year, on the one hand with the Unico 2.0 platform which reorganises information to facilitate the adjuster's decision-making process, and with the optimisation of the Real Time 2.0 process, which includes opening the claim starting from the impact detected by the black box data, and at the same time initiating the first contact with the insured party to open the claim and anticipating the information gathering phase. The new algorithms with optimised reliability levels on direction of travel enable even more timely claims handling, speeding up and reducing the costs of the claims process.

²⁶ Premiums relating to reinsurance business carried out by the reinsurance company UnipolRe, for which no precise information on the eligibility or ineligibility of reinsurance business is available at this stage, were prudentially considered non-eligible.

Also as part of IT implementations to improve customer experience, the appointment booking process was optimised in 2021, enhancing the customer contact service through the use of **an electronic diary for booking medical visits** at Medical Booking Centres (MBC).

A trial of the **Video Appraisal** service was launched, allowing the independent expert to perform a remote appraisal and gather documents supporting virtual settlement of the claim. This solution will allow a considerable reduction in the time needed to complete the appraisal, limit its costs, certify geolocation and eliminate travel time for the customer and the independent expert.

Innovation projects per ecosystem



Key:



Customer relations

The focus on the customer starts at the launch of the commercial relationship and continues throughout it, right up to the activities aimed at monitoring customer satisfaction.

Definition of new products and services

The Group's commercial action in 2021 was characterised, on the one hand, by the simplification and digitalisation of remote sales processes, and on the other by the development of processes to strengthen the active role of agencies in customer relations. Agencies have a new dashboard that allows them to stay up to date on operations carried out independently by their customers, so that they can interact and support them effectively in an integrated manner.

Thanks to initiatives aimed at promoting UnipolSai app services simplifying online activities, new remote sales functions and digitalisation, the number of customers registered with online accounts has reached 5.2 million (+17% on 2020), around 3 million have signed up for Electronic Signature (36.9%; +10pp on 2020) and policies signed with AES have increased from 21.1% to 31.9%. The digital penetration index, which considers operations that can be activated by the Agency to digitalise vehicle title, thus eliminating the need for printouts, was 30.9% at the level of the private and corporate agency channel. As at December 2021, the contactability index (commercial profiling and consent) of customers reached 59.3%.

During the definition of new products and services, the Group places a particular focus on understanding insurance requirements, launching **listening initiatives**, both aimed at a wide audience (e.g. through surveys) and more targeted and restricted (focus groups and interviews), including through dialogue and cooperation with Member Organisations, which may lead to participatory planning opportunities. In the course of 2021, this second modality was highly impacted by the pandemic and the ensuing limitations in carrying out local activities and developing in-person relationships.

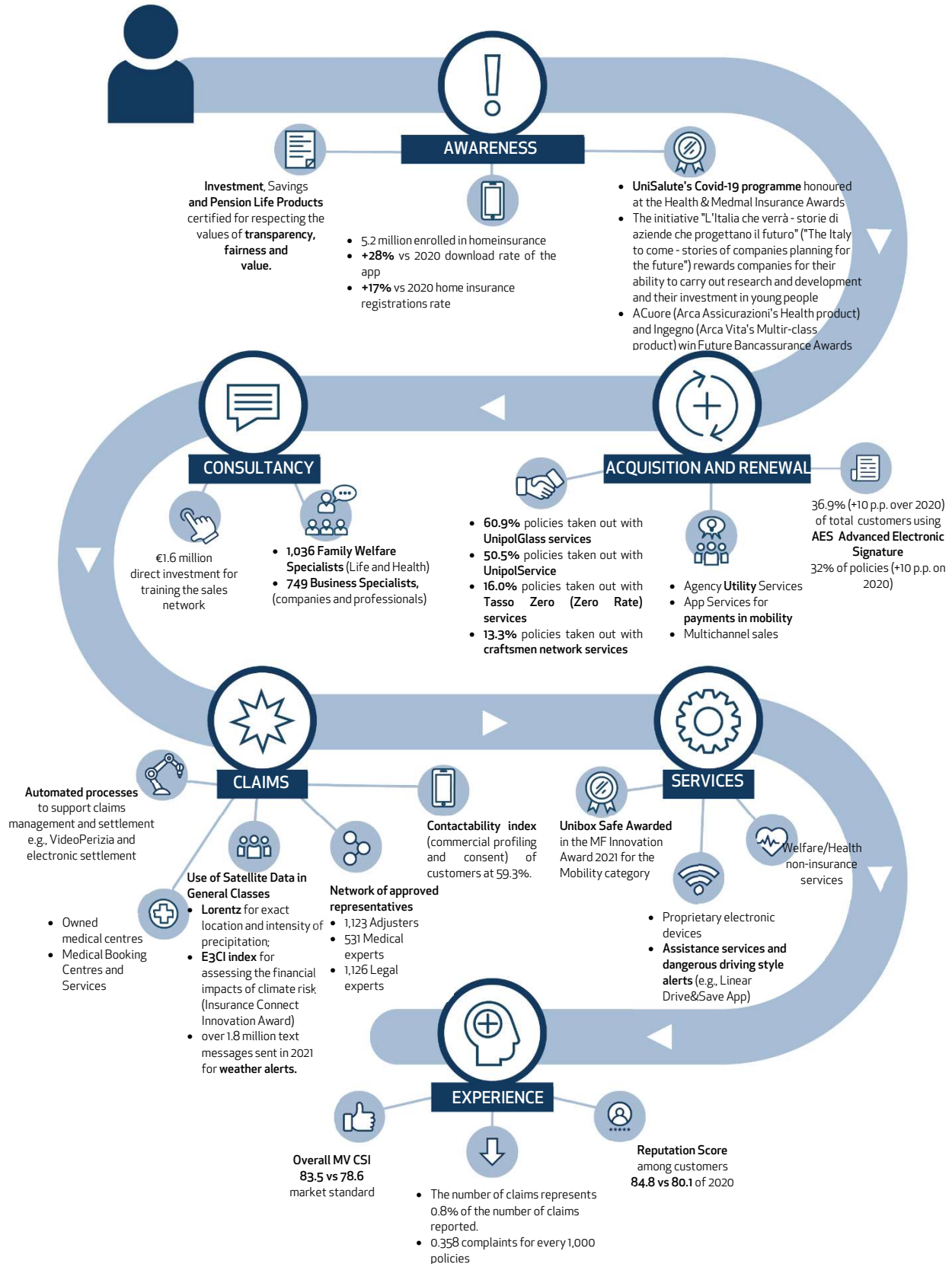
Customer Protection and Responsible Sales

New products and services, as well as changes to existing products and services, are subject to a preventive audit of compliance with applicable regulations, which takes into account their consistency with the expectations of the customers for whom they are designed, also envisaging monitoring during their time on the market.

The Group companies draft offer documents as required by reference regulations, taking into account continuous evolutions on the matter, committed to improving their transparency and simple language; this approach is also taken in advertising messages. In particular, UnipolSai has adopted a process for preparing advertisements for insurance products and supplementary pension schemes (Open Pension Fund and PIP) that includes procedures for checking the contents, with particular attention to compliance with the principles of clarity and correctness, the compliance of the contents of the information set with the characteristics of the products to which they refer, the presence of specific warnings for customers and immediate recognisability as advertising messages.

Life product Certification was confirmed in 2021 for all products in the **Investment**, **Savings** and **Welfare** ranges, requiring audit and quality certification of UnipolSai compliance in product regulations according to the values of transparency (complete, understandable and traceable information), fairness (clear and balanced cost) and **product value** (protection of capital and selected investments) by the certification body Bureau Veritas.

Customer Journey #alwaysonestepahead



Proximity in the event of claims

The occurrence of a claim is the moment when customers put the trust they place in an insurance company to the test; UnipolSai constantly invests to help them achieve a rapid and satisfactory settlement of the damage caused, starting with the benefits generated by the **electronic settlement process** described in the section entitled "Technology to support protection", which facilitates the decision-making process of the claims adjuster by speeding up the settlement process and simultaneously reducing the costs borne by UnipolSai.

The Group's settlement model includes a specific service for those injured with minor injuries (in relation to MV, Accident or General TPL policies), who have the option to perform the medical-legal examination directly at the **Medical Booking Centres (MBC)**, located at the company's Regional Settlement offices, to then to be paid promptly. Using the UnipolSai App, appointments can be booked directly with the 78 MBCs and 332 **Medical Booking Services (MBS)** distributed throughout the country (taking into account of Medical Booking Services that temporarily closed due to COVID-19 emergency restrictions, operating from April 2021 in white, yellow or orange zones only).

The proportion of assignments to the MBCs and MBSs is around 50% in MV TPL with a delta in terms of lower average cost of around €300, representing a saving of around 10% compared to "traditional" settlement management. The percentages relating to Accident and General TPL claims in December 2021 were instead 34.3% and 18.9%, respectively.

A further improvement in the settlement process thanks to investments in research and development related to **Ready Definition** which, in addition to continuously monitoring the expert network, introduced the functionality of separating the costs of damage items (estimation, towing, etc.) in 2021 for the purpose of more accurate management of the claim and related costs.

Based on the consolidated experience in the MV sector, direct repair has been extended to the General classes (Piped Water, Damage Investigation and Repair, Weather, Plates and Electrical), offering the customer the possibility of choosing direct repair through a network of operators selected by the company, without cash outlay and with simultaneous elimination of the deductible, where present. In particular, Direct Repairs in Electrical claims are carried out through specialist companies which offer an estimate of the damage, also through use of the repurchase values of any assets damaged as indicated by external databases.

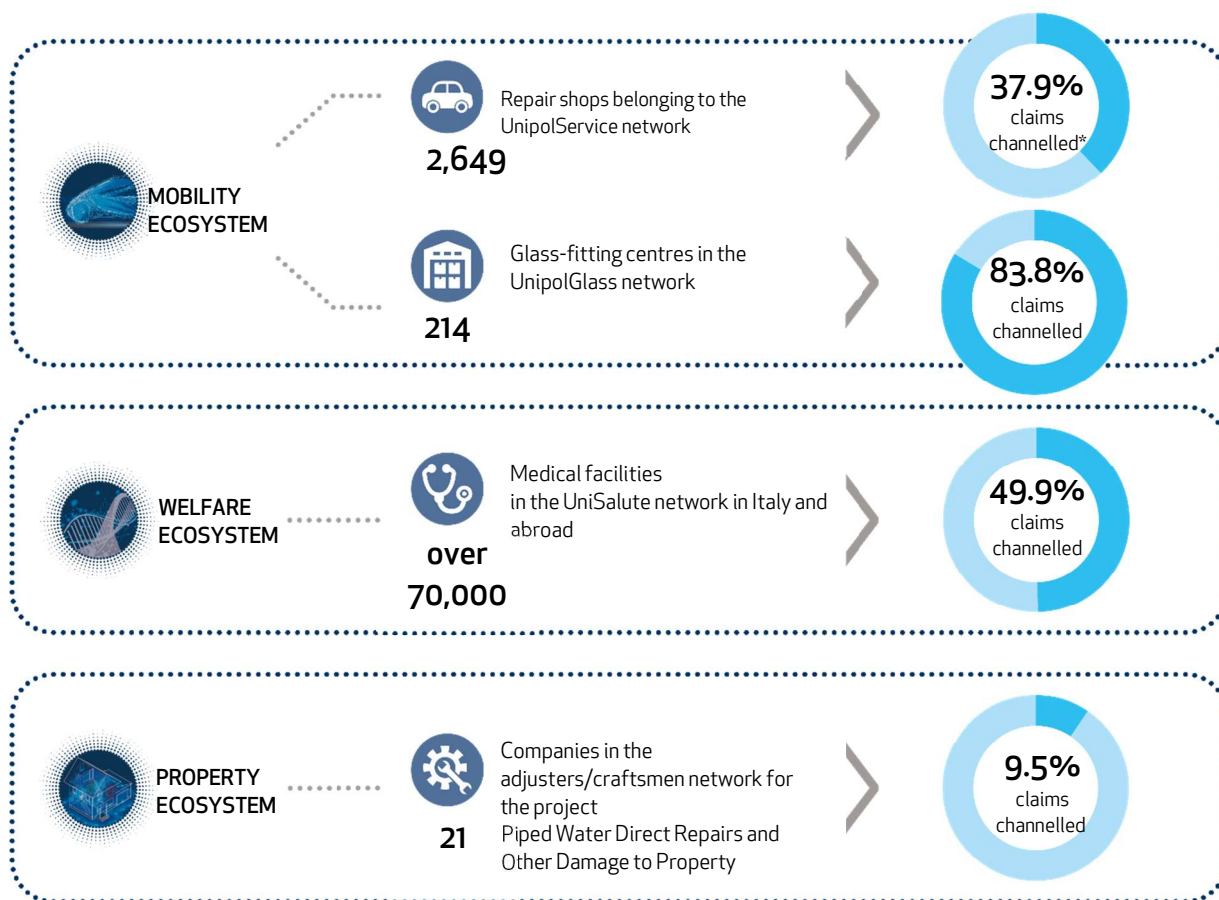
Over the years, UnipolSai has constructed, and continues to develop, a network of partners who interact with customers directly and assist them, in resolving (not merely through compensation) the damage they have suffered, concerning vehicles, people or property.

This internalised service model guarantees the level of service provided by the Group's expertise in partner selection, as well as significant cost savings.

The percentage of policies taken out with additional services was 50.5% in the case of UnipolService (49% in 2020) and 60.9% for UnipolGlass (55.7% in 2020), 13.3% for the craftsmen network (13.1% in 2020) and 16% for zero-rate financing (15.7% in 2020).

Repairs channelled to the affiliated facilities generated significant effects in terms of customer retention: amongst customers with claims and channelled, the percentage of renewal, for UnipolService, was 93.3% in MV TPL and 89.3% in Land Vehicle Hulls; for UnipolGlass, the retention was 87.3% while for the craftsmen network the percentage was 95.9%.

The impacts of direct repair and channelling



*the figure includes only the MV TPL business.

Satisfaction monitoring

In the Customer Satisfaction survey conducted in 2021²⁷ UnipolSai confirms its best ranking, outperforming the traditional company market by 5 p.p. in the overall assessment.

In this respect, UnipolSai aims to be at least at the same level as the market standard. As shown in the table below, the CSI index for 2021 is also above that of the market, confirming the positive trend of the last three years.

Satisfaction linked to the relationship area made a decisive contribution to this result, obtaining an assessment of 86.9 compared to 80.4 in the traditional companies (80.2 market benchmark). Similarly, the claims management area is rated very positively with a score of 84.8 compared to the market benchmark of 77.7 (79.1 Traditional benchmarks).

The **Overall indicator**, which shows on a scale of 0 to 10 how positive the image of a Company is as perceived by its customers through the question: "In summary, how satisfied would you say you are with the Company overall?", assigned UnipolSai a score of 8.34, compared to a market benchmark of 8.04.

The **"NPS" (Net Promoter Score)** MV customer satisfaction indicator is again higher than the market benchmark.

In the context of the continuous surveys,²⁸ the results are not generally affected by the persistence of the pandemic that affected the economy of Italian households throughout 2021. On the contrary, the climate of relaxation continues and pessimism towards

²⁷ The interviews were performed with CAWI methodology during 2021, with 5,016 customers interviewed, 2,038 of whom were UnipolSai customers (1,499 from the random list provided by the client and 539 from the Nexplora panel).

²⁸ Multifinanziaria Retail of Ipsos which makes it possible to understand the financial decisions of households and individuals aged between 18 and 74 years, representative of 21.2 million nuclear families. The sample data are collected through 5,000 annual face-to-face interviews (CAPI) with financial decision-makers, surveyed during two half-yearly waves of 2,500 interviews.

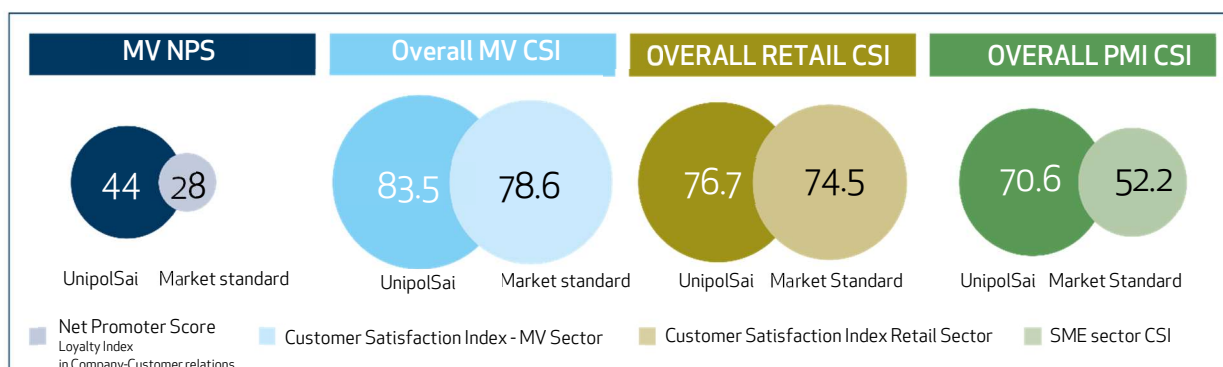
the future decreases. The **overall satisfaction index**, calculated based on policyholders, showed a marked improvement on the previous year (76.7 vs 70.2); this trend is confirmed by the market, which rose from 71.4 to 74.5.

Satisfaction among medical/health insurance policyholders (individual and group) also increased from 81.6 to 85.5, while the market figure was stable (from 77.7 to 76.2).

Business customers improved their ratings in 2021, bucking the market trend which lost more than 3 percentage points with respect to 2020.

The MV TPL customer loyalty rate is high: 87.3% against a market average of 84.1%

Customer satisfaction survey - Italy



During 2021, the internal bottom-up NPS (Net Promoter Score) detection process continued, correlating the service provision processes with customer satisfaction. Aimed at finding opportunities for internal improvement, the model is currently measured on 14 segments of the Customer Journey between customers and the Group throughout the relationship, consisting of 17 segments. More than 500,000 customers gave NPS feedback in 2021.

In addition, from the second half of 2021, a redesign of the **customer listening matrix** was initiated in order to expand it as part of a "Voice of the Customer" model. The ongoing redesign will run through 2022, leading to a new, enhanced version that will structure a strengthened "Close the Loop" process and more accurate tracking of improvement initiatives

Using NPS, Linear has also measured the experience of customers who take out insurance, renew their policy, change their vehicle online, request a tow, experience a loss and contact Customer Services or the Claims Department to make a claim over the phone. In almost all cases, the 2021 NPS index maintained excellent values (greater than 57) with the exception of Customer Service experience, where a score of 36 was recorded.

The annual UniSalute customer satisfaction survey, conducted through CAWI on a sample of 2,000 policyholders who have made at least one claim, showed average satisfaction with the services of 6.9 on a scale of 1-10, slightly down from the previous year.

UniSalute's Net Promoter Score is also measured at the same time as customer satisfaction. The last survey carried out in November 2021 recorded an NPS of -7%: this decrease can be attributed to the return to full operations as a result of the increase in the number of healthcare services provided and reimbursement practices (2020 was the Covid-19 emergency period that most affected the company).

Again in the health sector, in 2021 SiSalute measured customer satisfaction with direct services that involve the use of facilities affiliated with the company: the average annual NPS index that emerged was 59%.

Anti-fraud measures

Combating fraud is in the interest of the Insurance Companies and simultaneously protects customers who act correctly. The UnipolSai **Anti-Fraud** department prevents, intercepts and combats fraudulent conduct, in the areas of underwriting and settlement, perpetrated against the company and other Group companies that do not have a dedicated structure.

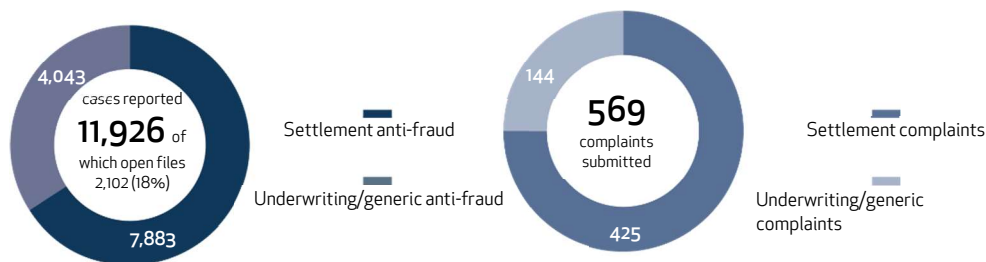
The continuous refinement of methods and criteria for fraud detection is supported by investments in technological innovation to develop data-driven solutions. The **Anti-Fraud Engine** has been extended to include portfolio data on certain products of the General Classes in order to create predictive models in this area.

The Special Areas of the Claims Department reported 27,000 suspicious claims. Following in-depth investigations, the Anti-fraud Department handled 9,233 fraud reports (+6% on 2020). A complaint was filed in 422 cases (-22% compared to 2020).

There was a further increase in the number of reports of false online insurance brokerage (over 1,400 reports received in 2021), which was followed by an increase in the number of complaints filed in the underwriting area.

For companies operating in Serbia, the corresponding fraud risk departments handled 2,693 fraud reports (-0.6% on 2020). A complaint was filed in 147 cases (stable compared to 2020).

Anti-fraud: Cases reported, verifications, complaints



Complaints management

A complaints management policy is in place in the UnipolSai Group's insurance companies which defines guidelines for the proper, timely management of complaints relating to the conduct of the Companies, as well as the agents and direct brokers on which they rely for brokerage activities.

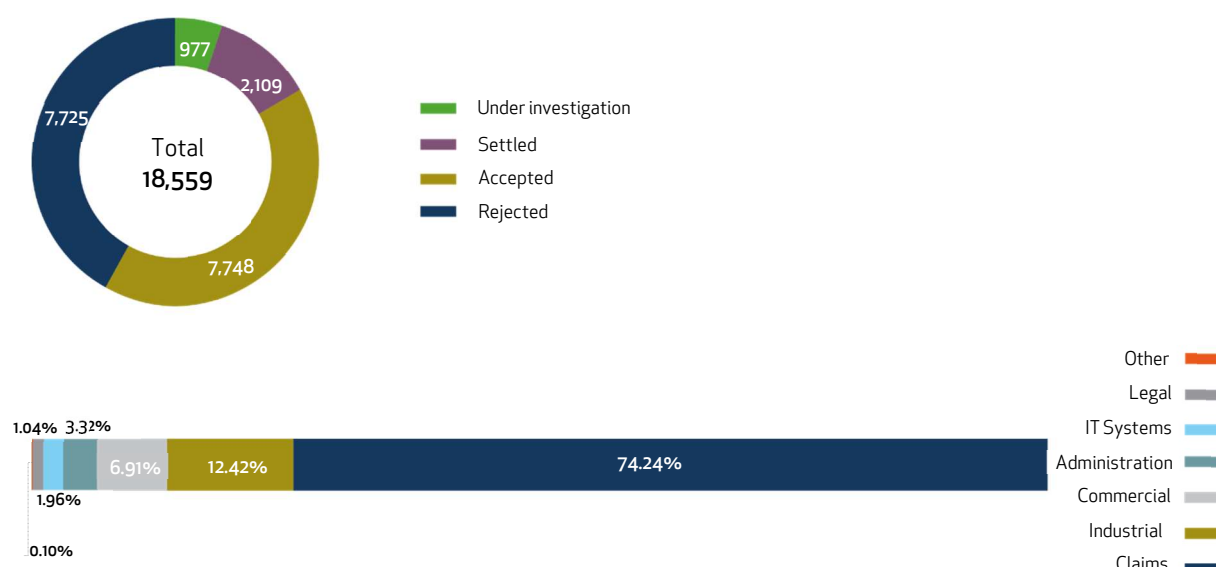
In 2021, a total of 18,559 IVASS complaints²⁹ were addressed to the Group's insurance companies, while those addressed to UnipolSai Assicurazioni alone totalled 12,485, down 24% on the previous year

2020 was marked by special campaigns linked to the Covid emergency, which caused difficulties in accessing services and discounts provided digitally for a segment of the population unfamiliar with the use of these tools. considering the trend in complaints in the three-year period 2019-2021, there is relative stability, with a realignment in 2021 to pre-pandemic volumes.

The number of complaints for every 1,000 UnipolSai policies was 0.358 (0.435 in 2020), while the percentage of claims generating a complaint decreased from 1.0% to 0.8%.

²⁹ Relating to intermediaries registered in section D of the Register of Insurance Intermediaries (RUI)

Breakdown of complaints by phase and by area (total for Italian companies)



In terms of complaint management, compared to the previous year and considering the complaints attributable to the insurance company's activities, there was a 20% decrease in the total number of complaints and a reduction in the average response time. The percentage of complaints accepted rose from 36% to 39% of the total number of complaints closed, while the number of rejected complaints (49%) and settled complaints (12%) fell. The number of complaints under investigation remained stable, with 70% of complaints (475) not being answered by the complaints office due to lack of sufficient details to provide a response to the claimant by the relevant bodies (Competence Centres/Contact Points).

With respect to the business areas targeted by IVASS interventions (reports and follow-up), comparison with the same period of 2020 shows a decrease in all areas, and in particular in Industrial (-36%), Administrative (-24%) and Claims (-15%).

As regards the non-insurance companies, Gruppo UNA S.p.A. received 65 complaints during the year (there were only 29 in 2020 due to the lockdowns that closed almost all hotels), which were handled directly by the hotels (62) and Head Office Departments (3).

In the health sector, 140 complaints were received, more than half of which were of an administrative nature (waiting times, reception, telephone bookings), excluding complaints relating to the processing of personal data, which are handled by the company's Privacy contact and received via a separate dedicated email address.

The average response time is less than 10 days. Where a complaint is accompanied by a claim for damages for an alleged *malpractice* issue, these are handled by the Claims Assessment Committee, which involves internal and external parties.

The Distribution Network

7,834

Agencies and Sub-agencies

5,312

Bancassurance branches

294

Assicop
points of sale

30,000

Primary network agency
partners in Italy

€1.6 million

Direct investment for
training the sales network

Breakdown of premiums by channel

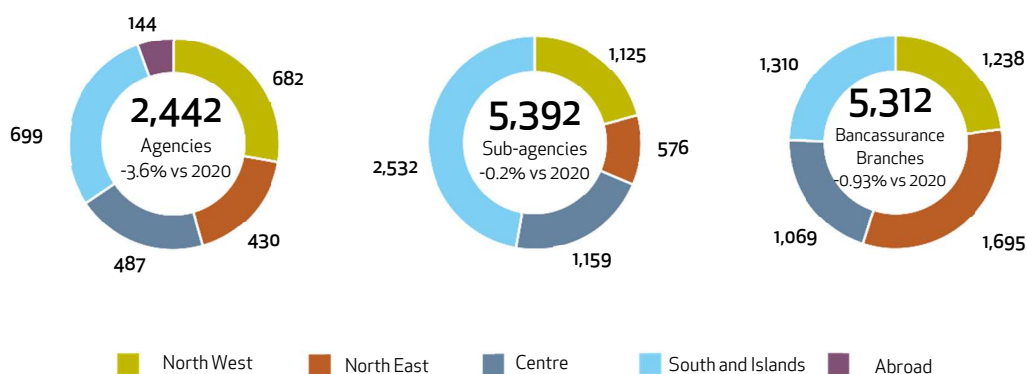


The distribution strategies of the UnipolSai Group comprising companies with their own business models are evolving in line with the objectives outlined in the Strategic Plan, which envisage on the one hand strengthening the specialist sales force with the entry of new professional figures in the agency, and on the other the intensification of omnichannel commercial contacts and the development of *bancassurance*, thanks to continuous product innovation and support for the expansion of the BPER Group's distribution network.

Geographical presence of the distribution network

The Group's network of agencies and sub-agencies includes more than 30,000 qualified professionals (including 4,093 agents and 411 multi-firm agents), in addition to 542 brokerage firms and points of sale in the *bancassurance* segment, spread throughout the country.

Local distribution network



The process of consolidating and optimising regional network coverage led to a total of 244 operations in 2021, 108 of which involved the merger of two or more pre-existing agencies. The objective of this process, which has run through the entire Strategic Plan, is to achieve a network of agencies that manage a larger critical mass of portfolios, in order to guarantee their sustainability in relation to the territories covered, and with highly competent specialist structures that ensure the development of all the business ecosystems identified by the company.

As a result, agencies continue to grow in average size (+3.6%, after +2.9% in 2020 and +7% in 2019), and to evolve towards a more managerial model, making them more robust and better structured from an organisational perspective. The average number of sub-

agents per agency also grew by 3.6% (vs +6% in 2020), and the average number of employees per agency by 4.6% (vs +4.4% in 2020). There are 809 female agents in managerial positions out of a total of 4,093 agents (about 20%).

Distribution throughout the country continues to be extensive: 18% of agencies are located in municipalities with fewer than 15,000 inhabitants, while 11% are in the four main metropolitan cities with more than 700,000 inhabitants (Milan, Rome, Naples and Turin). The Group's presence throughout the country is also guaranteed by the presence of UnipolSai and Siat settlement structures.

The distribution of UnipolSai products and services is supported by the five Corporate Agencies (Assicoop), which provide their services through 294 points of sale (296 in 2020) in Emilia Romagna and Tuscany, with an original model that combines effective regional coverage with a high level of specialisation in customer advisory services, covering not only suitable and innovative insurance solutions, but also services relating to the Mobility, Welfare and Property ecosystems.

Outside Italy, the Group operates in Serbia through a multi-channel network made up of both internal and external structures. The 139 points of sale rely on roughly 949 intermediaries to provide services mainly in the northern part of the country, supported by direct sales channels through the internet.

Relations with the Network

The extensive nature of the sales network is made possible by the involvement of the agency network and the utilisation of distribution agreements with partner banks.

The relationship with the sales network, outlined by the agreement in the spirit of the **"Patto UnipolSai 2.0"** (the supplementary agreement applied to the entire agency network), is geared towards ongoing dialogue, in particular with the AUA Agents Group (Agenti UnipolSai Associati), which brings together the five previous Agent Groups representing the various corporate entities integrated into UnipolSai.

discussion focuses on issues of common interest, such as creation of new products and services, improvement of management procedures, and more generally all the innovation processes that the Group is developing. In 2021, particular attention was given to the design and implementation of the 2022-2024 Strategic Plan. The activities consisted of 17 meetings with the Agent Group chairmen, five meetings of the Technical Committees, 25 meetings of the operations work groups, 12 meetings with the Covid-19 crisis unit.

In 2021, distribution network support was focused on developing and enhancing the CRM (Customer Relationship Management) tool, digitalising remote sales processes on both agency and mobile devices, and developing processes aimed at enhancing the active role of agencies in customer relationship management.

For example, while customers can access their online account on the UnipolSai website or app to renew their policy or perform other actions on their device, the agencies have been equipped with a dashboard featuring special notifications, which allows customers' usual agency staff to offer timely support to them.

For further results of the digitalisation initiatives, please refer to the "Our protection role" section.

Business development activities also continued in line with the objectives of the Strategic Plan, with the addition of **749 Business Specialists** and **1036 Family Welfare Specialists**, as well as a UnipolSai organisational structure of **Welfare Consultants** to support the Network in developing Welfare Plans for entrepreneurs, their companies and employees.

Due to the continuing health emergency, **training initiatives continued remotely** in 2021, with alternative tools and solutions to the physical classroom already explored particularly in 2020.

The UnipolSai Group has provided training courses for the entire sales network, to meet the training obligations laid down in the Regulations and – above all – to enhance the skills of its intermediaries in areas such as new products and the use of applications.

With a **direct investment of €1.6m**, over 905,000 hours of training were provided to people in the Italian agency and sub-agency sales network, in addition to over 350,000 hours provided to employees of the partner banks of the bancassurance companies.

With specific regard to the agency network in Italy, 91% of the hours were provided in e-learning mode, allowing 86% of trainees to be reached.

Average hours of training per capita were 32 for the agency network and 27 for the sub-agency network; women received an average of 27.5 hours of training, men 28.4.

One of the most important training needs, also in the light of growing digitalisation, is the dissemination of a culture of cyber security; during 2021 an additional online module of the course "Cyber Security Awareness – Let's protect our data" was made available to companies operating in Italy, in order to further explore the risks associated with *cyber security* and in particular the

various forms of phishing – link manipulation. At the end of year, *cyber security* courses had reached 22,934 people in the Network, totalling 84,213 hours.

Training the network in Italy*

Primary agency network training (agencies and bancassurance channel)	31/12/2021	31/12/2020
Number of participants (distance training, classroom, webinars)	375,040	263,293
Number of resources (distance training, classroom, webinars)	18,722	15,894
Number of courses (distance training, classroom, webinars)	569	397
Number of staff hours (distance training, classroom, webinars)	483,703	351,883
Secondary network training (sub-agencies)		
Number of participants (distance training, classroom, webinars)	479,396	348,180
Number of resources (distance training, classroom, webinars)	28,692	24,434
Number of courses (distance training, classroom, webinars)	528	378
Number of staff hours (distance training, classroom, webinars)	778,575	539,877
Total network training		
Total participants (distance training, classroom, webinars)	854,436	610,473
Total resources (distance training, classroom, webinars)	47,414	40,328
Total courses (distance training, classroom, webinars)	1097	775
Total staff hours (distance training, classroom, webinars)	1,262,278	891,760

* the data does not include training provided to the MyGlass network.

- The **"AIM Master Course - Agency Innovation Manager"**, the third edition of which was completed in April 2021, has involved 24 high-potential agents since October 2019. The project aims to develop an innovative business model for Agencies in the near future. Innovative services involving artificial intelligence in customer management with omnichannel services, a new networked agency concept providing customers with a highly personalised and high-quality service, a distinctive integrated service model focused on health care and well-being, were proposed during the training.
- The **"Master in Risk Management"**, now in its fifth edition, is a two-year course dedicated to 160 Business Specialists.
- The **"Make the Difference"** programme, which has so far involved about 3,000 Front Office resources of the private networks and about 140 of the Corporate Agencies, is aimed at strengthening skills and commercial proactivity (about 6,000 resources are expected to be involved). Planned in synergy with the Agents councils and the Sales Department and provided remotely, it includes a preparatory online course and 8 training videoconferences with an internal/external instructor and agent trainers.
- **"Master Welfare"**, which focused on commercial and technical development for specialist agency resources, involving 236 agents.
- **"Progetto Crescita"** (Growth Project), a development path on cross-cutting skills ranging from the legal basis of insurance to cyber security and decision-making processes for 60 resources who had completed the First Professional Training Together Neo60.
- **"Talent attraction"**, the first path to attract university talent and develop skills for their growth in the Agency (aimed at 14 recent graduates).
- **"Neuroselling"**, a course structured in eight modules via video conferencing for an initial small group of Agents, aimed at reinforcing knowledge of how the brain works in order to improve the ability to relate to and negotiate with clients.

Satisfaction and loyalty of the UnipolSai agency network fell slightly compared with the previous year, although it remained above the industry average: in 2021, agents' rating was 3.35 on a scale of 0 to 5 (compared with 3.47 the previous year). Among the assessment factors that agents particularly appreciated about UnipolSai in 2021 were innovation, network service, product quality and brand recognition.

The Group also provided training for the UnipolGlass repair centre network: employees of UnipolGlass network members were given commercial training mainly on the customer approach to their own business and courses with compulsory and technical content, including in particular those on Health and Safety and Environmental Protection.

Abroad, in Serbia, Network training was provided to 204 people, for a total of 441 man hours.

UNIPOLSAI AND INVESTMENTS

€ 62bn

in assets

98.6%

of assets proved sustainable
following ESG monitoring

€862.2 m

in thematic investments in support of the
SDGs

UnipolSai manages a portfolio of over €62bn in assets, considering both listed and unlisted securities, composed of direct investments or investments through funds in government bonds and corporate bonds and funds.

Investment policies

The UnipolSai strategic investment policy defines investment activity on all the assets of the Company, according to the nature, magnitude and complexity of the risks characterising the corporate activities, based on principles of strategic prudence, and establishes the medium-long term strategic composition of the investment portfolios. This includes strategies for identifying and managing specific risks and opportunities that are relevant to ESG factors, in order to financially support sustainable development.

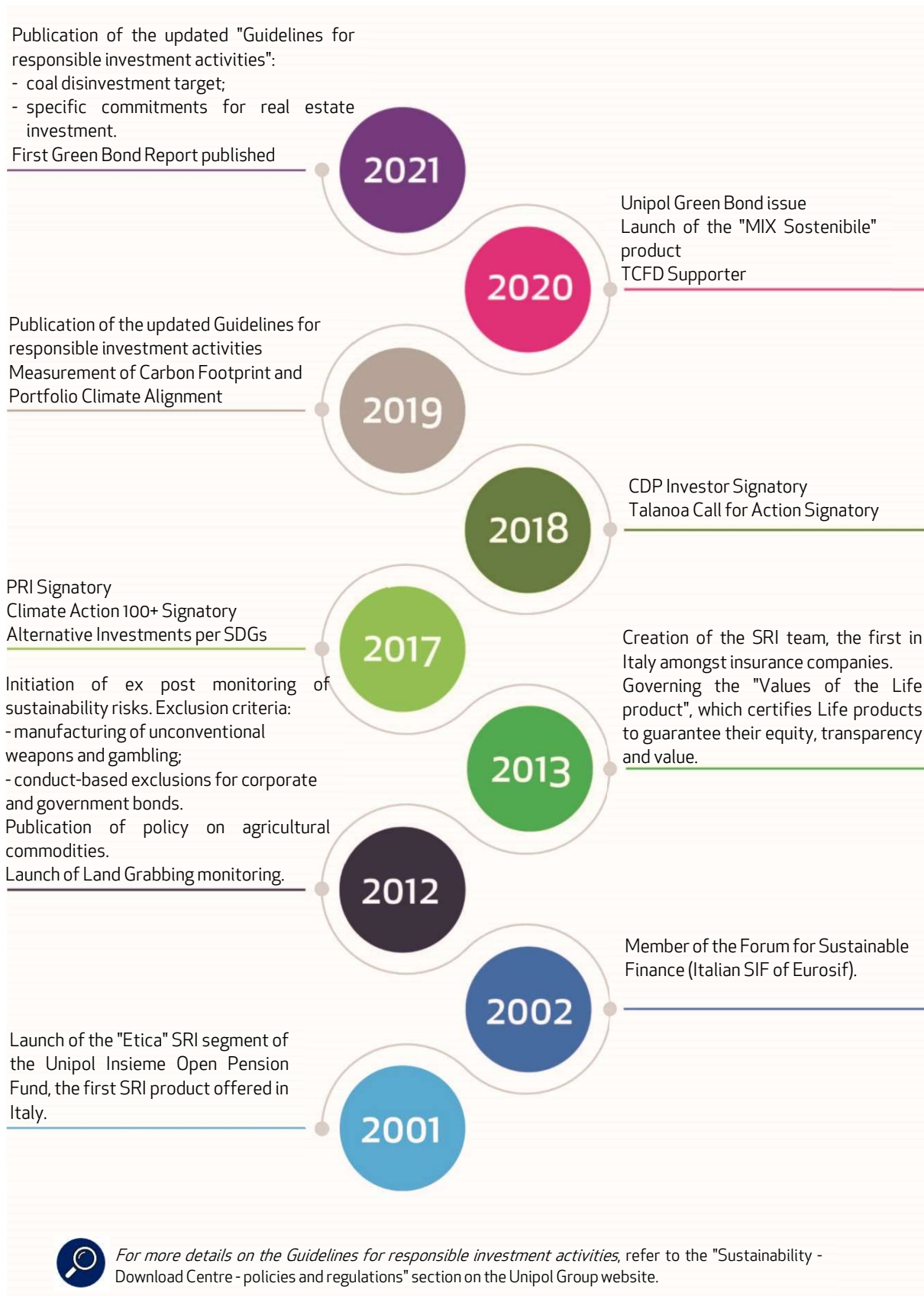
The "**Guidelines for Responsible Investment Activities**", an update of which was approved by the Board of Directors in 2021, are an integral part of the Investment Policy and formalise the commitment to integrate *ex-ante* ESG Factors into financial investment decision-making processes, with reference to the Class C Life and Non-Life Portfolios, through the SRI strategies³⁰ of *Norm-based Screening* and Sector and Dispute Exclusions. All financial assets³¹ are also subject to *ex-post* monitoring according to the ESG criteria defined in the Guidelines, in order to have a broad awareness of the sustainability risks related to its investments.

UnipolSai adheres to the UN-PRI (Principles for Responsible Investment), the Climate Action 100+ collective engagement initiative, CDP Investors, and the Talanoa Call for Action.

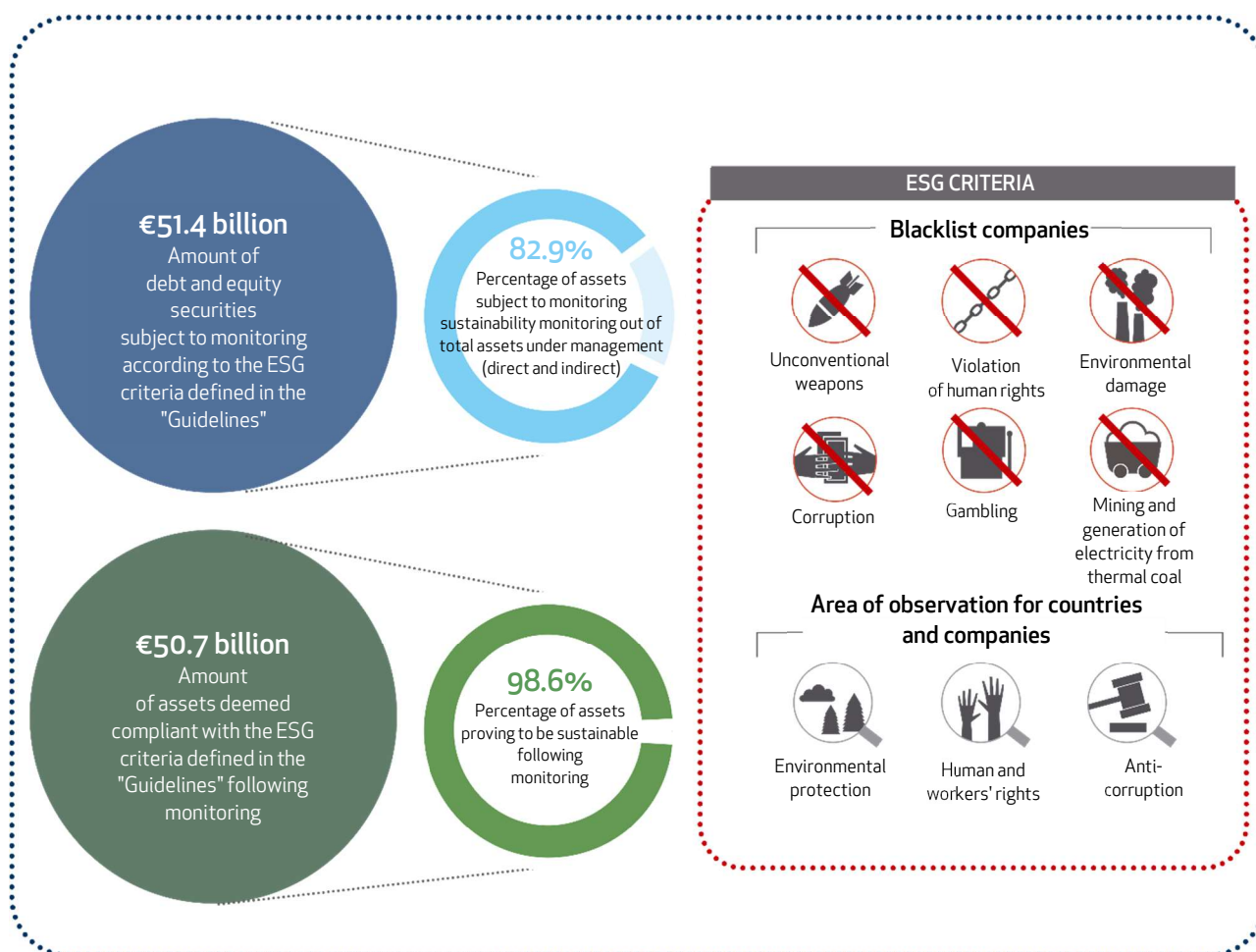
³⁰ Sustainable and Responsible Investment.

³¹ Financial securities in the UCI - Collective Investments Undertaking portfolios are excluded from investment monitoring.

UnipolSai's Sustainable investment process



*Ex-post sustainability monitoring*³² shows that 98.6% of the monitored investments meet the ESG criteria defined by the Guidelines for Responsible Investment Activities (up from 98% in 2020), while the percentage value of ESG-monitored securities fell in 2021 by around 3 p.p. as a result of an increase in investments in asset classes that do not fall within the scope of the analysis.



The ESG analysis, which covers nearly 7,000 companies, is performed with the support of a company specialised in the assignment of ESG ratings and the construction of sustainability indexes.

The rating criteria for the assessment of compliance with ESG principles of issuers are inspired by the principles defined by international bodies such as the Universal Declaration of Human Rights; ILO - International Labour Organisation Conventions; UN Global Compact; OECD Guidelines for multinational companies.

The **ESG ratings assigned to companies** take into account aspects relating to environmental performance (policies, management, products, production processes, targets, compliance with legislation, transparency and granularity of information), the social dimension (respect for human and workers' rights, including along the supply chain, quality of relations with all stakeholders, contribution to social and economic development, community engagement, diversity management) and governance (corporate strategy, governance, shareholders' rights, anti-corruption, position in relation to competitors, accountability).

The **ESG rating assigned to countries** aims to assure investors that the portfolio consists of financial instruments issued by governments that comply with the main international environmental, social and governance standards. For each ESG dimension, two categories are considered: Regulation, which assesses the commitment of a Country to sustainability, mainly through the analysis of the ratification status of the main treaties and international conventions, and Implementation, which assesses the policies adopted and the results obtained in terms of sustainability.

³² This monitoring is carried out with the support of the external consultant ECPI S.r.l. (www.ecpigroup.com). This is an independent company specialised in assigning ESG ratings and building sustainability indices, which analyses issuer environmental and social performance and governance structure strength in accordance with its rigorous proprietary qualitative and quantitative research method.

Companies (equities and corporate bonds) may be excluded from the investment ecosystem in two ways: *product-based* exclusions and *conduct-based* exclusions.

Product-based exclusions

The Group has identified certain sectors associated with significant risks and liabilities regarding damage to society, the environment or health, and has decided to exclude investments in companies operating in these sectors. In detail, companies are excluded if, directly or through subsidiaries, they fall into one of the following categories:

- they manufacture unconventional weapons such as cluster bombs, anti-personnel mines, nuclear weapons, biological weapons, chemical weapons and other controversial weapons;
- they are involved in activities connected with gambling, from which they obtain at least 20% of their turnover;
- they are connected with mining and the generation of electricity from thermal coal.

With respect to this last point, UnipolSai excludes a priori from new investments those in Corporate Issuers that obtain 30% and more of their earnings from coal mining activities or the generation of electricity from thermal coal, and that do not show a sufficiently ambitious position in terms of transitioning their business to a low carbon regime. Specific indicators and forward-looking ratings are used to measure those positions and are supplied by specialised research agencies. The Group has also planned for a periodic reduction of the admissible earning ceiling dependent on thermal coal by the investee Corporate Issuers, and expects to **complete divestment in coal by 2030**.

Conduct-based exclusions

Conduct-based exclusions of **companies** are derived from assessments of both the level of compliance with ESG principles of each issuer and any controversies of the company. In detail, companies are excluded if, directly or through subsidiaries, they are involved in:

- violation of human and workers' rights;
- exploitation of natural resources that does not take due account of environmental impacts;
- systematic reliance on corruption in business management.

In the case of **countries** (government bonds), the Group believes that it is unsustainable to invest in government securities issued by countries where there are serious violations of human rights or predatory policies with respect to environmental resources with global impact.

The assessment of *compliance* with the commitments undertaken is carried out quarterly on the portfolios to verify that the financial management adheres to the Guidelines, formalised in a report by the Sustainability Department for the Finance Department that sets out the ESG performance of the related portfolios.

Sustainability monitoring analyses investments in listed and unlisted financial instruments, excluding collective investment undertakings (mutual funds set up and managed by SGRs, SICAVs), including investments in assets held as a hedge against technical provisions, including investments relating to supplementary pension schemes, and unit-linked and index-linked investments managed directly by UnipolSai.

If issuers that no longer comply with the established admissibility criteria are present in the portfolio, UnipolSai will set in motion a monitoring and in-depth investigation plan, with a maximum duration of two years, at the beginning of which it will notify the issuer of its lack of compliance and the related reasons, and during which time it will check whether or not the reasons behind the non-compliance still hold true. If the reasons for non-compliance still hold true at the end of the assessment process, the Group will consider the option of selling the securities of that issuer.

The table below shows the number of companies excluded from the investable universe at the end of 2021.

Companies	Criteria	Number of issuers
Product-based	Controversial weapons	26
	Gambling	41
	Mining or generation of energy from thermal coal	114
Conduct-based	Human and workers' rights	27
	Environment	9
	Corruption and Abuse of Office	11
	Simultaneous presence of multiple exclusion criteria	28
Subtotal		256
Countries	Criteria	Number of issuers
Countries excluded	Failure to comply with key international environmental, social and governance standards	146
Total Issuers excluded		402

Of the 402 issuers excluded from the investable universe, 28 companies and 4 countries were present in Unipol's portfolios as at 31/12/2021.

Joining **Climate Action 100+** allows UnipolSai to conduct appropriate engagement with the most polluting companies in terms of greenhouse gas emissions (GHG) through a five-year partnership promoted by investors (UNPRI, CERES) to improve climate change governance, reduce emissions and enhance financial transparency on these issues.

The Finance Department is supported by the Sustainability Department and the Chief Risk Officer in the assessment of specific critical cases relating to ESG issues which regard issuer selection; if necessary, these cases may be submitted to the attention of the Group Risk Committee.

The impact on the climate of the investment portfolio

Aware of the key role of institutional investors in supporting the transition to a low-carbon economy, the Group is fully committed to contributing to the achievement of the 2015 Paris Agreement targets³³.

To this end, over 2021 it strengthened the tools available and expanded the aspects monitored, laying the foundations for an increasing integration of climate-related risks and the impacts of these decisions on climate change into investment decisions. The measurement of the investment portfolio's climate impact and its alignment with internationally defined emission reduction trajectories was studied and refined accordingly, with the support of S&P Global Sustainable³⁴.

In line with the recommendations of the Task Force on Climate-related Financial Disclosures, among the multiple metrics that are the subject of analysis in relation to the **Corporate portfolio (Corporate Bond and Equity)** and the **Government portfolio**³⁵, the main metrics presented in this report³⁶ are:

- carbon intensity (**Carbon to Value invested - C/V**), which measures the amount of emissions induced by our portfolio (in tCO₂eq) on the value of the portfolio (in €m);
- the **Weighted Average Carbon Intensity (WACI)**, which is the sum of the carbon intensities of each company (calculated as Scope 1 and Scope 2 emissions divided by revenue for the period) and each country in the portfolio, weighted according to the weight of each company and country in the portfolio.

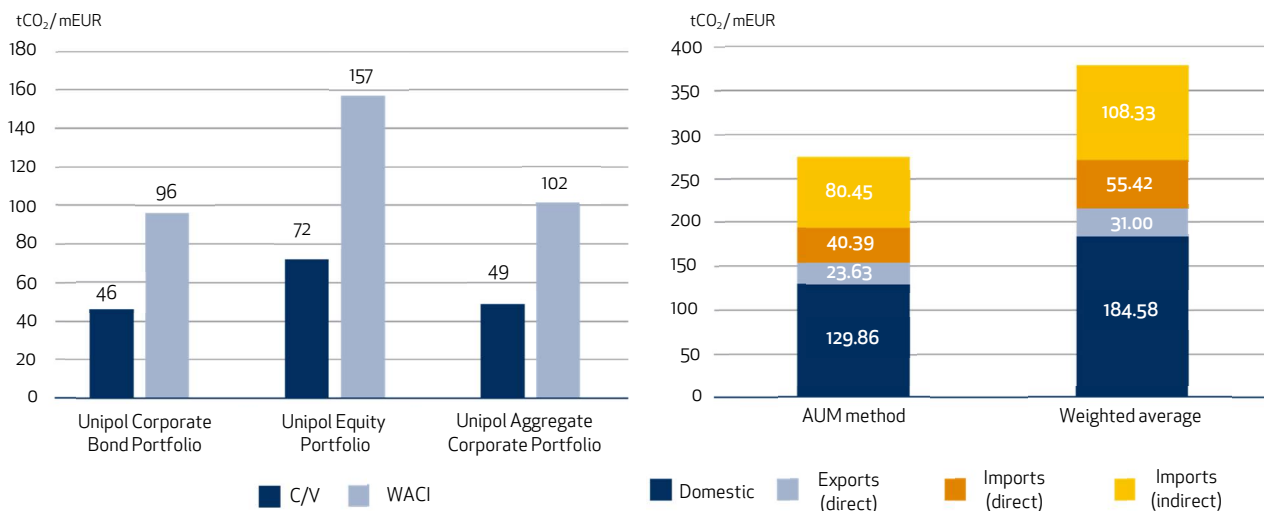
³³ The Paris Agreement was signed between the member states of the United Nations Framework Convention on Climate Change (UNFCCC); the long-term objective is to keep the rise in global average temperature below the threshold of 2°C above pre-industrial levels and to pursue efforts to limit such an increase to 1.5°C, since this would substantially reduce the risks and effects of climate change.

³⁴ In the absence of a shared methodological standard for calculating the portfolio's climate impact, the change in the climate data provider means that comparisons cannot be made for 2021 with the previous year's performance, which was calculated using partially different methodologies.

³⁵ The analysis was carried out, based on data as at 30/09/2021, on 86.4% of total assets under management (direct and indirect), i.e., €54.5 billion of debt and equity securities of which €18.3 billion corporate and €36.2 billion government. Therefore, the excluded asset classes are: cash, UCITS, ETFs, derivatives and unlisted instruments. The information coverage with respect to climate data is 97% of the Corporate portfolio and 97.5% of the Government portfolio analysed.

³⁶ An in-depth analysis of the methodologies used and the detailed results are shown in the 2021 Sustainability Report of the UnipolSai Group and on the www.unipol.it website

Climate impacts of the investment portfolio



For the corporate portfolio it is also important to consider the **Paris Alignment**, which assesses the adequacy of emission reduction programmes of companies in the portfolio against the international climate goals, taking into account past data and forward-looking indicators over a medium-term horizon.

Emissions from UnipolSai's corporate portfolio are **aligned with a trajectory of between 1.75 and 2 degrees**, highlighting a positioning that is already consistent with the minimum targets of the Paris Agreement and well geared towards the more ambitious objectives that the Group intends to support.

UnipolSai has assessed its exposure to activities in the areas of fossil fuel extraction or fossil fuel energy generation, considering the combined weight of companies in its portfolio with revenue from these activities and the role of these activities in their revenue.

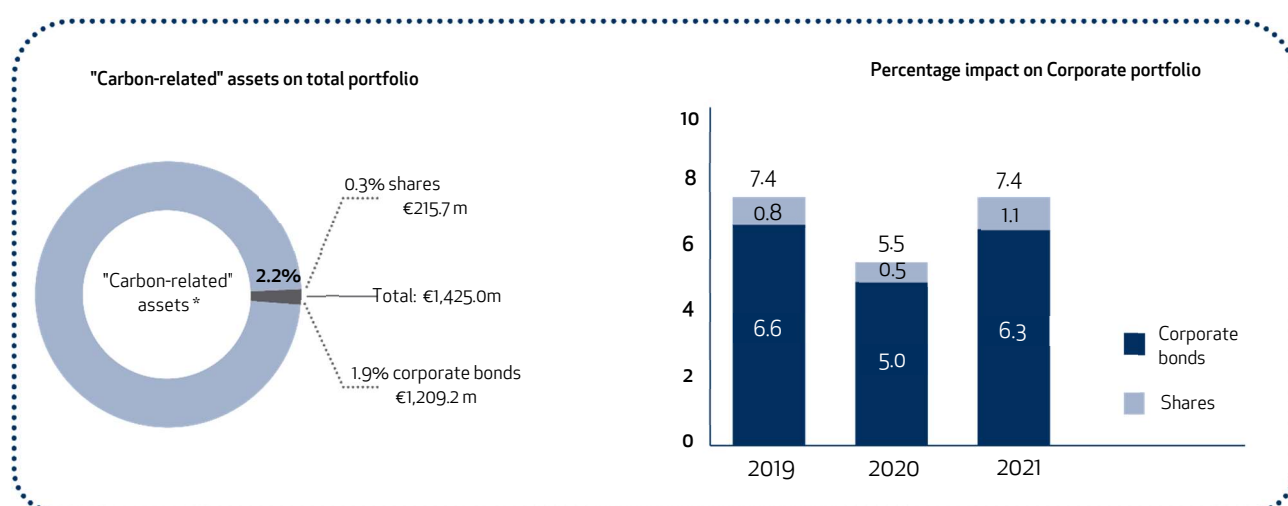
Exposure to fossil fuels represents 0.44% of the corporate portfolio; considering only exposure to coal, the related revenue has an impact of 0.06%.³⁷

The Group has also calculated how much of its investments are in carbon-related assets.³⁸ analysis of the sector-based exposure shows 7.4% of Assets under Management are included in high-carbon sectors, according to the NACE classification.³⁹ The increase compared to 2020 is mainly due to a greater diversification of the investment portfolio pursued during 2021, at the same time as reducing the overall exposure to Italian government bonds. The portfolio alignment trajectory outlined above highlights the Group's focus on selecting issuers in all sectors that have adopted transition paths consistent with the global objectives of limiting rising temperatures.

³⁷ The analysis of stranded assets covers 93% of the analysed corporate portfolio, based on available information.

³⁸ "Carbon-related" assets refer (according to the definition provided by the TCFD Recommendation) to those linked to the Energy and Utilities sectors (according to the Global Industry Classification Standard - GICS sector classification), excluding Water Utilities and Independent Energy Producers (PPI) and Renewable Energy Producers.

³⁹ A - Agriculture, forestry and fishing; B - Mining and quarrying; C - Manufacturing; D - Electricity, gas, steam and air conditioning supply; E - Water supply, sewerage; waste management and remediation activities; F - Construction; H - Transportation and storage.



**"Carbon-related" assets (according to the definition suggested in the TCFD Recommendations) refer to those connected with the Energy and Utilities sectors (according to the Global Industry Classification Standard - GICS), excluding Water Utilities and Independent Power Producers (IPP) and Renewable Energy Producers.

**The percentage refers to the total portfolio of securities of the Unipol Group at 30 September 2020.








The investment choices for the SDGs and combating climate change

Unipol has a structure dedicated to the creation and management of **alternative investments**, such as *private equity*, *real assets* and *hedge funds*, selected through specific due diligence which calls for, aside from traditional financial analysis, an in-depth analysis of socio-environmental and governance criteria and the mapping of sustainability risks which may have a reputational impact.

Investments with these characteristics **grew by a total of 41% in 2021**, and those for combating climate change, protecting the environment, and land, marine and freshwater ecosystems by **50.1%**, therefore far exceeding the target of €600m invested in support of the 2030 Agenda envisaged in the Strategic Plan for the end of 2021.

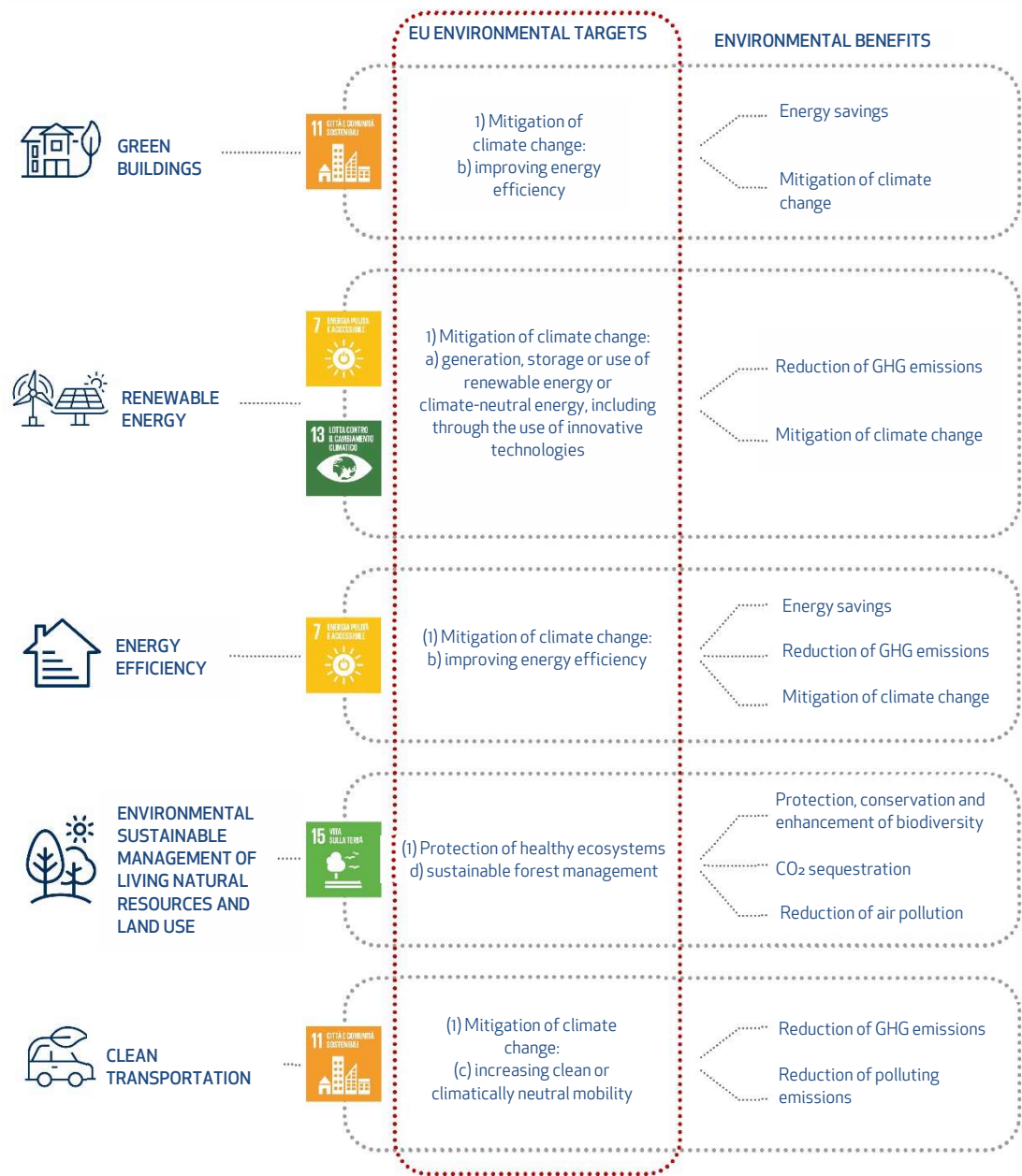
In the following table, investments are classed based on their positive impact on various SDGs.

Thematic and impact investments

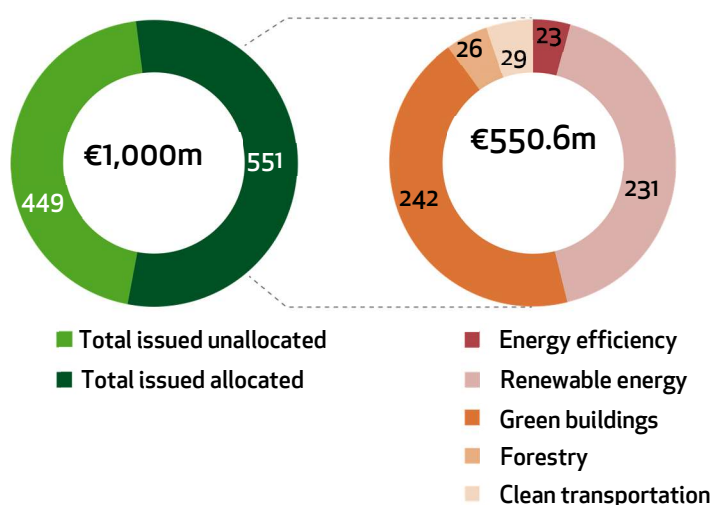
Issues	Value € m	SDGs	Issues	Value € m	SDGs
Renewable energy, eco-efficiency	446.8	 	Residential care and social assistance	46.6	
Digital networks and infrastructure	164.7		Sustainable forest management	34.0	
Sustainable mobility	77.8		Sustainable consumption and	17.1	
Water	64.8		Training and culture	7.8	
			Social housing	2.6	
TOTAL €862.2 m					

In 2020, the Group issued Green Bonds for a total of **€1bn** (through two bonds – *senior, unsecured* and *unsubordinated, non-convertible* – with nominal values of €750m and €250m, maturing in 2030), in accordance with its Green Bond Framework published in September 2020, with a *Second Party Opinion* issued by Sustainalytics.

Green Bond Framework – Admissible asset categories and expected environmental benefits



Green Bond issue and allocation by category



At 31 December 2021, the income allocated to refinancing or the financing of projects consistent with the criteria defined in the Green Bond Framework amounted to €550.6 m.

An in-depth description of the allocation of proceeds and the related impacts generated is contained in the Green Bond Report, which is published annually in conjunction with the publication of the non-financial performance data.

Information on the European taxonomy for sustainable activities - Investment KPIs

This section provides the information required by Article 10 of Del. Reg. (EU) no. 2021/2178, which integrates the "Taxonomy Regulation" and governs the reporting of environmentally sustainable economic activities to be included in annual financial reports published between 1 January 2022 and 31 December 2023.

As part of the Group's efforts to contribute to the challenges posed by climate change through its main areas of activity, particularly investments, the European taxonomy of environmentally sustainable economic activities⁴⁰ (the "Taxonomy") constitutes a fundamental support to strengthen the orientation of strategies towards the achievement of Community environmental objectives (the "Environmental Objectives"), starting with climate change mitigation and adaptation, which – among the six overall objectives – are the first to be subject to detailed regulation.⁴¹

Information on how and to what extent the Group's activities are associated with environmentally sustainable economic activities in relation to investments is presented below; this information is prepared based on the interpreted regulatory requirements, and also considering the interpretative and/or clarification documents published.⁴² It should be noted that the Group has used templates for its reporting that are consistent with those contained in the annexes to Delegated Regulation (EU) 2021/2178 applicable for the period from 1 January 2024, adapting their content where necessary, supplementing the information that is currently available in the manner required by the regulations and indicating the cases in which such information is not currently available.^{43, 44} It should also be noted that in order to supplement the information provided on a compulsory basis, the Group has provided, on a voluntary basis, additional indicators relating to the objectives of the Taxonomy, specifying their assumptions, calculation methods and differences with respect to the mandatory reporting.⁴⁵

In the first phase of application of the Taxonomy Regulation, insurance and reinsurance undertakings are required to report on the investments made:

- I. the percentage of exposures to Taxonomy -eligible and Taxonomy-non-eligible economic activities.
- II. the percentage of exposures to central governments, central banks and supranational issuers ("Investments in sovereign entities").
- III. the percentage of exposures to derivative financial assets;
- IV. the percentage of exposures to undertakings not subject to the application of Articles 19 -bis and 29 -bis of Directive 2013/34/EU ("Non-financial Reporting").

⁴⁰ Defined in Regulation (EU) 852/2020 and its Delegated Acts.

⁴¹ Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021, as amended ("Delegated Climate Act").

⁴² "FAQs: How should financial and non-financial undertakings report Taxonomy-eligible economic activities and assets in accordance with the Taxonomy regulation Article 8 Disclosures Delegated Act?" published in December 2021 and supplemented by the "Draft Commission notice on the interpretation of certain legal provisions of the Disclosures Delegated Act under Article 8 of EU Taxonomy Regulation on the reporting of eligible economic activities and assets" of February 2022. "Platform considerations on voluntary information as part of Taxonomy-eligibility reporting – Appendix 1" of the Platform on Sustainable Finance.

⁴³ "FAQs: How should financial and non-financial undertakings report Taxonomy-eligible economic activities and assets in accordance with the Taxonomy regulation Article 8 Disclosures Delegated Act?", FAQ no. 5.

⁴⁴ "FAQs: How should financial and non-financial undertakings report Taxonomy-eligible economic activities and assets in accordance with the Taxonomy regulation Article 8 Disclosures Delegated Act?", FAQ no. 5.

⁴⁵ "Draft Commission notice on the interpretation of certain legal provisions of the Disclosures Delegated Act under Article 8 of EU Taxonomy Regulation on the reporting of eligible economic activities and assets", FAQ no. 7.

It should be noted that, for the purpose of calculating the percentage referred to in point (ii) above, the denominator, which corresponds to the concept of "total investments" in the table below, is the sum of items "4 Investments" and "7 Cash and cash equivalents", as reported in the Statement of Financial Position. However, the denominator for the percentage referred to in points (i), (iii) and (iv), which corresponds to the concept of "Assets covered by the KPI" in the tables below, is determined by deducting the total investments in sovereign entities from the denominator referred to in point (ii) above⁴⁶.

In order to ensure effective comparability between the published data, at least with regard to information to be disclosed in application of the Taxonomy Regulation, the European Commission requires that the disclosures relating to the above-mentioned percentages is based on actual information, provided by the financial or non-financial undertaking in which the exposure is held. At present, however, such information is not available in reference to almost all the financial investments, and consequently it was not possible to calculate the proportion of exposures to Taxonomy-eligible and Taxonomy-non-eligible economic activities.⁴⁷ Note that investment property⁴⁸ has been considered among exposures to Taxonomy-eligible economic activities as its nature is deemed consistent with the list in Annexes I and II of Delegated Regulation (EU) 2021/2139 (Climate Delegated Act).

Weighted average value of all investments of the insurance or reinsurance undertaking to finance or associated with economic activities eligible for the Taxonomy compared to the value of all assets covered by the KPI, with the following weightings for investments in the undertaking:		Weighted average value of all the insurance or reinsurance undertaking's investments to finance or associated with economic activities eligible for the Taxonomy, with the following weightings for investments in the undertaking:	
on the basis of turnover (%)	Not available	on the basis of turnover (€ million)	Not available
on the basis of capital expenditure (%)	Not available	on the basis of capital expenditure (€ million)	Not available

Percentage of assets covered by the KPI compared to total investments of insurance or reinsurance undertaking (total financial assets under management). Excluding investments in sovereign entities.		Monetary value of assets covered by the KPI. Excluding investments in sovereign entities.	
Coverage coefficient (%)	48.6	Coverage (€ million)	33,208.8

Investments in central governments, central banks and supranational issuers represent 51.4% of the Group's total assets, equal to €35,095m.

Additional complementary information - breakdown of the KPI denominator

Percentage of derivatives to total assets covered by the KPI		Value in monetary amounts of derivatives	
%	0.4	(€ million)	147.0

Share of exposures to EU financial and non-financial undertakings ⁴⁹ not subject to the application of Articles 19 bis and 29 bis of Directive 2013/34/EU in total assets covered by the KPI:		Value of the exposures to EU financial and non-financial undertakings not subject to the application of Articles 19 bis and 29 bis of Directive 2013/34/EU:	
for non-financial undertakings (%)	6.8	for non-financial undertakings (€ million)	2,255.8
for financial undertakings (%)	29.3	for financial undertakings (€ million)	9,742.0

Share of exposures to third-country financial and non-financial undertakings not subject to the application of Articles 19 bis and 29 bis of Directive 2013/34/EU in total assets covered by the KPI:		Value of exposures to third-country financial and non-financial undertakings not subject to the application of Articles 19 bis and 29 bis of Directive 2013/34/EU:	
for non-financial undertakings (%)	4.5	for non-financial undertakings (€ million)	1,504.1
for financial undertakings (%)	14.4	for financial undertakings (€ million)	4,773.1

Share of exposures to financial and non-financial undertakings subject to the application of Articles 19 bis and 29 bis of Directive 2013/34/EU compared to the total assets covered by the KPI:		Value of the exposures to financial and non-financial undertakings subject to the application of Articles 19 bis and 29 bis of Directive 2013/34/EU:	
for non-financial undertakings (%)	11.5	for non-financial undertakings (€ million)	3,813.8
for financial undertakings (%)	21	for financial undertakings (€ million)	6,956.4

⁴⁶ "FAQs: How should financial and non-financial undertakings report Taxonomy-eligible economic activities and assets in accordance with the Taxonomy regulation Article 8 Disclosures Delegated Act?" published in December 2021, FAQ no. 12.

⁴⁷ See the information provided on a voluntary basis below.

⁴⁸ Asset item 4.1 in the Statement of Financial Position.

⁴⁹ The Group has decided to refer to the sample tables proposed by the document "Platform considerations on voluntary information as part of Taxonomy-eligibility reporting - Appendix 1" for reporting the investment KPI for financial undertakings, limiting the scope of this item to undertakings in the European Union not subject to the application of Articles 19 bis and 29 bis of Directive 2013/34/EU with respect to total assets covered by the KPI. This makes it possible to present a breakdown of the KPI denominator by means of individual values which, taken together, make up 100% of the denominator, making the figure easier to understand and compare.

Share of exposures to other counterparties compared to total assets covered by the KPI:		Value of exposures to other counterparties:	
(%)	12.1	(€ million)	4,016.6

Additional complementary information - breakdown of the KPI numerator

Share of Taxonomy-eligible exposures to other counterparties (real estate) compared to total assets covered by the KPI ⁵⁰ :		Value of Taxonomy-eligible exposures to other counterparties (property) over total assets covered by the KPI:	
on the basis of turnover (%)	6.2	on the basis of turnover (€ million)	2,072.5
on the basis of capital expenditure (%)	6.2	on the basis of capital expenditure (€ million)	2,072.5

Voluntary additional information

To supplement the compulsory disclosure provided above, the Group has decided to voluntarily estimate the Taxonomy-eligible proportion of the economic activities in which it invests. This estimate differs from the information required for the compulsory disclosure as it is not based on actual data provided by the invested entities, but on estimated data as described below.

To estimate the Taxonomy-eligible economic activities, with reference to exposures to financial instruments issued by undertakings subject to the publication of a Non-Financial Statement, the Group decided to take into consideration the NACE code (level 4) for the core business activity of each issuer. Economic activities classified with a NACE code associable with the economic activities described in Annexes I and II of the Climate Delegated Act were therefore considered Taxonomy-eligible⁵¹. Conversely, economic activities whose NACE code is not associated with economic activities described in Annexes I and II of Delegated Regulation (EU) 2021/2139 were considered Taxonomy-ineligible. This approach covers both direct and indirect investments⁵².

Based on the above criteria, the following should be noted.

Value of all investments of the insurance or reinsurance undertaking which, based on the main activity carried out by the issuer (financial assets) or on the nature of the investment (real estate), are directed to financing or associated with economic activities eligible for the Taxonomy compared to the value of all assets covered by the KPI.		Value of all the investments of the insurance or reinsurance undertaking which, on the basis of the principal activity carried out by the issuer (financial assets) or the nature of the investment (real estate), are directed to financing or associated with economic activities eligible for the Taxonomy	
%	10.7	(€ million)	3,557.5

Share of an insurance or reinsurance undertaking's investments other than investments held in relation to life insurance contracts where the investment risk is borne by the policyholders which, based on the principal activity carried out by the issuer (financial assets) or on the nature of the investment (property), are directed to financing or associated with economic activities eligible for the Taxonomy:		Value of investments of the insurance or reinsurance undertaking other than investments held in relation to life insurance contracts where the investment risk is borne by the policyholders which, based on the principal activity carried out by the issuer (financial assets) or on the nature of the investment (property), are directed to financing or associated with economic activities eligible for the Taxonomy:	
%	10.5	(€ million)	3,501.9

Value of all investments which, based on the main activity carried out by the issuer (financial assets) or on the nature of the investment (property), are directed to financing or associated with economic activities ineligible for the Taxonomy compared to the value of all assets covered by the KPI:		Value of all investments financing economic activities ineligible for the Taxonomy:	
%	89.3	(€ million)	29,651.3

Share of exposures to financial and non-financial undertakings subject to the application of Articles 19 bis and 29 bis of Directive 2013/34/EU which, on the basis of the issuer's main business activity (financial assets), are eligible for the Taxonomy with respect to the total assets covered by the KPI:		Value of exposures to financial and non-financial undertakings subject to the application of Articles 19 bis and 29 bis of Directive 2013/34/EU which, on the basis of the issuer's principal activity (financial assets), are eligible for the Taxonomy	
For non-financial undertakings (%)	2.2	For non-financial undertakings (€ million)	724.3
For financial undertakings (%)	2.3	For financial undertakings (€ million)	760.7

⁵⁰ The share of exposures eligible for the Taxonomy to other counterparties consists entirely of investment properties; therefore, it is not possible to present a figure on the basis of turnover and/or on the basis of capital expenditure. The amounts indicated therefore represent the value of the investment recognised in the Financial Statements.

⁵¹ The Green Bond portion of the exposure (identified at this stage through a point-by-point identification) was considered eligible, taking into account the relevant underlyings eligible for the Taxonomy according to a "use-of-proceeds" approach of the bonds themselves.

⁵² The Group has performed a "look through" analysis for the funds in its portfolio, see "FAQs: How should financial and non-financial undertakings report Taxonomy-eligible economic activities and assets in accordance with the Taxonomy regulation Article 8 Disclosures Delegated Act?", FAQ no. 13.

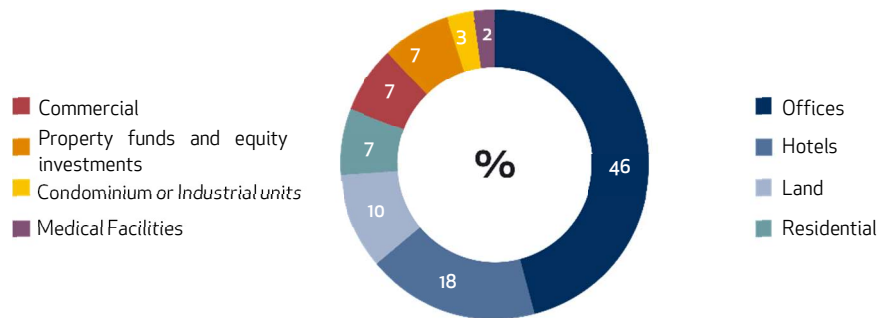
Real estate portfolio

The Group manages real estate assets of €3.8bn as at December 2021, comprising:

- property for own use, used mainly to carry out the business of the companies within the UnipolSai scope;
- property for third-party use, buildings owned by the Group that are not used by companies belonging to the Group, mostly leased to third parties.

In its redevelopment projects and in the ordinary and extraordinary management of its property portfolios, UnipolSai pursues objectives of continuous and sustainable value creation.

Real estate assets by intended use



In 2021, the redevelopment and development of real estate assets involved more than 130 properties, including, in particular, office buildings located in the Milan and Turin areas.

In Milan, work continued on the new building in Piazza Gae Aulenti (Porta Nuova Garibaldi area), designed to receive **Leed Platinum** certification, which guarantees the highest standards in terms of energy and water savings and the ecological quality of the interiors.

Three of the Group's major properties in Milan obtained **BREEAM In-Use Certification** with Excellent level in February 2021.

Again in Milan, the "INOLTRE. *Sharing the city*" project was launched, a shared listening and co-design process involving major players and residents in the promotion of peripheral areas.

Geographical breakdown of real estate assets



With the updating of the "Guidelines for responsible investment activities" approved in February 2021, the Group defined specific commitments as regards real estate investment activities, relating to the various investment phases:

- acquisition of real estate: during this phase, the Group undertakes to integrate technical and economic/financial assessments with an evaluation of ESG aspects linked to properties of interest;
- development activities: the Group, aware of the impact and transformative potential of local real estate development activities, considers an understanding of the characteristics and requirements - current and future - of the communities in which it operates, to be significant for the definition of its actions; it also undertakes to respect high environmental standards in the most significant new building activities, including by obtaining internationally recognised certifications;
- management activities: with a view to decarbonising its real estate investment portfolio, the Group undertakes to manage its real estate assets by planning and taking actions that result in the continued improvement of performance until high environmental quality standards are achieved.

The development sectors

In 2021, the diversified companies continued to deal with the effects of the Covid-19 emergency.

With regard to the hotel sector, the revenue of the subsidiary **Gruppo UNA** increased by 94% compared to 31 December 20 (from approximately € 34.4m to approximately €66.8m), reflecting the recovery of the tourism market from June to November. During the second half of the year, almost all hotels were reopened, and by the end of the year only 5 out of the 34 hotels were closed (with the exception of 3 seasonal hotels). Despite the actions taken to limit operating costs, the still low levels of business resulted in a loss of approximately €14.5m.

Among the awards attributed to the Group's hotel business was the award for "Best business hotel for business travellers" to Milano Verticale | UNA Esperienze structure during the eighth edition of the Italian Mission Awards.

As far as agricultural activities are concerned, sales of packaged wine by **Tenute del Cerro** increased by 28.9% compared to the figure at 31 December 2020 – from €7.3m to €9.4m – while total revenue increased by 26.3%, from €8.5m to €10.7m. This performance, together with limitation of operating costs, allowed the period to close with a profit of €0.1m.

Casa di Cura Villa Donatello closed 2021 with revenue of €37.3m, up by around 23.5% compared to 2020. The earnings performance highlights the continuing positive trend concerning the core business both for the hospitalisation part (hospital stays and outpatient surgery) and the outpatient part (examinations and diagnostics). The company recorded profit of €1m, more than double that of 2020.

Marina di Loano, a marina capable of accommodating almost 1,000 boats from 6 to 77 metres and offering port services, has kept its "core business" firm in 2021 in the strictest sense. However, persistent mobility restrictions resulting from the health emergency hampered the start of the nautical year, with a contraction in berth turnover in the winter season due to the fallout on related and ancillary services at sea. The summer season is to be considered positive especially for the performance of land-based services, in particular the beach and the Yacht Club guesthouse. The company broke even in 2021.

Marina di Loano, ISO 14001 and ISO 45001 certified, has also obtained the Marina Excellence 24 Plus, the "5 Timoni" and "50 Gold" certification from Rina, confirming the safety and quality of its tourism and hospitality services.

UNIPOLSAI AND EMPLOYMENT

11,881

Employees

54%

Employees - Women

27.5%

Positions of responsibility held by female employees

35%

of new recruits under 30 years of age

Employees

In line with the policies defined in the Code of Ethics, the Sustainability Policy, company policies and guidelines which take account of the various areas of activities and different applicable regulations, the Group recognises and values the protection of employment and is fully engaged in respecting workers' rights.

As a signatory to the Global Compact, over the years the Group has modelled its policies, relationships, incentives and rewards for employees on the principles that form its framework.

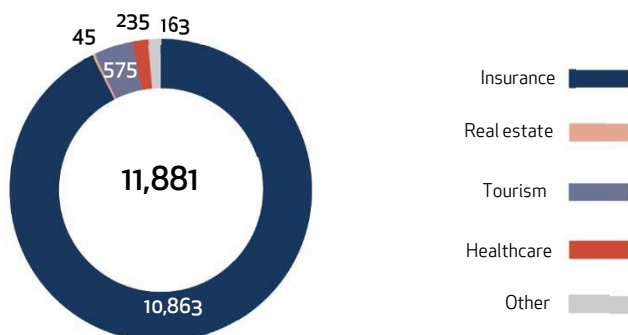
In 2021, the UnipolSai Group confirmed its focus on safeguarding employment stability, with 96.0% of its employees (-0.4 p.p. from 2020) employed on permanent contracts (46% men and 54% women).

Use of staff supply contracts is marginal and concerns only 82 workers, while the number of seasonal workers, employed in the tourism and agricultural sectors, represented 0.3% of all employees. Overall, less than 1% of the workforce is composed of interns, apprentices and temporary staff (0.7%).

During 2021, 148 employees were moved to stable contracts, of whom 125 in Insurance and Commerce contracts.

The number of employees operating on a part-time basis totalled 2,009, representing 16.9% of the overall workforce (-0.5 p.p. compared to 2020); of these, 86.9% were women (27.1% of the total female workforce).

Employees by sector



The number of UnipolSai Group employees as at 31 December 2021 increased by 0.94% compared with the end of the previous year (+111 employees), with 1,320 joining, 1,210 leaving and 1 moving internally from a company that was not part of the UnipolSai Group in 2020.

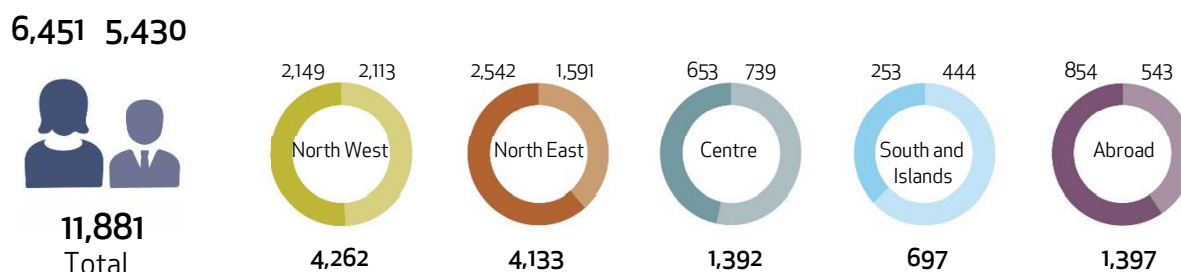
Net of the movements in fixed-term contracts or seasonal work that began and ended during the year, and net of the intercompany branch transfers, there were 791 recruitments (285 new permanent contracts, 124 incoming due to a business unit acquisition, 1 reinstatement and 381 new fixed-term or seasonal contracts, which refer to recruitments during the year and in the workforce as at 31/12/2021), while there were 681 departures (in addition to the aforementioned incoming intra-group mobility) due to resignations, incentivised departures, retirement, participation in the "Solidarity Fund" and other reasons for termination.

In particular, 267 workers completed their professional careers by opting for early retirement arrangements: 213 of them took advantage of the Solidarity Fund and 54 received direct access to their pension. The aforementioned staff will either receive their pension directly from INPS, if they have already met the requirements, or they will have access to the extraordinary section of the Solidarity Fund, where they will receive an allowance at the expense of the company equivalent to the future pension until they accrue the right to a pension.

The management of consensual terminations was handled in implementation of the trade union agreements entered into in the Group's insurance companies for non-executive personnel reaching pension age by 31 December 2023, and with individual agreements.

A similar initiative was also applied for executives: 6 in total, of which 3 had direct access to retirement and 3 benefited from the retirement support fund under Italian Law 92/2012. The latter will receive an allowance from the company equivalent to their future pension until they become entitled to a pension.

Employees by geographical area



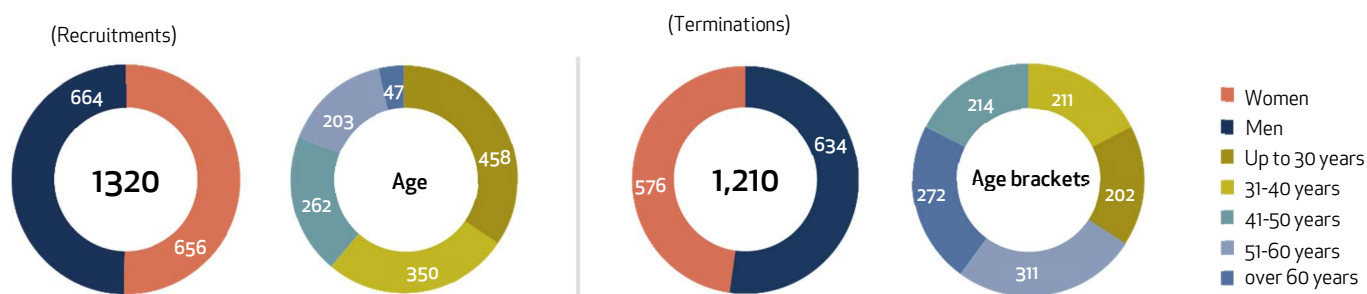
These initiatives resulted in an overall turnover rate⁵³ for employees of 21.3% (19.0% in 2020).

As mentioned above, 1,320 employees were recruited during the year, while 1,210 employees left, resulting in a recruitment turnover rate of 11.2% (7.2% in 2020), almost 1 percentage point higher than the termination turnover rate of 10.3% (11.3% in 2020).

The turnover ratio for voluntary resignations was 1.27% (0.95% in 2020).

The use of fixed-term contracts in the hotel sector due to its seasonal nature significantly influences the turnover figures: the turnover ratio for insurance employees only was 11.6% (13.1% in 2020).

Turnover by gender and age bracket



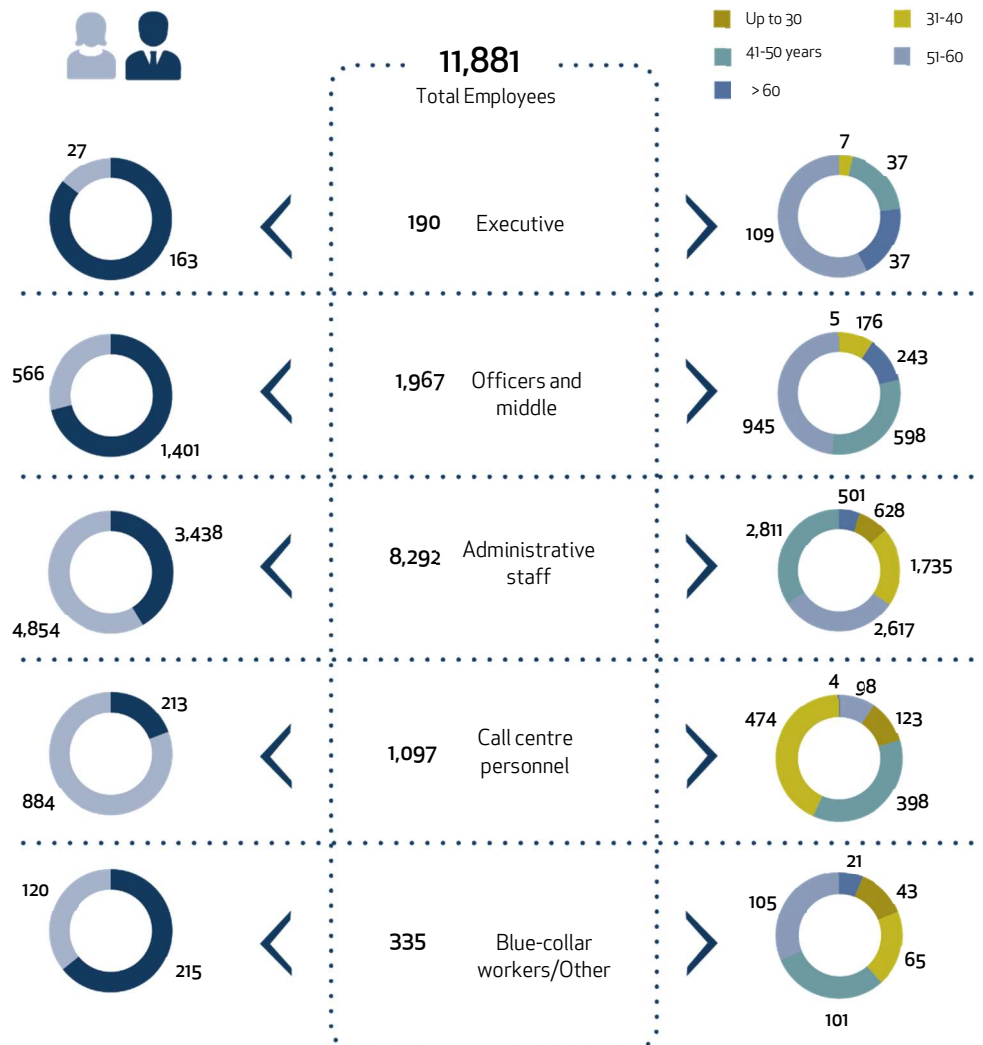
The average age of staff in service as at 31 December 2021 is 46.8 years, in line with the previous year. Once most of the exits linked to the Solidarity Fund were completed, the average age of service rose by 1.2 p.p. compared to 2020, to 16.4 years (compared to 15.2 in 2020). People over 60 represent 6.8% of the company population.

The distribution by category and age group shows a higher percentage incidence in the 41-50 age group, which includes 19% of executives, 30% of officers/middle managers, 34% of administrative staff, 36% of call centre staff and 30% of blue-collar workers. The percentage incidence in the 51-60 bracket is also significant, particularly for executives (57%) and officers/middle managers (48%). The 31-40 years bracket includes 4% of executives and 9% of officers/middle managers; the incidence of this bracket in the other categories was significantly higher, reaching 43% for call centre personnel.

University graduates constitute 45.4% of the workforce and secondary school graduates 44.0%.

⁵³ Ratio of the sum of entries and exits to the average workforce. The turnover of new recruits or exits is calculated as a ratio of entries and exits to the number of staff at the beginning of the year

Number of employees by age range, job-level category and gender



For detailed information on Employees, please refer to the Appendix-UnipolSai in numbers

People and technology: towards a new way of working

In 2021, Unipol Group Internal Communication invested in enriching *the employee experience* through initiatives that highlighted digitalisation as an enabler of an increasingly collaborative working model. The digital evolution was thus supported by a path of communication, but above all of adoption, aimed at guiding people in the correct use of new tools and spaces for online collaboration. The use of the Microsoft Teams application throughout the company was accompanied by a process for using the new feature through the creation of a dedicated section on the intranet with infographics, video help and practical advice.

The Digital Workplace has been a key enabler of a new model of collaboration that streamlines business processes and ways of working. The joint output of a cross-departmental team involving several corporate departments over the last three years, has led to the inauguration of the Digital Workplace of the Claims Department, enabling 2,100 colleagues within the environment. Inspired by the guiding principle of the 2019-2021 Strategic Plan "People and Technology", the pilot project put people at the centre in the construction and configuration phases of the environment, and in its adoption: there were several communication initiatives to accompany colleagues in the use of the new technology, but also to make it an integral part of a new approach oriented towards collaboration.

Listening, involvement, communication and reputation

Surveys have proved to be an important listening tool; alongside these, more participatory conversational methods have been promoted, making people the main protagonists of the communication formats created. Digital Talks and Digital Lunches were created with this in mind. The Digital Talks included managers talking about their business objectives and specific insights related to their areas of expertise in a series of interviews. Each episode symbolically ended with the manager posing a challenge to colleagues. The Digital Lunches are the natural continuation of the Digital Talks and take the form of virtual meetings where colleagues can share their valuable ideas with managers, with the aim of responding to the challenges proposed in the Digital Talks. Both initiatives are part of the strategic framework "Colleg@ati insieme, sempre un passo avanti" ("Connected together, always one step ahead"), which has outlined a path where internal communication becomes increasingly transparent and participatory, with a view to enhancing listening and talent.

In order to facilitate a safe return to the office, a re-entry plan has been set up using offline and online channels to disseminate new rules of conduct, rules and use of space, and information on technological equipment and the Green Pass.

The main news and initiatives involving the Group were shared according to a multi-channel strategy where the combined use of different tools (intranet, email, text messages) made it possible to reach colleagues in a timely and widespread manner. Futur@ has proved to be an intranet site attentive to people's needs, facilitates access to key content and promotes transparent communication.

In 2021, the Unipol Group launched a project to give concrete value to the principles of sustainability which underpin its business, involving colleagues in the creation of the first company forest.

The Unipol forest was created during the Christmas holidays: together with Treedom, a web platform that allows a tree to be planted from a distance and the history of the project to be followed online, 11,000 trees were planted in different countries around the world. Each colleague had the opportunity to choose his or her own tree, becoming its virtual guardian and receiving updates about both the tree and the local community that cares for it.

The initiative is an integral part of the Unipol Group's overall commitment to sustainability and contributes to the achievement of the UN 2030 Agenda's Sustainable Development Goals (SDGs).

The **reputational index** among employees, measured in the annual survey carried out in September 2021, remained stable in the excellent range at 89.5/100 points, showing a trend in continuity with last year in terms of the Group's ability to work on key elements for its people. At a more detailed level, two trends emerged: on the one hand, a general increase in reputation from all age brackets, especially of the over-60 population (an increase of 4.3 points compared to last year, a figure in line with the strong appreciation expressed by the most senior employees in terms of company seniority, i.e., from 26 to 35 years); on the other hand, a more critical opinion (but still very strong in terms of reputation) was expressed compared to last year from the bracket of employees aged "up to 30 years", as a sign of an attitude expressing more ambitious expectations when assessing the Group's work.

Lastly, the analysis showed 78.9% (78.4% in 2020) of "Supporter"⁵⁴ employees and 35% of "Ambassador" employees (thus confirming the figure for 2020), i.e. those who, amongst the Supporters, attribute an excellent reputation to UnipolSai⁵⁵.

Training, development and enhancement of employees

The UnipolSai Group invests in a number of levers concerning human capital, from training to simplifying the organisational model, from development plans to contractual standardisation.

A key investment is in the development of young talent; in this context, the second edition of the **Next Generation Programme**, which began in 2020, continued in 2021 and involved 324 young employees for the entire Unipol Group (201 from UnipolSai alone) who, after specific assessments, were supported together with their manager in individual development paths, defining concrete actions for professional growth.

In this group and based on the assessment results, a pool of 106 young people was identified at Unipol Group level (71 at UnipolSai), for whom the path continued with an in-depth study of managerial skills through a **Development Centre** and subsequent involvement in the **Unipol Innovation Lab** training initiative; these initiatives made it possible to stimulate awareness and learning from direct experience through group dynamics.

With regard to the **performance assessment of non-executive staff**, the appraisal process launched in 2020 and comprising four stages – definition of objectives, interim feedback, final appraisal to measure specific gaps, and sharing of the appraisal with staff – was completed in 2021.

⁵⁴ the percentage indicates the portion of respondents who expressed the greatest propensity for behaviour in support of the Unipol Group.

⁵⁵ employees who gave Unipol a reputational assessment higher than 80 points and also expressed a strategy alignment higher than 80 points.

The appraisal process was applied to an initial group of UnipolSai non-executive employees with 206 appraisals completed, 97% of which were for officers.

In the next three years, the topic of performance appraisal will be developed in line with the objectives and guidelines set out in the new Strategic Plan.

In the various staff management processes, from recruitment to termination of employment, from selection to remuneration, from training to internal and inter-company mobility, the Group relies on the support of people analytics tools, which make it possible to use data from the various stages of development of the relationship with the employee in a structured and integrated manner. The career paths of employees are therefore accompanied by precise quantitative analyses and related statistics, which allow for more effective and efficient management, and support the planning of new recruitments and the definition of organisational changes in a more solid way.

Through the use of people analytics, the Group's business functions have more precise and timely information on the performance of their employees, and can also build analyses on specific phenomena and trends. The strategy adopted by the Group on the use of People Analytics, which covers over 75% of employees, is aimed at integrating the various data in order to understand the Group's needs in terms of attracting the best resources from the market, and in order to support professional development paths that are as consistent as possible with employees' expectations and at the same time functional to company performance.

UNICA operates in the training context. This is the Group's Corporate Academy, which focuses on the vocational training of all the structures located in Italy, with the objective of increasing knowledge in a range of areas, reinforcing the corporate culture and sharing the management model.

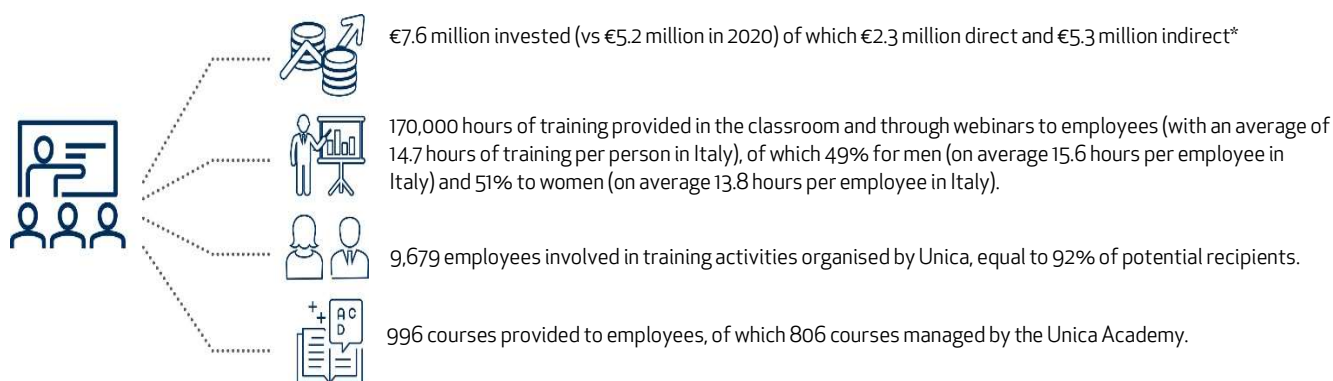
The new home page of the Unica portal (**MyUnica**) has been released for a better user experience, with an expansion of the offer of online courses with self-enrolment for the development of personal skills, with the aim of stimulating constructive dialogue between manager and employee. The offer now consists of more than 460 online courses.

In June 2021, the ISO 9001:2015 certification of Unica's Quality Management System was confirmed and maintained.

The training activities for employees focused – through the Faculties – on implementing courses with compulsory and regulatory, technical, commercial, managerial and behavioural content. A total of 806 courses (including external courses) were created and delivered, some of which were funded by the Fondo Banche Assicurazioni (FBA) and Fondo Dirigenti (FonDir).

Training was mainly held in virtual classrooms (webinars/videoconferences accounting for 41% of the total) and in e-learning (asynchronous training accounting for 59% of the total).

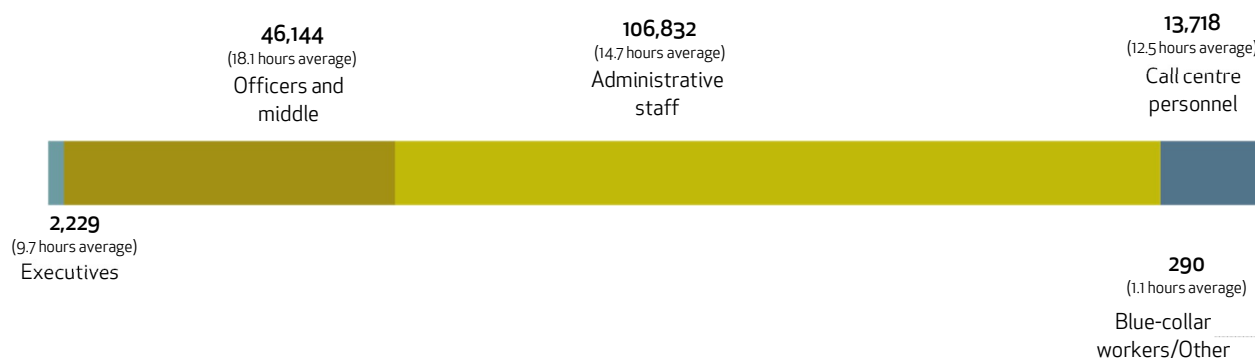
Training provided in 2021



*Understood as the opportunity cost of employees who, to participate in training activities do not perform their usual work activities

The distinctive training courses include the **"Master Executive Unipol"**, in collaboration with Luiss Business School for 22 selected resources, and the **"Master in Business Insurance"** dedicated to 21 participants in the Claims and Non-Life areas, which will continue in 2022.

As part of the initiatives aimed at younger colleagues, the latter part of the year saw the launch of a path to learn more about behavioural skills (Development Centre), dedicated to the 17 colleagues who joined the Group through the **Unipol Insurance Master Programme**, 2019 edition. The initiative aims to set up professional paths for individual development.

Training provided to employees by job category and average hours by job category in Italy**Total staff hours provided: 169,213 (14.7 hours on average per employee)**

Initiatives continued which were aimed at developing behavioural, cross-cutting and role-specific skills (managers and non-managers) useful for dealing with remote work, courses to develop language skills (English) and to strengthen the ability to work in a project-based perspective. In addition to compulsory training on Safety, initiatives on regulatory and technological issues are worth mentioning, in particular online courses on the new business tools made available by the Group, specialised IT courses to support business processes and regulatory/obligatory courses on Privacy, IVASS Regulations, as well as training activities that supported company reorganisations.

In the regulatory/mandatory area, online courses worth mentioning are for the changes introduced by IVASS Measure no. 97/2020 on insurance distribution, the update to IVASS Regulations no. 40 and no. 41 of 2018, and the publication of IVASS Regulation no. 45/2020 dedicated to Networks and employees with POG and IDD roles. Also in the regulatory area, courses were delivered on the OMM, the "Cyber Security Awareness - Let's protect our data" course and the "Regulation (EU) 2019/2088" course on Financial Services Sustainability Disclosure or ESG Disclosure (Regulation 2088).

With reference to the training provided to employees of insurance companies operating in Serbia, the total number of hours provided was approximately 18,000, 74% of which were given to middle managers and 22% to administrative employees. Also in this context, most of the training courses were held online, via e-learning or in the form of webinars, delivering all legally required courses.

The real estate and diversified companies were mainly concerned by technical and regulatory training activities, with a particular focus on occupational safety training.

The Internal Mobility Policy promotes the ability of employees to adapt to rapid changes in the economic, regulatory and technological environment. At the same time, through this Policy, UnipolSai is reinforcing its commitment to offering internal opportunities for advancement.

During 2021, 45% of the open positions were filled with internal candidates (+15 p.p. over 2020 if limited solely to UnipolSai Assicurazioni S.p.A), while 588 people, equal to 4.9% of the entire staff, found a new position within UnipolSai Group Companies by changing their activity, duties and department.

The process of consolidating digital and innovative skills in personnel continued with the recruitment of a further 11 persons (in addition to the 121 in the 2017-2020 four-year period), who enhanced the Group areas responsible for innovation processes.



For detailed information on Training provided to employees, please refer to the Appendix-UnipolSai in numbers

Promotion of equal opportunities

Adhering to the principles of non-discrimination and equality, UnipolSai promotes appropriate actions to help overcome critical issues that may originate from penalising individual socio-economic contexts, or from events such as natural disasters or public health crises.

For UnipolSai, the promotion of a working environment in which professional development is supported irrespective of gender, age, sexual orientation, geographical origin or religion is a key issue within a context of mutual respect and organisational well-being. Inclusion and non-discrimination are guiding principles included in the Code of Ethics and Sustainability Policy and cover both ongoing projects and activities currently being defined.

UnipolSai was one of the first 16 companies to comply with the **"Charter for Equal Opportunities and Equality at Work"** (launched in Italy on 5 October 2009 and currently signed by 700 businesses and public administrations). The Charter provides a reference framework of values and guidelines to guide companies that have subscribed to it in its application; these companies must determine how to implement it according to their situation and level of maturity with respect to the specific issue.

For the implementation of Diversity & Inclusion policies, the Group has assigned clear responsibilities to the Chief Human Resources Officer, the Ethics Manager and the Joint Equal Opportunities Commission, a bilateral commission between the company and the trade unions, established in 2011 with the duty of identifying analysis processes and proposing initiatives on Professional training, equal opportunities, supplementary health care and prevention with respect to mobbing risks.

Through the above Commission, in order to promote innovative and adaptable forms of work organisation and work performance aimed at improving the quality and productivity of work, in the Supplementary Company Agreement UnipolSai committed to preparing - jointly with the trade unions - positive action projects that can be financed by grants envisaged by regulations and/or other relevant legislation in force, and to conduct other feasibility studies, financial and non-financial, relating to the subject. This Commission is composed of a maximum three members designated by the UnipolSai Companies and ten members designated by the trade unions, and may be convened at short notice also the initiative of just one of the parties.

Within the Sustainability Policy, the Group has made the promotion of an inclusive working environment a priority, one which is able to welcome and value all forms of diversity in line with the Supplementary Agreement, Code of Ethics and Charter of Values, reinforcing the message on the principles that distinguish the Group and inspire its processes, initiatives and conduct.

In the part dedicated to equal opportunities, the Policy confirms the actions already undertaken and outlines the path towards the affirmation of a truly inclusive environment open to diversity as a condition for business sustainability, as well as an ethical priority for the Group. The Policy expresses the Group's commitment to inclusion of all forms of diversity and is based on respect for all people, meritocracy and equal opportunities, encouraging the adoption of precise guidelines in personnel policies as part of a process of continuous improvement and transparency.

To make UnipolSai's commitment to the inclusion and enhancement of female talent even clearer and more tangible by encouraging the creation of fair and inclusive working environments, note that at the end of 2021 women occupied 27.5% of managerial positions, 25% of which in profit-generating functions, while among positions related to STEM disciplines,⁵⁶ women make up 22.8% of the total.

Among the activities carried out by the Group to integrate the principle of equal treatment into the processes governing all stages of professional life and the development of human resources, note the following practices defined by specific internal operating rules:

- transparent and non-discriminatory management of recruitment and the overall selection process;
- training, made equally accessible to all personnel;
- definition of specific guidelines on the matter within the Staff Management Policies, for the purposes of transparency and continuous improvement;
- personal and professional growth and improvement of employees' skills;
- monitoring and enhancement of existing professional capacities and skills;
- signing agreements with Trade Union Organisations, which UnipolSai considers a key partner for establishing a good working environment;
- the adoption of a Code of Best Practices which, aside from highlighting the company's mission and values, shed light on a series of potentially harmful behaviours (with reference to mobbing, straining and sexual harassment) which may occur in the workplace.

⁵⁶ STEM: science, technology, engineering and mathematics. To be classified as a STEM employee, the employee must have a qualification related to STEM disciplines and use them in their operational position. The positions include, but are not limited to, the following: computer programmer, actuary, statistician, engineer, web developer.

All workers are required to read this Code, which is also available on the Group's corporate intranet, and to comply with its principles of conduct. In the event of harassment, in addition to bringing their condition to the attention of the People Management department, the employee can also refer the matter to the union-appointed members of the Group's Mobbing Commission. For more details about this, please refer to the Ethics Report published on the website www.unipol.it.

Staff are also provided with **concrete tools to help balance work and private life**, making it easier to match the demand and supply of flexibility on the part of the company and individuals. In this regard, the main initiatives to meet the needs of employees in terms of work flexibility, defined through trade union and collective agreements (for more information see the text of the Supplementary Company Agreement), are worth mentioning.

- part-time contract;
- flexible working hours;
- care leave other than parental leave;
- paid leave for study, voluntary work, medical examinations, therapy, trade union meetings, death of family members;
- initiatives to support parenting and caregivers through paid and unpaid leave and other agreements for care/welfare services. In particular, when a child is born, both parents are granted one day's paid leave to be taken within a week of the date of birth, in addition to the statutory provisions;
- extension of the monthly paid leave days established under Italian Law 104/92;
- inter-company crèches set up through agreements with the competent public bodies to guarantee the availability of places in the crèche services, managed on special premises located close to the company offices;
- hours bank;
- local agreements for personal services and local reconciliation networks with institutions and other enterprises.
- company benefits.

Some of these **work-life balance** tools are **implemented by the Group** in partnership with institutions, the third sector and other companies.

For more information on these activities, please refer to the "Welfare services" section.

The Unipol Group's strategy for promoting equal opportunities envisages the generation of an impact that goes even beyond gender diversity, and with this in mind **Disability Management** initiatives have continued with a strong focus on listening.

The specific actions have involved concrete interventions to improve the quality of life of staff with disabilities in the professional context, ensuring that disability cases are managed fairly and as effectively as possible.

In an overall framework that has seen remote work as the main way of working, particularly for vulnerable people, the priority objective of Disability Management has been conditioned by the need for **"personalisation of remote working"** for many colleagues with disabilities.

Disability Management has activated a **set of projects** and actions aimed at identifying and overcoming the difficulties that prevent people with disabilities from actively participating and contributing to professional dynamics.

These **actions** have had effects on the entire company population and on the individual colleagues directly concerned, and have contributed to improving the company climate with regard to managing the issue of disability in remote working.

Specifically, most of the activities focused on aspects such as:

- support for People Management and Line Managers in transitioning to remote working and managing the specific issues this raises for colleagues with disabilities;
- identifying "reasonable adaptations" to support people with degenerative and progressive diseases, with the provision and set-up of specific **assistive technologies** and training on such equipment. Activities in this regard were addressed to varying extents to the entire population of people with disabilities in remote working arrangements, but in certain cases more significant and "personalised" actions were also taken;
- monitoring the **"remote working"** project for colleagues working at the Group's **call centre**, which allowed call centre staff to work remotely (most of whom are blind or visually impaired);
- extensions of individual **personalised remote working** agreements already in place;
- defining a role of **"training facilitator"** with regard to the specific characteristics of disabilities.

Among the activities to raise employee awareness of the fight against all kinds of discrimination and to increase prospects for growth and social cohesion, the Group and the Equal Opportunities Commission have joined the International People with Disabilities Day, reaffirming the importance of respect and accessibility as pillars of interaction between people to consolidate their inclusion and eliminate discrimination. In line with these initiatives, Unica organised the third day on Inclusion entitled "INKlusion - Learn the art and... DON'T set it aside".

At 31 December 2021, there were a total of 626 people with disabilities or belonging to protected categories, representing 5.3% of the total workforce.

In addition, in 2021 no episodes of discrimination (according to Italian Legislative Decrees 215 and 216 of 2003) were recorded, and there were no final decisions or sanctions on this matter.



For detailed information on Promotion of equal opportunities, please refer to the Appendix-UnipolSai in numbers

Employees' health and safety

The protection of health and safety is considered a priority and is fundamental in planning and executing every working activity of the UnipolSai Group, by means of:

- protection of rights to quality of life, the environment and health;
- protection of the safety of its employees, third-party workers, customers and the general public.

Respect for people and the environment in which they live and work are considered strategic factors and opportunities for growth in pursuit of UnipolSai's development objectives.

The Group's guidelines set out the main principles to be observed in the field of Workers' Health and Safety and aim to ensure:

- compliance with applicable current health and safety legislation and also with non-binding, but voluntarily adopted requirements, such as technical standards or best practices;
- a commitment to continually improving its performance;
- a commitment to creating a "Safety culture" in the people who work for and on behalf of UnipolSai Group.

Since 2016, the Group has adopted a **Health and Safety Management System (HSMS)** which is being progressively updated to UNI EN ISO 45001:2018 standards. The adopted system defines the methods for managing aspects relating to workers' health and safety in the workplace and in the Group's real estate assets.

Management procedures and work instructions relating to the HSMS are published on the intranet and set out the responsibilities, operating procedures and controls that must be carried out for any activity that may have a significant impact on safety.

With the aim of verifying its progress and the achievement of its objectives over time, the Management System envisages activities and controlling operations and activities with potential impact on health and safety. At least once per year, the Management System is reviewed to verify its suitability, adequacy, effectiveness and efficiency to satisfy the requirements of reference regulations and applicable legislation and to reach pre-established targets.

The review includes an evaluation of opportunities for improvement and the need to make changes to the system, including the Group's policies, objectives and goals.

Activities continued for the implementation of the Group project on the subject of "risk assessment of work-related stress" in 2021, although this was affected by the long emergency period. The adopted methodology incorporates the provisions of the INAIL Guidelines issued in 2017.

The total number of workplace accidents rose from 46 in 2020 to 65 in 2021 (55% during commuting). As a result of the accidents recorded⁵⁷, more than 1,800 work days were lost compared to 1,600 in the previous year.

Absence from work for reasons other than holidays, for all the Italian insurance companies within the Group, totalled, at 31 December 2021, around 6.8% of working days (specifically, 4.7% for men and 8.7% for women), down 0.5 percentage points compared with 2020.

⁵⁷ No accident had serious consequences or resulted in death.

Accidents

Description	UoM	2021	2020	Change 21-20% / p.p.	Notes
Accidents by gender	No.	65	46	41%	
Men	No.	25	20	25%	
Women	No.	40	26	54%	
Accidents by type	No.	65	46	41%	
Not while commuting	No.	29	22	32%	
While commuting	No.	36	24	50%	
Recordable workplace accident rate by sector					Rates calculated on the basis of millions of theoretical working hours and non-commuting accidents
Total	No.	1.1	1.0	18%	
Insurance	No.	0.7	0.6	18%	
Real estate	No.	10.7	21.4	-50%	
Tourism	No.	6.7	5.1	30%	
Healthcare	No.	2.1	3.7	-43%	
Other	No.	5.7	2.3	146%	
Accident severity by sector					Rates calculated on the basis of thousands of theoretical hours worked
Total	No.	0.07	0.07	-	
Insurance	No.	0.06	0.05	20%	
Real estate	No.	0.43	1.18	-64%	
Tourism	No.	0.23	0.37	-39%	
Healthcare	No.	0.06	0.11	-47%	
Other	No.	0.13	0.03	333%	
Number of hours worked by sector					Theoretical hours as per national collective labour agreement of the various sectors
Total	No.	25,488,486	22,765,589	12%	
Insurance	No.	23,382,174	20,995,769	11%	
Real estate	No.	93,600	93,600	-	
Tourism	No.	1,196,000	973,440	23%	
Healthcare	No.	465,296	271,440	71%	
Other	No.	351,416	431,340	-19%	

At the end of 2021, the Group had 39 employees who were Workers' Safety Representatives (WSR). Dedicated training sessions are held each year to update employees who perform the role of WSR, as well as for other appointments.

All the activities carried out made it possible to ensure that the procedures for consultation and participation in the overall health and safety management system were fully operational, as required by regulations.

The basic safety training courses in insurance companies operating in Italy and in diversified companies were completed by 9,130 participants trained as workers (achieving 95% coverage), 1,081 participants trained as managers (achieving 79% coverage) and 138 participants trained as executives (achieving 77% coverage).

Training was provided in the insurance and commercial companies operating in Italy for emergency officers, specifically for First Aid Officers, instructed on the use of defibrillators, and Fire Safety Officers, as well as for the roles envisaged in regulations (such as Prevention and Protection Service Managers, Workers' Safety Representatives, Emergency Operations Manager and the COVID Contact).

For the companies operating abroad, safety training focused on first aid and fire prevention, with the involvement of a total of 639 employees and 67 executives.

No dispute specifically regards "health and safety", understood as disputes concerning alleged violations of regulations on safety in the workplace and/or demands for compensation.



For further information on Health and Safety training activities, please refer to the appendix "UnipolSai in Numbers".

Covid-19 - Group impacts and initiatives in 2021 in the context of the health emergency

The spread of the Covid-19 pandemic that began at the end of February 2020 also affected 2021, albeit with a lesser impact on the Group's operations compared to the previous year; a series of appropriate initiatives were therefore once again activated to guarantee business continuity with maximum protection for employees.

In line with the resumption of all economic and social activities in Italy, and with the aim of returning to normal working life, UnipolSai has scheduled the resumption of activities at its premises from 4 November 2021. By significantly extending the scope of protections established by the legislator, allowing all staff considered "vulnerable" to request remote working (vulnerable health conditions, protection beneficiaries pursuant to art. 3 of Italian Law 104/92 or Law 68/99, exempt from vaccination, pregnant workers or workers with children up to one year of age and the over 60s), around 70% of staff resumed in-office work.

In this respect, the preparatory and monitoring activities summarised below were carried out by each macro area.

The Covid-19 Protocol of July 2020 was updated to a new version in October 2021, in order to update the procedures and controls put in place by the Group (e.g., introduction of Green Pass verification and control, and distancing between workstations, in line with recommendations of the government protocol). In addition, all the training and information material was updated.

By means of periodic Service Communications (direct e-mail messages and publication on the company's intranet portal), the Group informed all workers on how to return to the company premises, providing precise instructions with particular reference to the provisions to be complied with and the possibility of benefiting from protections established for a large number of workers.

Taking into account the recent legislative provisions for carrying out work, the Green Pass verification and control system has been launched and made fully operational, differentiating its methods according to the size and characteristics of the locations.

With regard to Personal Protective Equipment (PPE), important action was taken to identify and choose supplies, and their delivery methods to employees were carefully planned based on the return to work schedule.

Health surveillance was continuous, compatible and in accordance with ministerial indications, giving priority to requests for close monitoring prior to recruitment and return from long absences.

For the safe management of the return to premises, a multi-functional working group was set up to carry out all the preliminary activities. The role of Covid Contact for each site was also confirmed.

Prior to opening the premises, the new provisions adopted by the Group on conduct to combat the Sars-Cov-2 virus were sent to all suppliers, which also contained the new methods of access to premises, updated as necessary to comply with current regulations.

In order to support public health in managing positive cases, as well as with the aim of activating appropriate preventive actions, a special working group was set up in addition to a telephone medical support service managed by UniSalute and available to Group employees.

Before returning to the premises, specific inspections were carried out at all canteen premises, even if managed by external suppliers, and at the company canteen. Similarly, the shuttle services in San Donato Milanese and Turin were reinstated, in compliance with regulations in force at the time for private transport with driver.

The welfare system

For some time now, the Group has implemented a welfare system with the goal of improving the well-being of its employees.

The cornerstone of this strategy is first-level welfare, mainly the result of bargaining with trade union representatives, consisting of institutions such as supplementary pensions (implemented through pension funds), supplementary assistance (implemented through welfare funds), preventive healthcare, accident coverage including non-occupational, personal loans, flexible working hours, additional leave for care, study and voluntary work, which have been introduced or extended over the years, including new elements in the Supplementary Company Agreement ("CIA"), collective agreements or company regulations applied by Group companies.

The Group has 10 Pension Funds and 15 Welfare Funds (plus other forms of supplementary assistance) covering workers in the insurance, agricultural, commercial, service and tourism sectors.

As regards the supplementary pension system, more than 9,500 employees and executives are enrolled in the Pension Funds. Overall, contributions paid to the Pension Funds by UnipolSai Group companies in 2021 for their enrolled personnel amounted to over €21.7m. The regulation of the Pension Funds stipulates that it is possible to maintain membership and consequently make further voluntary payments into it even when staff are no longer employed by UnipolSai Group companies.

There are more than 11,400 members of the Welfare Funds to which employees of UnipolSai Group companies are entitled, including executives. The coverage provided by the Welfare Funds is extended to family members under the conditions applied by each Fund. Overall, contributions paid to the Welfare Funds by UnipolSai Group companies in 2021 for their enrolled personnel amounted to over €19.7m. Furthermore, in specific cases governed by contracts, collective agreements and company regulations, enrollees can

continue to benefit from assistance coverage for the established time even if they are no longer employees of the Group companies.

Percentage enrolled and contributions paid into the Pension Funds and Welfare Funds

Pension Fund	Executives	Employees
Percentage enrolled	100%	80.4%
Total contributions (€ million)	5.1	52.5
Impact of company contributions	52%	36%

Welfare Fund	Executives	Employees
Percentage enrolled	100%	96.3%
Total contributions (€ million)	2.1	20.1
Impact of company contributions	93%	88%

Alongside these initiatives, the company has also provided a structured second-level company welfare system for some time now, for the well-being of its people and to improve work-life balance during the various stages and conditions of life.

The Group's initiatives targeting colleagues and their families, gathered under the "noiUnipol" logo, are structured into 3 areas:

- **Per Te (For You):** includes services that help to reconcile the multiple roles people play in their daily lives. These services focus on helping to reconcile the multiple roles people play in their daily lives. These include: services for psychophysical well-being, free time services, agreements for home services (medicine delivery, shopping, laundry, ironing and shoe repair, domestic help) and foreign language courses.
- **Per i tuoi Figli (For Your Children):** includes initiatives for children aged 0-25. These services are designed to support families, from caring for their youngest children to supporting their education and guidance in choosing studies and training, accompanying them to adulthood. These include: parenting programmes, care services, support services during studies and initiatives that facilitate the transition to adult life by providing orientation tools.
- **Per la tua Famiglia (For Your Family):** initiatives to support caregiver colleagues caring for dependent family members, in particular through the "Fragilità", "Master Care" and "Caregiver School" programmes.

Sustainable mobility

Sustainable mobility has been a central theme for UnipolSai for years; 2021 saw a major development driven by new regulations and by a particular focus on incorporating the changing travel and mobility habits of employees. On the one hand, the obligation to adopt a Home-Work Commute Plan for its employees aimed at reducing the use of private transport has been further detailed according to guidelines defined by the government; on the other hand, in order to improve detection of new needs, the Group has carried out an extensive survey involving 7,753 employees belonging to 15 companies distributed over 31 offices, located in 8 provincial capitals. Among the most important changes that emerged from the survey compared to the pre-pandemic period, there was a very significant drop (by more than 50%) in the volume of public transport subscriptions, a massive return to private transport and the abandonment of carpooling and sharing mobility, except for bicycles.

Consequently, appropriate updates were planned to the Home-Work Commute Plans, which no longer matched the changed company situation. Technological innovations have also been introduced to rationalise and optimise use of the company shuttles made available to employees: the UniShuttle app designed and created by Leithà makes it possible to monitor timetables, frequencies and occupancy levels of individual trips and make the service more functional.



For information on the environmental impact of employee mobility, see the "Environmental Performance" section of this Report and in particular the Unipol Group TCFD Report.

Industrial relations

The UnipolSai Group pays particular attention to trade-union relations, aware of the fact that discussion – while respecting and distinguishing between the respective roles – represents the most suitable method for dealing with issues affecting personnel in the various phases of company trends.

Dialogue and discussion with the five trade unions in order to deal with issues that require negotiation between the parties is how the Group identifies local responses to the challenges of the global economy, and represents the basis for sustainable growth and attracting long-term investment.

All workers are guaranteed the freedom to form and join trade unions and organisations.

In terms of information, the Group guarantees the circulation of material relating to the activities of trade union organisations, including through the involvement of a wider audience of trade union delegates, for the illustration of company organisational developments and subsequent in-depth examination.

As part of the internal communication systems, an electronic notice board accessible to employees is available to the trade unions, where they can provide timely communications and post publications, texts and notices on matters of trade union and labour interest. Infrastructure such as e-mail, meeting rooms and teleconferencing systems are also available to trade union organisations.

This model makes it possible to guarantee respect for and protection of the freedom of association and the right to organise trade unions, the right to collective bargaining and the protection of workers' representatives by preventing discrimination while ensuring the effective exercise of trade union rights in the workplace.

Responsibility for overseeing the policy on freedom of association and the right to collective bargaining lies with the Group Industrial Relations department, which ensures consistency on the issue between the principles and values contained in the Code of Ethics and other specific risk management policies.

As a result of the persisting COVID-19 pandemic, Industrial Relations activities were characterised by trade union discussions in the various productive contexts of Group company operations, in order to:

- adopt a series of measures to guarantee compliance with health-hygiene requirements and promote the contractual application of remote working for almost all employees;
- define the contractual institutions necessary to manage the significant decrease in activities recorded during the year.

Nonetheless, also in view of the desired recovery of economic and social activities and the consequent impact on company operations, negotiations for renewal of the Group's Supplementary Agreement were restarted and concluded in June 2021, resulting in improvements in economic measures relating to the company productivity bonus (PAP), meal vouchers, supplementary pension schemes and healthcare coverage.

The following took place for all Group companies: 13 procedures for consulting trade unions on organisational changes, 57 trade union meetings with the signing of 9 agreements. During the year, 169,970 hours of trade union leave were used and 97 trade union meetings were held, primarily addressing matters aimed at facing the ongoing epidemiological emergency and strike action. There were 4,689 total hours of strikes in Italy, linked to the failure to adopt forms of remote work regulated by supplementary contracts.

All employees in Italy are covered by sector collective agreements, while 62% of employees in Italy are union members with reference to the Companies to which the national insurance sector and services sector agreements apply.

In the case of the Serbian company DDOR Novi Sad, all employees are covered by sector collective agreements, while 45% of employees are union members.

For trade union activities, paid leave and absences are recognised: in 2021, more than 4,500 hours of trade union leave were used and 25 trade union meetings were held for a total of 50 hours to address issues such as determining the trade union representatives; the new collective agreement; managing measures to combat the health emergency; the redundancy programme; and other topics relating to personnel management and company performance.

In addition, monthly meetings are held between the company and the trade unions which, among other activities, participate in the Health and Safety Commission and are consulted on the adoption of a performance evaluation system for internal resources employed in the sales network prior to its adoption. No strike hours were recorded during 2021.

In terms of disputes, limited recourse is made to legal disputes with employees, whether in service or terminated: in 2021, 79 cases on labour issues were handled, of which 56 were pending as at 31 December 2021.

In 2021, the Group companies in Italy incurred costs of approximately €292k for legal disputes (relating to all levels of judgement).

UNIPOLSAI AND SOCIETY

Suppliers

9,200

UnipolSai Group trading partners

€1,029m

paid to suppliers

97%

expenditure for supplies in Italy

55%

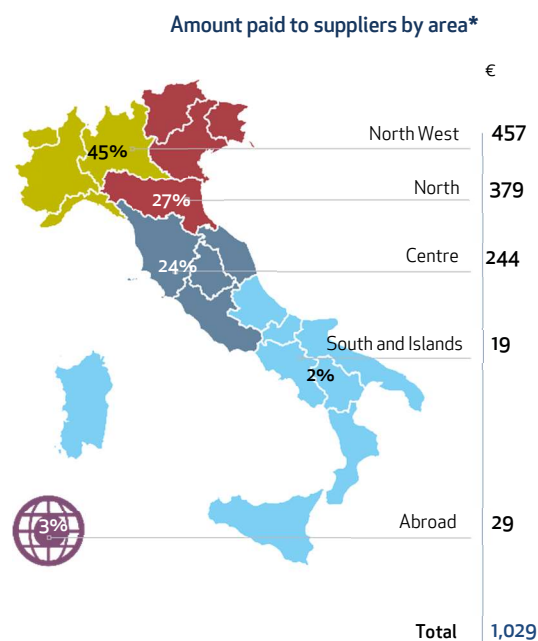
proportion of costs covered by contracts including the Supplier Code of Conduct

The supply and subcontracting system is an area of great importance for the Group which, in line with corporate strategies and objectives, promotes shared policies and best practices in procurement for all its member companies, safeguarding the common principles of social and environmental responsibility. The objective of supplier relations is to negotiate the best value for money and create shared value, generating positive impacts in terms of sustainability and preventing ESG risks, especially in the most critical procurement areas such as IT systems and services, structure and logistics services, real estate projects and building maintenance.

In 2021, the Group traded with around 9,200 companies, for a total expense of €1,029m, of which 97% disbursed in Italy (excluding the foreign suppliers of the subsidiary DDOR Novi Sad). The suppliers of goods and services are large international groups, SMEs and innovative start-ups and social enterprises (cooperatives, associations, foundations and other organisations offering socially useful goods or services).

Without prejudice to several exceptions of limited significance at overall level, the supply chain of the Group, which does not acquire raw materials and does not deliver physical goods to customers, is not particularly complex.

Among the product categories, suppliers related to Real Estate Management have a significant incidence both in terms of numbers and expenditure, as well as suppliers of various services (including training, electronic services, delivery and archiving). The Information Technology category accounts for 24% of disbursements, although the number is limited given the central role of information technology in the Group's activities

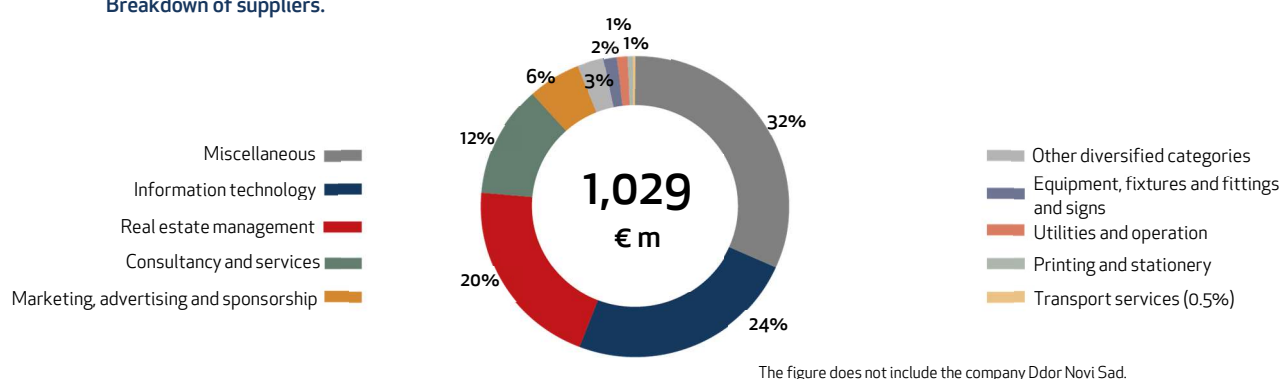


*The chart does not include Ddor Novi Sad, whose total expense came to €15.5m. The total expense paid to suppliers in 2021 is not comparable with the value for the previous year due to application of the Group's calculation criteria to UnipolRental. Applying like-for-like criteria to 2020, the change in 2021 would be an increase of 5%.

Supply chain management

The focus on responsible sourcing issues is enshrined in the "Outsourcing and supplier selection policy", which stipulates that suppliers must also be assessed, as part of the selection criteria, on the requirements of fair and responsible management towards stakeholders. The principles of transparency, fairness and ethics are expressed in the Unipol Group Code of Ethics that suppliers consult when registering on the Portal and which they subsequently undertake to comply with when signing the contract. The Supplier Portal tool is used to survey, select and monitor suppliers, with an integrated view that takes into consideration economic-financial and technical-organisational characteristics, information guaranteeing regulatory-legal compliance, as well as in-depth information on how ESG issues are monitored and the commitment to sustainability.

Breakdown of suppliers.



During the **qualification phase**, when registering on the Portal, in addition to the Code of Ethics suppliers must read the Organisation, Management and Control Model pursuant to Italian Legislative Decree 231/2001, the Purchasing Process and Rules of Conduct to be followed by Group suppliers, the Charter of Values and Supplier Code of Conduct. Through this step, suppliers undertake to comply with the anti-corruption measures adopted, occupational safety regulations, current laws and National Labour Agreements, to tackle all forms of discrimination and to guarantee to the Group that they have enacted the necessary protections which govern the assignment of activities to external individuals/businesses.

Also during this phase, suppliers are asked to provide, in addition to the information ensuring legal/regulatory conformity, financial solvency and qualitative performance, information relating to their compliance with the **legality rating** and commitment to sustainability; this enables the Group to grasp the extent to which they take account of and adhere to **social and environmental aspects**. The aspects surveyed, concerning possession of environmental certifications, measurement of pollutant emissions, application of company policies against discrimination and in favour of the inclusion of diversity, worker health and safety management and work/life balance, contribute to the attribution of the rating which qualifies the supplier on the whole. Only if the result of this assessment is positive, suppliers are listed on the Group's Supplier Register and may be invited to procurement events.

The **contracts** include a clause which requests a commitment to respect the **Supplier Code of Conduct** for responsible procurement (or the "Code"), adopted at the end of 2018 and inspired by the principles of the *United Nations Global Compact* and ISO20400⁵⁸ on responsible procurement.

The Code outlines what Unipol expects from its suppliers on the protection of human and workers' rights, protection of the environment and the fight against corruption and envisages - amongst other aspects - the right of Unipol to check the supplier's processes and structures to verify their compliance, as well as apply penalty mechanisms if they continue not to comply with the Code. Suppliers, except for the Public Administrations and independent freelancers (whether or not they are members of professional bodies), are asked to sign the Code when signing or renewing their contract.

⁵⁸ ISO standard which provides orientations to organisations, irrespective of their business or size, on the integration of sustainability within their purchases.

At the end of 2021, contracts that include the Supplier Code of Conduct cover **55% of total procurement expenditure**⁵⁹ (on a like-for-like basis the incidence would be 60%, an increase of 10 p.p. over 2020).

In 2021, the Procurement Department involved the Sustainability Department in **11 in-depth inquiries** into Suppliers who, in some cases, had submitted documentation proving their readiness and commitment to meet the sustainability requirements established in the Supplier Code of Conduct as an alternative to underwriting the Code itself.

In the Diversified Companies operating in the sectors of Tourism, Agriculture, Health and Nautical Tourism sectors, procurement procedures are compliant with the analogous procedures of the UnipolSai Group founded on the selection and assessment of suppliers through the Group's Supplier Portal.

The supply chain is subject to **ESG risk mapping and related active controls**, which are updated regularly. ESG risks have been identified on the basis of UN Global Compact principles (Labour Management and Human Rights, Anti-Corruption and Environment) and were mapped for each product category, considering their exposure and the level of internal control currently applied. This mapping has enabled the identification of product sub-categories that present a significant risk in terms of ESG⁶⁰ for the Group.

In 2021, planning began of **checks** on suppliers registered on the Portal regarding compliance with the Code of Conduct and with the information shared in the qualification questionnaire held on the Portal. The **audit programme** will lay the foundations for an increasingly focused approach to mitigating the risk arising from supply chain management.

In its procurement decisions, the Group is also committed to favouring systems that do not have negative impacts on the environment.

The commitment to reducing its ecological footprint is demonstrated, among other things, by the implementation of green criteria in purchases in various categories: from paper (in terms of acquisition, use and disposal) to stationery (where UnipolSai is committed to prioritising environmental criteria); from toner to office machines with environmental and energy performance certifications; from the acquisition of electricity to the renovation of buildings with environmental criteria.

Through its purchasing decisions, the Group also supports responsible management of forests, protection of biodiversity, integrity of ecosystems, and safeguarding of long-term benefits for forest communities.

Details of the initiatives and results in terms of reducing the indirect environmental footprint are available in the "Oversight of environmental impacts" section.

The chart below illustrates the role covered by the ESG risk management system with respect to the supply chain in the context of the sustainability strategy implemented by UnipolSai.

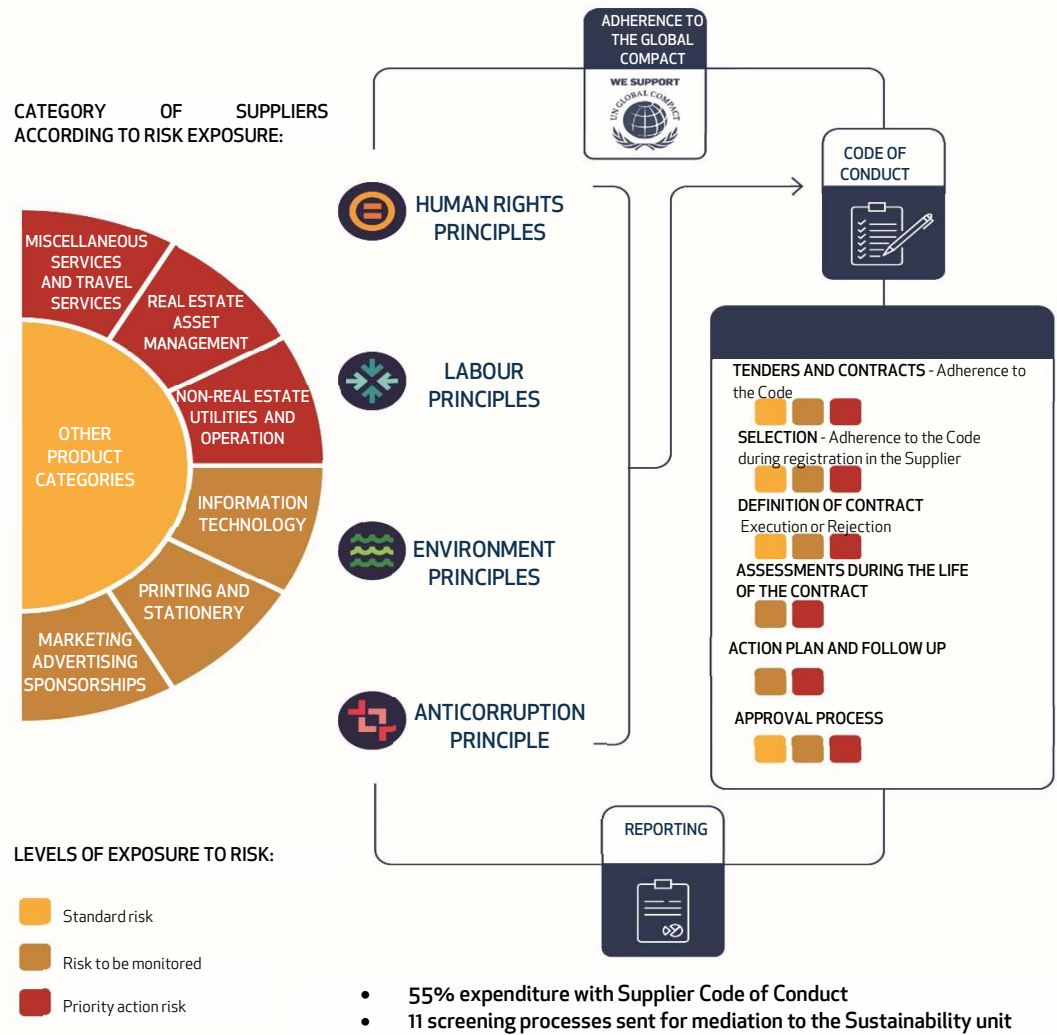


For further information on Suppliers, please refer to the appendix "UnipolSai in Numbers"

⁵⁹ In 2021, the adoption of the Supplier Code of Conduct was extended to UnipolRental's purchases. The purchases registered by DDOR Novi Sad governed by specific contractual agreements are excluded. The Parent Company retains the right to decide whether to extend the principles of the Code of Supplier Conduct on the basis of risk-based assessments and to the extent to which this is compatible with specific sector regulations.

⁶⁰ Suppliers identified as having a high-level reputational risk for Unipol Gruppo, due to their preferential relations associated with the brand or the type of product/service they offer.

Reporting procedure and ESG risk management system in the supply chain



The Community

€10.2 million

Value of sponsorship contributions and donations through the Corporate Sponsorship Programme

€1.7 million

Total value disbursed to the Unipolis Foundation

1.2%

Contributions to the community as a percentage of pre-tax profit

The "Corporate Sponsorship Programme" takes up a commitment defined by the Code of Ethics, regulating activities to support the needs and requirements of the Community by identifying five areas of intervention: culture and artistic heritage, environment, scientific research and social utility, sport and entertainment.

The adoption of the Corporate Sponsorship Programme as an internal policy on donations and sponsorships shared across all activities performed by the Group companies made actions more effective, overseen by processes and procedures aimed at preventing any possible personal or corporate conflict of interest, and facilitated the monitoring of the process for approving projects to be supported.

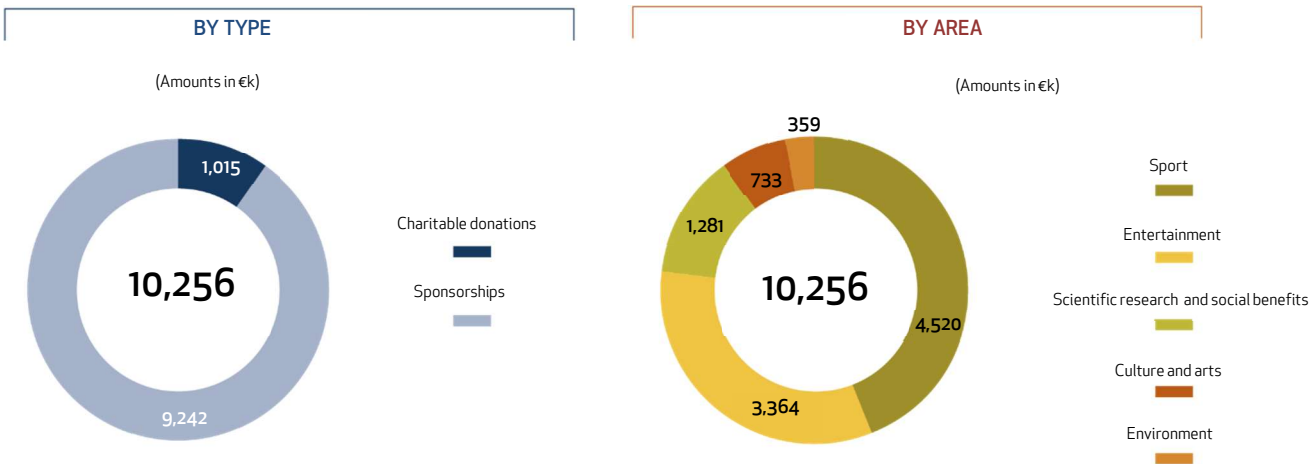
Particular attention is paid to initiatives aimed at empowering the younger generation, especially through sport, to promote social inclusion in a context of increasing social instability and polarisation.

Despite the context of uncertainty regarding the economic and social impacts that the pandemic may have in the medium and long term, including those on the insurance sector, in 2021 the management of donations, contributions and commercial initiatives that benefit the community resumed its usual form.

Various types of contributions exceeded €10m, an increase of 23% compared to 2020 (excluding donations for the health emergency).

Including the contributions of Participating Shareholders of the Unipolis Foundation, the total contribution is 1.2% of the pre-tax profit of €894.9m and corresponds to an average contribution per employee of approximately €935.

Contributions to the community according to area and type*



* Excludes the contribution to the Unipolis Foundation of €850,000 from UnipolSai plus a further €850,000 from the Unipol Group. A report on the activities of Unipolis Foundation is published in the Mission Report, available on the website www.fondazioneunipolis.org.

In 2021, the Group continued its commitment to supporting sport, intended first and foremost as a vehicle for individual and social growth and development. In this regard, the main initiatives are the historic support of Briantea 84, a wheelchair basketball team, and sponsorship of the FIN (Italian Swimming Federation), which also involves a major insurance part: UnipolSai guarantees insurance cover to the Federation, its Central and Peripheral Bodies, the Companies and their members for the three-year period of the agreement.

Other initiatives to which the Group contributes include:

- in the **cultural sphere**, support for the "Che Storia" Festival, a cultural-historical project produced by the Giangiacomo Feltrinelli Foundation, and promotion as main sponsor of exhibitions at the Mudec and Palazzo Reale in Milan, as well as support for numerous other events and cultural entities, particularly theatres in various Italian cities;
- in the **environmental sphere**, the continuation of the "Bellezza Italia - Tuteliamo insieme le meraviglie del Paese" project, the campaign born from collaboration between the Group and Legambiente to propose and implement actions aimed at safeguarding biodiversity and increasing resilience to climate change.
- among **scientific research and socially useful projects**, support for food banks through the Banco Alimentare Foundation and the World Day of the Poor, as well as support for numerous other third sector and scientific research organisations; the donation of over €100k to associations supporting the elderly (Auser, Anter, Ada) thanks to the payment of €2 for every #AndràTuttoBene policy sold in the agency; other donations, including that relating to the Bright Vision project to support social, educational and health activities for over 700 children in a number of primary schools in Ethiopia.
- Among the **entertainment projects**, 2021 saw the continuation of the collaboration with Fondazione Musica Insieme, with the goal of promoting an original artistic formula and creating high-quality cultural events accessible to the wider public. The Group has also renewed its partnership with The Culture Business, which is divided into two different areas promoted by this particular and innovative cultural enterprise: Biografilm Festival and Unipol Biografilm Collection, distribution and promotion system for cinematographic works. The Group also continued to support the Bologna Jazz Festival and Cineteca di Bologna.

The initiatives promoted by other insurance companies include UniSalute's collaboration with Komen Italia in the fight against breast cancer and the "Bologna Oltre le Barriere" ("Bologna Beyond Barriers") project, as part of the "Bologna Oltre le Barriere" Collaboration Agreement, for the purchase of vehicles equipped for people with disabilities, delivered to Auser Bologna.

Through blogs and social networks, Linear continued to disseminate good practices in road safety or aimed at reducing inequalities and promoting gender balance.

Inclusion is also a key issue for Gruppo UNA, which in 2021 supported AIDP, the Italian Association of People with Down's Syndrome. UNA has also adhered to the Diversity and Inclusion protocol, validated by the international body Rina for welcoming of LGBTQ+ community. The protocol professionally defines operational, marketing and communication practices dedicated to the LGBTQ segment in compliance with the values of the Group's Code of Ethics. In October 2022, UNAHOTELS Expo Fiera will be the headquarters of the 37th LGBTQ+ World Convention.



For more detailed information, see the dedicated page on the website <https://www.unipol.it/en/our-identity/corporate-sponsorship-program>.

Within the more comprehensive strategy of sustainability and relationships with the community, one of the most important tools for carrying out social impact initiatives is the Unipol Group's Business Foundation. The **Unipolis Foundation** pursues objectives of cultural, social and civic growth of individuals and communities, focusing on developing knowledge and training. It operates through its own projects, through partnerships and collaborations, and make monetary contributions to entities that help generate social well-being in Italy.

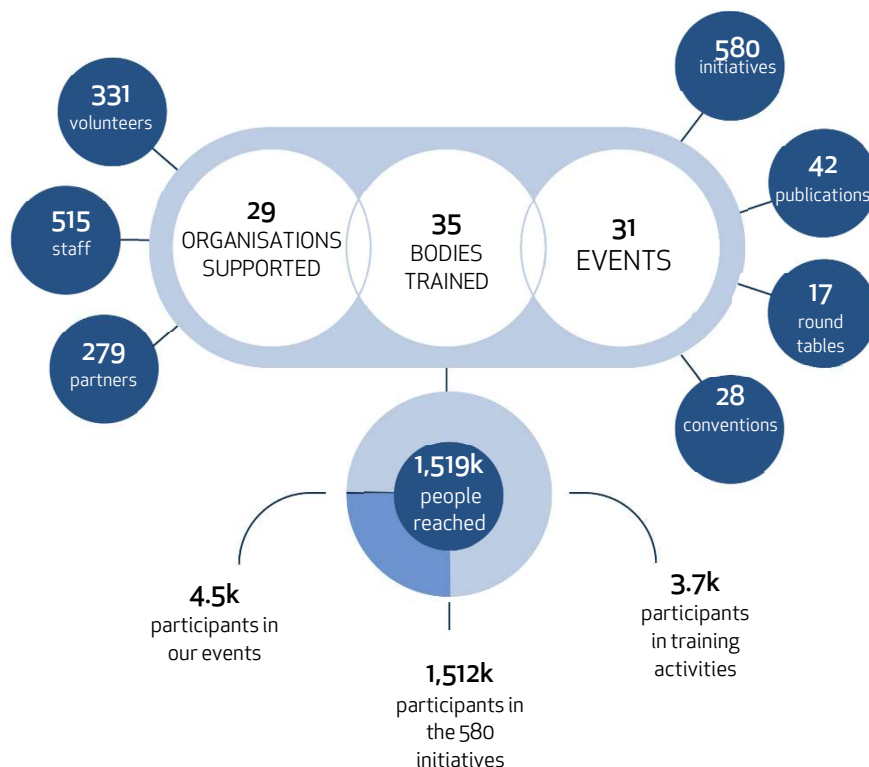
In 2019, Unipolis adopted a Three-Year Plan for the first time, setting itself the goal of becoming an established space for innovation and experimentation, able to operate in a horizontal and cooperative fashion, with a particular focus on the Third Sector. The areas of intervention identified for the Three-Year Period are Well-Being, Culture, Employment and Mobility, consistent with the Group's *core business*. The meeting between the different generations, the constant commitment to raise awareness and spread a culture of legality, and support for sustainable development and social cohesion processes are cross-cutting and significant issues for the Foundation's activities.

Unipolis has also structured a results measurement process, aimed at improving the effectiveness of interventions, as well as helping to design future strategy, moving from a purely *after-the-event* results reporting approach to a logic of ongoing management of the effects produced, defining *before-the-event* social change objectives. It has been publishing an Impact Report, "**Unipolis in numbers**" since 2019, and since 2020 it has implemented the OpenReport™, a digital reporting portal integrated with the institutional website aimed at highlighting and sharing the value generated through its actions in progress. The heart of the process is the strengthening of beneficiaries' active involvement to promote dialogue and knowledge exchange with supported bodies and organisations as key actors in achieving their goals.

In 2021 the contribution to the Foundation amounted to €1.7m (including the contribution made by the Unipol Gruppo holding). With these resources, Unipolis meets its structural costs and implements and supports its activities and projects. In particular, during the year, economic resources were allocated to areas of intervention as follows:

Well-Being 38%, Culture 33%, Mobility 17%, Employment 10%, Solidarity donations 2%.

Unipolis results in 2021



For an overall description of all the activities and projects of the Unipolis Foundation, refer to this website <http://www.fondazioneunipolis.org/>

CUBO, the Group's corporate museum, promotes its values through cultural initiatives such as **exhibitions, events and workshops on current affairs, innovation, art and memory for a wide audience ranging from young teens to adults, with a particular focus on schools**. CUBO boasts a multimedia space where visitors can access the digitised material in the historical archive, **and a space with driving simulators for safe driving courses**.

As of 2021, a second location will be opened in Bologna on the top floors of the Unipol Tower, a space with rooms for events and meetings, exhibition layouts and multimedia tools to recognise and address the risks we can encounter in everyday life, from domestic accidents to nutrition education.

The main new feature is the CUBO LIVE - luoghi, idee, voci, eventi (CUBO LIVE - places, ideas, voices, events); this is an innovative, itinerant project at prestigious locations where Unipol Group facilities are located; in 2021 shows were held in Bologna, Milan, Marina di Loano and Lido di Camaiore.

The third red bench was inaugurated in Milan as part of "Non Ballo da Sola", a series of initiatives promoted by the Unipol Group to mark the International Day for the Elimination of Violence against Women.

Aside from the dedicated platform, CUBO has created a new infrastructure for its website, which includes multimedia materials to support the initiatives and connections with the social channels dedicated to the museum. With the cooperation of leading associations and cultural bodies, CUBO participates in public meetings and promotes initiatives aimed at employees and their families, including within the Group's main offices in Italy.

Some of the activities proposed to the CUBO public include:

- **Exhibitions:** the main exhibitions organised during 2021 were: "Remote Armonie" by Matteo Nasini, curated by Treti Galaxie; "La Natura (non) ama nascondersi" solo exhibition by Silvia Margaria, overall winner of the Arteam Cup 2019 award; "B di Beauté. Baudelaire/Boldini/Bellandi" exhibition of the Unipol Group's artistic heritage;
- **Education:** the commitment to the education line - for children, secondary schools and adults - continued with a view to supporting educational development and people's mental stimulation. The proposed topics range from geography to science, history and narrative, making up a total of 181 sessions;
- **Events:** meetings for the adult public, shows, conferences and conventions with internal and external partners on various topics from new technologies to literature, society and the environment, from history to current events and psychology, making up a total of 70 sessions.

During 2021, CUBO held more than 260 events and educational activities (150 in 2020) viewed on digital channels by more than 600,000 people, with the physical presence and live streaming participation of almost 50,000 people (vs 11,000 in 2020) of whom about 6,000 were children (vs 2,000 in 2020). Overall, for CUBO's areas of intervention, the amount spent on cultural activities in 2021 was €510k (in 2020, €400k was spent).

During 2021, the insurance literacy course "**Eos - Conoscere l'Assicurazione**" continued. It is one of the most significant projects carried out directly by the Parent Company for over 1,000 secondary school children: about 50 classes, mainly in the regions of Northern and Central Italy, who followed six training modules of the educational project "I Casi della Vita", consistent with the "Paths for transversal skills and orientation" established by Italian Law 145 of 30 December 2018.

The new ways of delivering content and involving students, which were tested during the health emergency and distance learning context that characterised school activities in 2020, have been repropounded this year, increasing and enhancing the possibilities of active teaching (cooperative learning, role-playing, production of materials, creation of a business plan).

The activity, which is supported by expert facilitators to go deeper into the proposed themes, was developed using the personal risk experiences of the students, to analyse the dynamics of the decision-making process, develop solutions and prevention and introduce concepts regarding corporate risk and risk prevention and management at company level. The concluding learning module involves the development of real business projects, to analyse risks and counter-moves to be deployed through a "disaster recovery plan", to begin to understand the basic concepts of doing business.

The collaboration with FEduF (Foundation for Financial and Savings Education) also continued in the "**Pronti, lavoro...VIA!**" (Ready, work, go!) project, designed to introduce young people to the world of work and concepts regarding welfare. In particular, UnipolSai has developed the online training module "Risk and Insurance. I protect and I protect myself". The project is accompanied by initiatives designed to disseminate its contents: **Digital Live Talks** curated by the science dissemination company Taxi1729, **digital events** held remotely with Pandora tutors, offered to schools enrolled in the Cases of Life and other schools in different regions involved in FEduF, which were attended by hundreds of students and teachers at different times.

The national "CreAree" project on the problems of marginal areas of the country continued, aimed at identifying (in collaboration with local institutions, particularly small municipalities, foundations and associations) solutions to the problems common to the 72 areas concerned (such as reuse of public and private property, community development, mobility, relations with the public administration, digitalisation and training), with the development of pilot projects in four areas (Gran Sasso-Subequana, Fortore, Nebrodi, Gulf of Taranto). The project consists of closely interconnected local and cross-cutting actions, carried out by working groups made up of professionals indicated by the organisations participating in the project with the aim of building real Master Plans for development across the country. The activities are defined by a steering committee in which 18 organisations participate. In this phase, pilot projects were launched and the first training courses for specific cross-cutting working groups were provided, advancing and intensifying the engagement of stakeholders and partners involved in the development of inland and marginal areas.



For further information on Community, please refer to the appendix "UnipolSai in Numbers".

Monitoring environmental impacts

As described in the chapter "Identity and Strategy", the **UnipolSai Group has outlined specific environmental commitments and objectives** for its three main macro-areas of activity, namely underwriting, investment and real estate. The Group has also consolidated the process of analysing and monitoring its direct and indirect impacts on the environment⁶¹ in order to outline appropriate activities to reduce these negative impacts along the entire value chain, also thanks to the involvement of employees, partners and suppliers, incentivised and supported by the principles, guidelines and controls outlined in the Code of Ethics and the Sustainability Policy. In addition to the issue of reducing climate-changing gas emissions, UnipolSai is paying increasing attention to its contribution to protecting nature and biodiversity.

With a view to risks and opportunities, oversight over the Group's direct and indirect impacts is analysed in terms of monitoring and reducing negative impacts on the environment, as well as in terms of opportunities to protect and restore natural capital.

Direct impacts

The UnipolSai Group has made specific commitments to carry out property development activities oriented towards maximum energy self-sufficiency and to invest in the energy upgrading of existing property assets, not only with reference to its own instrumental assets but also to the non-business properties managed. To this end, in the 2019-2021 Business Plan, the Group had set a target to reduce the average CO₂ output per employee of all Group companies, to be achieved by the end of 2021. In conjunction with definition of the 2022-2024 Business Plan, the Unipol Group will set new medium/long-term objectives to support this path of reducing emissions from its real estate assets.

In addition to the climate-changing gas emissions associated with the energy consumption of the company's assets and car fleet (Scope 1 & 2 emissions), UnipolSai monitors and reports on the impacts in terms of water and material consumption and waste production.

Energy consumption

The actions carried out in the 2019-2021 three-year planning period on the properties used in the business as well as those for thirdparty use regarded:

- investments in new buildings and substantial renovations of existing properties, characterised by the use of technologies aimed at maximising energy savings,
- maintenance of existing buildings, aimed at continuously improving their energy efficiency.

The management of UnipolSai real estate assets is supported by continuous consolidation of an energy management system certified according to **ISO50001** standard, which calls for a commitment to annually reduce electricity and heat consumption. The data relating to the scope of ISO Certification, which includes the headquarters, properties for third party use and properties for settlement activities ("CLGs" or Group Settlement Centres), **show a total annual reduction in consumption of 13% for 2021.**

To continue in this direction and guarantee alignment with the best international standards, mapping of all the property assets began in 2021 with the aim of assigning a sustainability ranking to each property based on internal parameters typical of real estate and on characteristics required by the **BREEAM Certification**. Based On the results achieved, action will be planned to bridge any gaps detected, with a view to raising the overall level of sustainability of all the property assets held.

Several activities have been implemented to reduce energy consumption. The UnipolSai Group pays attention to its IT infrastructure, which is a major source of electricity consumption for powering and cooling its servers (which require low room temperatures to ensure proper operation). The Group's Data Centres, which have TIER 4 certification (specific security certificates to guarantee the continuity of server operation 24/7), have been designed with energy efficiency aspects in mind. Their consumption is carefully monitored within the framework of ISO 50001 to intercept any inefficient consumption. In addition, since 2016 Unipol has been replacing its luminous signs with LED modules, resulting in significant energy savings. In 2021, 627 new signs were installed on agencies and sub-agencies (182 new installations and 445 replacing obsolete models) and 190 were removed (without being replaced). These operations resulted in savings of more than 125,945 kWh, corresponding to 39.1 tonnes of CO₂ equivalent.

In 2021, consumption and the resulting emissions recorded in the year were still affected by the reduced presence of employees at operating sites throughout the country, which continued until November 2021 due to the Covid-19 health emergency. To better understand the impacts of the pandemic situation on emission trends, emissions related to employee *homeworking* were also estimated (reported under indirect impacts).

⁶¹ For the measurement of climate-changing emissions, the adopted calculation methodology is the one laid out in Directive EU/85 of 2003 on the emission trading scheme, in addition to the international classification laid out by the GHG Protocol standard – and evoked in the GRI Standards – in Scope 1, Scope 2 and Scope 3.

Considering the Group's entire scope, the **overall reduction in energy consumption in 2021 is 9.5% compared to 2020**, due to the combination of three factors: on the one hand, the maintenance of ISO50001 certification for the Energy Management System, which guarantees continuous energy efficiency, and on the other hand, the increasing focus on improving the various technological components, together with the progressive digitalisation of management process systems.

Direct impacts linked to energy consumption

Energy consumed	UoM	2021	2020	% variation	Notes
Gas	GJ	115,120	129,320	-11%	To better understand the impacts of the pandemic situation on emissions trends, those linked to employee homeworking were also estimated (see Scope 3).
Diesel	GJ	6,400	6,543	-2%	
Agricultural diesel	GJ	4,028	4,370	-8%	
Electricity	GJ	257,739	272,001	-5%	
of which renewable	GJ	241,251	249,195	-3%	
of which non-renewable	GJ	16,488	22,806	-28%	
LPG	GJ	1,753	1,452	21%	
District heating/cooling	GJ	67,407	86,448	-22%	
Energy intensity	GJ/add	38.1	42.5	-10%	

Direct GHG emissions (Scope 1) and indirect emissions (Scope 2)	UoM	2021	2020	% variation	Notes
Tonnes of emissions (Scope 1 + Scope 2 Location Based)	T CO ₂ eq	35,421	37,829	-6%	To better understand the impacts of the pandemic situation on emissions trends, those linked to employee homeworking were also estimated (see Scope 3).
Scope 1 - Property	T CO ₂ eq	7,564	8,395	-10%	
Scope 1 - Company fleets	T CO ₂ eq	1,586	n.a.	n.a.	
Scope 2 - energy purchase (Location Based)	T CO ₂ eq	26,271	29,434	-11%	
Scope 2 - energy purchase (Market Based)	T CO ₂ eq	7,345	9,148	-20%	
Emission intensity	T CO ₂ eq/add	2.98	3.21	-7%	T CO ₂ eq (Scope 1 & 2) / num. emp.

Renewable energy

Since 2015, electricity supply contracts signed envisage that 100% of power supplied in Italy must be from renewable sources. In May 2021, DDOR also activated a renewable source electricity supply agreement in Serbia.

Water consumption

In relation to further environmental impacts, the use of water is primarily linked to hygienic and irrigation uses and, in limited cases, also for technological purposes in air conditioning systems. Water saving is constantly monitored, and to this end management systems have been implemented with the introduction of solenoid valves to avoid waste.

For hygienic uses, the water comes from the mains system or other water service management companies, while the water for irrigation also comes from springs or bodies of water.

With particular reference to the management of water resources by Tenute del Cerro, operating in the agricultural sector, note the adoption of measures to create and expand reservoirs to collect and recover rainwater, reducing the water withdrawn from underground water tables and providing precision agricultural tools with satellite control systems fitted to offer crop optimisation, savings and reductions in the use of chemical products necessary for crop protections, limiting these where they are indispensable.

Direct impacts linked to water consumption

Water withdrawal	UoM	2021	2020	% variation	Notes
Water withdrawal m ³	m ³	1,158,650	1,156,538	+0.18%	Breakdown by water sources and category not available

Consumption of materials, Waste management and reduction

The UnipolSai Group is implementing a series of initiatives aimed at reducing the amount of materials used upstream (to reduce the withdrawal of natural resources and raw materials) and the amount of waste produced downstream by following the "4 R's" rule (Reduce, Reuse, Recycle and Recover).

For waste management, the Group is following municipal directives for proper waste disposal, also by changing its processes and procedures to comply with separation rules; where possible, waste is recycled or reprocessed.

During 2021, the waste delivery service was optimised through the use of IT platforms that allow better organisation and verification of the correct destination of the collection.

Hazardous waste (neon tubes, batteries, etc.) is disposed of separately in the appropriate manner, in accordance with the regulations in force, through specialised firms and in line with the rules on compulsory record keeping.

In order to improve and increase separate waste collection, the process was reorganised in 2021 and paper containers were distributed more widely throughout the offices, while plastic containers were placed on the various floors of the buildings.

For consumables, toner and cartridges, the Group adopts a centralised management system which redistributes them at retail level to insurance agencies, together with printed matter and copying paper.

An effective and environmentally sustainable recycling system is in place for the collection of materials through state-of-the-art processes and reuse options for all collected waste toner, in compliance with European regulations (Directive 2012/19/EU on waste electrical and electronic equipment (WEEE)). During 2021, 41,345 pieces were acquired, including toner and drum units, of which 18% certified as regenerated. The take-back and recycling system allowed almost 11,000 pieces to be collected in the agencies alone, corresponding to 14 tonnes of materials, with an avoided emission quantity of 31 tonnes of CO₂ eq.

Furthermore, in order to reduce the consumption of materials (and therefore of natural resources and raw materials), the Unipol Group pays particular attention to reducing the consumption of paper and plastic.

A primary area of intervention concerns printing. The use of "smart" print management systems continued, with direct user control allowing waste to be eliminated and consumables to be better sourced. As a result, no paper purchases were made during 2021, as the paper already present at the offices and agencies was used.

By the end of 2021, 7.5 million sheets of paper had been printed, which for the printing operation component alone, i.e., electricity consumption (101,598 kWh) for the printing activity of the devices, generated 34 tCO₂ eq.

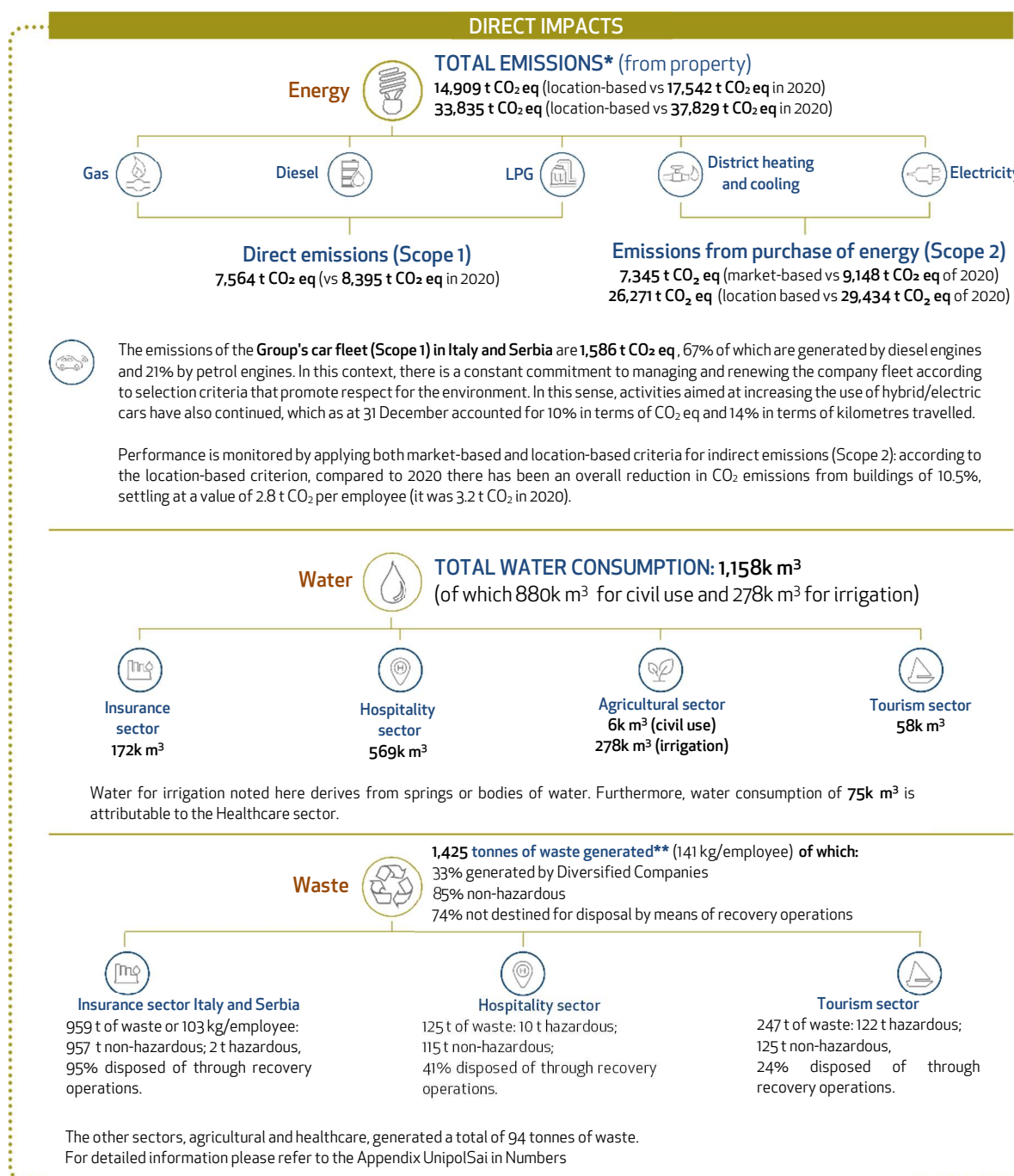
A second area of action relates to document dematerialisation policies in relations with customers and suppliers. In 2021, more than 6 million policies were taken out using AES, avoiding emissions for more than 111 tonnes of CO₂ eq. In addition, 83% of purchase contracts were signed digitally without the use of paper.

A third area of action concerns the reduction of plastic use. In 2021, the Unipol Group launched a project to install water fountains throughout the Group's main offices to reduce the use (and consequently disposal) of plastic bottles.

Direct impacts linked to waste

Waste by type	UoM	2021	2020	Change % / p.p.	Notes
Total waste	Tonnes	1,425	885	n.a.	The data does not include waste generated by Unipol Re DAC and Arca Vita International Dac, Unipol Rental and Dyadea Medical Centres. Compared to 2020, the overall volume has increased as a result of the expansion of the scope and as a result of major renovations carried out, taking advantage of the absence of staff at the sites.
Non-hazardous waste	Tonnes	1,226	680	n.a.	
Hazardous waste	Tonnes	199	205	n.a.	

Management of direct environmental impacts



*Emissions expressed in tonnes CO₂ equivalent (t CO₂ eq).

With reference to the companies operating in Italy, the source of the emission conversion factors (related to CO₂, CH₄, N₂O gases for Scope 1 and Scope 2 according to the location-based method) and of the global warming potential (GWP) is the guideline on the application of the GRI Standards in environmental matters (Version December 2021), drawn up by ABI - Associazione Bancaria Italiana. With specific reference to the emissions from energy purchases (Scope 2) of companies operating in Italy (according to the market-based method) and in Serbia and Ireland (according to the market-based and location-based methods), the European Residual Mixes 2020 emission factors derived by the AIB Association of Issuing Bodies (Residual Mix and Production Mix) were used. For 2021, the consumption of electricity, gas and other energy sources for all other buildings over which the Group has direct control is determined, from the operating sites, to the diversified companies, such as Tenute del Cerro and Marina di Loano, also including the properties in which the UNA Group carries out its activities and the offices abroad.

** The data does not include the waste generated at the foreign offices of Unipol Re DAC and Arca Vita International DAC, at the branch offices of Unipol Rental and Centro Medici Dyadea. Compared to 2020, the overall volume has increased not only due to the expansion of the scope, but also as a result of major restructuring carried out by taking advantage of the absence of staff at the sites.

Indirect impacts

Unipol is constantly striving to improve the measurement, reporting and reduction of its indirect emissions (Scope 3) and environmental impacts, considering different categories of stakeholders:

- employees (*homeworking*, travel and transfers),
- investments;
- customers (emissions generated by customer movements with electronic devices and long-term rental vehicles of UnipolRental, emissions generated by customers by using the UnipolSai commercial website),
- suppliers;
- agencies.

Employees

In 2021, the Unipol Group also monitored climate-changing gas emissions related to employee travel and transfers (668 t CO₂ eq generated by employee travel and transfers by plane, train, own car) and remote work⁶² (7,592 t CO₂ eq) to better capture the impact of the pandemic situation on emissions trends.

The use of Local Public Transport for home-work commutes by employees using seasonal passes has prevented the emission of 334.6 tonnes of CO₂ eq. overall.



Detailed information on employees' sustainable mobility initiatives can be found in the relevant section of the chapter "UnipolSai and employment" of this Report and in particular in the Unipol Group TCFD Report.

The climate impact of the investment portfolio

Aware of the key role of institutional investors in supporting the transition to a low-carbon economy the Unipol Group is fully committed to contributing to the achievement of the 2015 Paris Agreement targets⁶³.

To this end, over 2021 it strengthened the tools available and expanded the aspects monitored, laying the foundations for an increasing integration of climate-related risks and the impacts of these decisions on climate change into investment decisions. The measurement of the investment portfolio's climate impact and its alignment with internationally defined emission reduction trajectories was studied and refined accordingly, with the support of S&P Global Sustainable⁶⁴.



For detailed information on the climate impact of the investment portfolio, please refer to the "UnipolSai and Investments" section of this Report and in particular to the Unipol Group TCFD Report.

Customers

In 2021, the Unipol Group also monitored the emissions generated by customer journeys with electronic devices (6,548,666 t CO₂ eq vs 5,759,805 t CO₂ eq in 2020) and by Unipol Rental's long-term rental (NLT) cars (218,880 t CO₂ eq vs 354,120 t CO₂ eq in 2020). The Unipol Group has also embarked on a process to test the methodologies currently available for calculating the carbon intensity of its insurance portfolio.

Aware of the significant and growing impact of the internet on climate-changing gas emissions, in 2021 the Unipol Group decided to launch a project to measure the environmental impact of websites and increase their energy efficiency to reduce the CO₂ emitted when using the web. The project, which was carried out with the support of Karma Metrix, developed by the company AvantGrade.com, focused initially on the commercial website of UnipolSai (www.unipolsai.it). Specifically, a sample of 100 website pages was analysed (of which 50 on desktop and 50 on mobile device), representing 82% of the annual public page views⁶⁵. Total CO₂ emissions amounted to 44.6 tonnes of CO₂⁶⁶ (+44.45% compared to the global median). The analysis also showed possible areas for improvement to reduce the carbon footprint of the UnipolSai website. Aside from the actions to be implemented in 2022

⁶² Data calculated according to the methodology described by the "Homeworking emissions white paper" drafted in November 2020 by EcoAct, Lloyds Banking Group and NatWest Group

⁶³ The Paris Agreement was signed between the member states of the United Nations Framework Convention on Climate Change (UNFCCC); the long-term objective is to keep the rise in global average temperature below the threshold of 2°C above pre-industrial levels and to pursue efforts to limit such an increase to 1.5°C, since this would substantially reduce the risks and effects of climate change.

⁶⁴ In the absence of a shared methodological standard for calculating the portfolio's climate impact, the change in the climate data provider means that comparisons cannot be made for 2021 with the previous year's performance, which was calculated using partially different methodologies.

⁶⁵ A figure of approximately 19.8 million page views is estimated, based on a yearly projection of the sample of data measured over five months

⁶⁶ Total CO₂ emissions refer to emissions generated by page views of the top 50 desktop and mobile pages in the period October 2020 - September 2021.

to reduce emissions, the project will make it possible to outline best practices transferrable to the design of other Group websites and apps, within a context of increasing digitalisation of customer communication processes.

Suppliers

The Outsourcing and supplier selection policy calls for the commitment to respect the Supplier Code of Conduct for responsible procurement (the "Code"), which based on Global Compact principles outlines what Unipol expects from its suppliers on a series of topics, including the protection of the environment, and envisages – amongst other aspects – the right of UnipolSai to check the supplier's processes and structures to verify their compliance, as well as apply penalty mechanisms if they continue not to comply with the Code. In environmental matters, the principles and provisions of the Code require supplier companies to support a preventive approach with respect to environmental challenges, to promote environmental responsibility and the diffusion of technologies that respect the environment. Moreover, where possible, environmental criteria and clauses have been defined for specific product categories.

The UnipolSai Group also pays specific attention to green procurement in order to promote positive environmental impacts through its purchasing policies. Green procurement covers a wide range of product categories:

- purchase of electricity from renewable sources,
- purchase or rental of selected eco-efficient assets (green-certified IT equipment, multifunctional printers ensuring smart printing and waste reduction, installation of energy-saving signage);
- purchase or rental of goods or services with lower impacts on climate altering gas emissions (long-term rental of 85 company hybrid/plug-in and electric vehicles, electric bikes to promote sustainable employee mobility, support for the purchase of passes for the local public transport system, bicycle courier service);
- purchase of recycled or reusable goods (recycled paper, toner)

In 2021, 2.5% of total purchases (or €26m) were attributable to green procurement. 28% of goods acquired in the multi-catalogue are green, equal to more than 7,200 goods and 22% of spending.

Furthermore, specifically with reference to the hotel sector, 1.3% of suppliers are providers of environmentally sustainable products and spending on products with environmental value accounts for 7% of total spending.

Gruppo UNA's areas of intervention include laundries (using a washing system with industrial machinery that allows the use of natural detergent products) and disposable items and food packaging (coffee and tea cups, cutlery sets, trays, wooden stirrers, bags, cups) for which Gruppo UNA has signed an agreement in 2021 with a supplier that uses compostable or recyclable materials.

Additional examples of the adoption of sustainable and circular procurement operating principles come from certain typical expenses of the diversified businesses. The UNA Group prefers relations with catering, laundry, consumable and guest supply suppliers committed to reducing environmental impact and improving their overall ecological footprint. The food service provision partners are certified in accordance with the ISO 14001 (Environmental Management System) standard and adopt measures to reduce their carbon footprint: strong incidence of short-range supply chain products and fruits and vegetables from social farming; the adoption of procedures for the optimisation of logistics processes with dedicated software and means of transport with a low environmental impact; the use of packaging solutions meant to reduce weight and volume. The laundry providers selected adopt industrial processes that use 35% less energy than traditional systems and which allow for a global reduction in process water of around 40% compared to traditional washing systems. In addition to this is the use of natural soap detergents and the adoption of transport solutions with a reduced use of plastic materials.

In line with the partnership approach and the circularity model described above, UnipolSai took concrete steps in cooperation with its suppliers to reduce indirect impacts, i.e., those which derive from activities connected and functional to the core business but which are out of the company's control. Through instruments for the resale of assets (MV and other) recovered from insured events, UnipolSai is continuing with its asset reuse process to reduce costs and improve profit margins.

Some of the advantages for the Company include a net limitation of claim costs, as the indirect costs of settlement to the insured decline, and a decrease in timing for settlement and collaboration with the adjuster in accounting for property. One of the key benefits for the policyholder is the possibility of benefiting from reduced business interruption times, as recovering assets quickly frees up warehouses, avoiding reputational damage and reducing business down time. If they cannot be sold, the assets are donated to charity organisations.

In 2021, the resale value of damaged goods (cars) was approximately €1,452m.

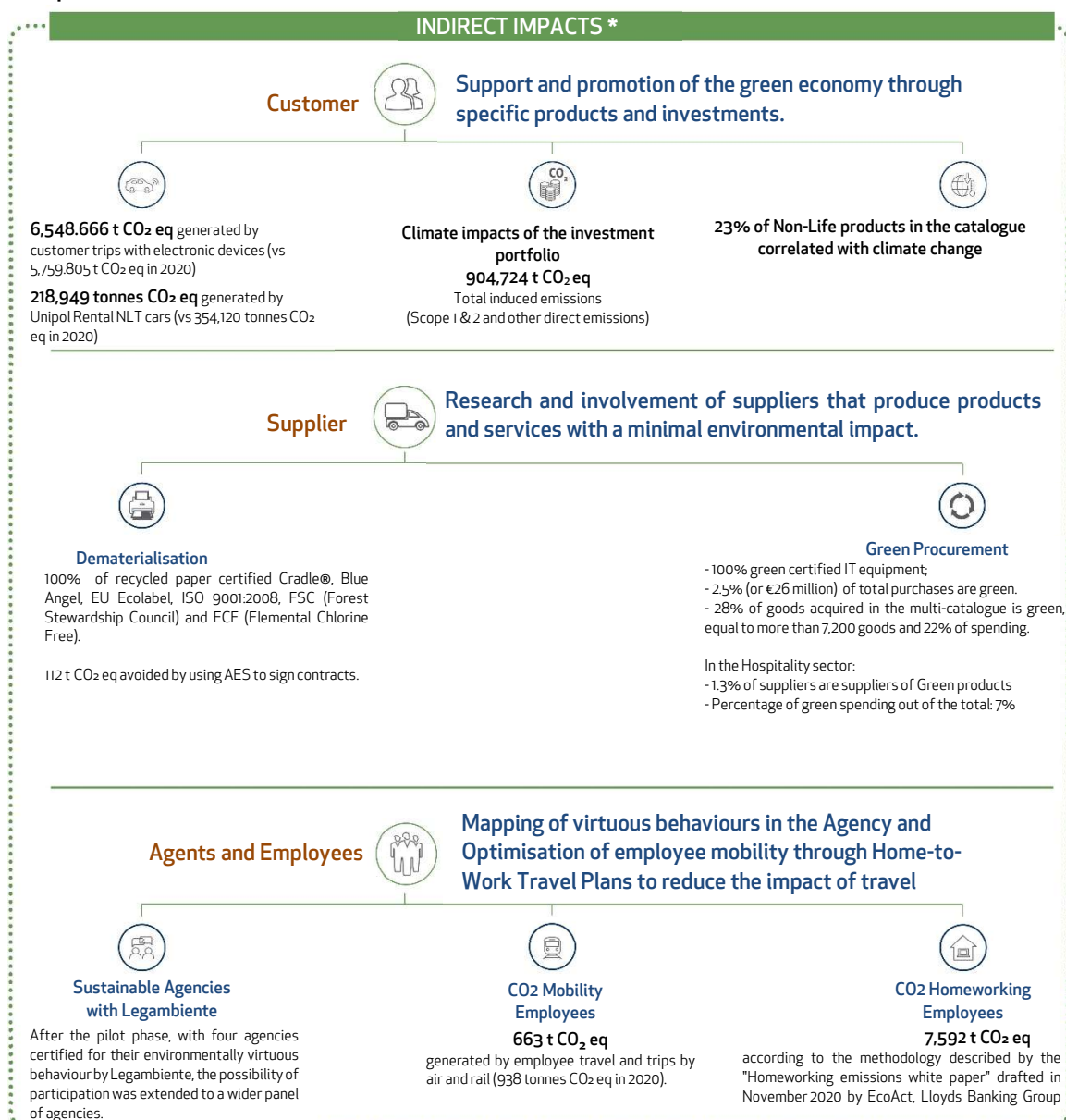


For detailed information on the integration of ESG risks into supply chain management, please refer to the section "UnipolSai in the Company - Suppliers" in this Report.

Agencies

In 2021, the "Sustainable Agencies" a project continued in order to favour the involvement of the UnipolSai agencies in greater environmental sustainability. After a pilot phase launched in 2020, carried out along with Legambiente, the project was extended to all agencies. Agencies applying for certification have to fill in an online tool through which they provide information on their energy consumption, environmental impact behaviours (e.g., waste collection and purchasing practices), purchasing and good practices adopted. The Agencies receive training on how to fill in the tool, a handbook with "sustainability facts" and, where necessary, direct support. Agencies that meet the criteria defined by Legambiente for certification receive the "Sustainable Agency" certificate and useful communication materials. If an agency does not achieve the required score immediately, it is supported in identifying possible areas for improvement and can apply again in the future. 123 agencies joined the project in 2021 and received instructions and links to fill in the tool, and will complete the certification procedure in early 2022.

Indirect impacts in brief



* With regard to Scope 3 emissions from employee and customer mobility the following were used: for cars the DEFRA (UK Department for Environment, Food & Rural Affairs) 2021 coefficients; for aircraft and trains the UK Government GHG Conversion Factors for Company Reporting (2020).

**With regard to the climate impacts of investments, in line with the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard for Category 15-Investments and the PCAF Global GHG Accounting & Reporting Standard for the financial industry, the value represents the absolute emissions of the corporate portfolio (listed equities and corporate bonds) in terms of CO₂e Scope 1 & 2 emissions and other direct emissions (including CCl₄, C₂H₆Cl₂, CBrF₃, CBrF₂, and biomass CO₂). The value in terms of carbon intensity (Carbon to Value invested - C/V) and Weighted Average Carbon Intensity (WACI) is detailed in the section "Climate impact of the investment portfolio". The analysed Corporate portfolio corresponds to the Group's direct investments in Corporate Bonds and Equity (i.e., excluding investments in cash, UCITS, ETFs, derivatives and unlisted instruments), amounting to €18,268 million.

*** The data presented here differs, in terms of the type of phenomenon it is intended to represent and therefore the calculation method, from those published in the section "Information on the European taxonomy of eco-sustainable economic activities", and is therefore in no way comparable thereto.



For further information on Environmental impacts, please refer to the "Appendix "UnipolSai in Numbers".

Protection and restoration of biodiversity

The theme of protecting and restoring biodiversity is expressed, on the one hand, through a series of interventions and areas of attention at some of the Group's diversified companies that are more dependent on natural resources and, on the other, through a collaboration with Legambiente for the implementation of interventions in vulnerable areas of Italy.

Marina di Loano, the Group's port facility, has integrated the management of potential negative impacts of its activities on the marine ecosystem into its Emergency Plan (with related intervention procedures), for example in case of spillage of hydrocarbons or lubricants into the water during port activities.

Tenute del Cerro⁶⁷, a Group company operating in the agricultural sector and specialising in the cultivation of vineyards in Tuscany and Umbria, has instead planned a series of actions to address the risk of water scarcity. The company is creating rainwater collection and recovery systems to reduce the withdrawal of groundwater and deal with the risk of water stress. The company has also invested in drip and micro-sprinkler irrigation systems to optimise and substantially reduce water use. The objective is to plan adequate systems to support the irrigation system to safeguard production and quality levels within a context of higher drought risk.

With regard to land use and the risk of degradation of the natural environment, the company will use precision farming and minimum tillage techniques. The latest equipment purchased includes satellite control systems that can optimise farming operations, save fuel and reduce the use of crop protection chemicals. Lastly, cultivation techniques that favour water recycling and maintaining biological fertility have been implemented (e.g., through crop rotation and controlled grass growing).



For detailed information on the integration of risks arising from biodiversity loss, please refer to the "Governance" section of this Report and in particular to the Unipol Group TCFD Report

The Unipol Group has a consolidated collaboration with Legambiente, which takes the form of two macro-areas of activity:

- support for publication of the annual report of the **Legambiente CittàClima observatory**, which provides a very detailed analysis of the impacts of extreme weather phenomena on the Italian territory based on a census of extreme events that have occurred on an interactive map of climate risk in Italian cities and the interventions implemented to promote adaptation to climate change in Italian cities;
- support for the **"Bellezza Italia"** project, a campaign that aims to propose and implement actions to safeguard biodiversity and increase resilience to climate change. In October 2021, the project on the island of Pantelleria was carried out. Thanks to the collaboration of the National Park of Pantelleria and the Department of Agriculture, Food and Forestry Sciences of the University of Palermo, more than 400 gardens on the island have been surveyed: a unique and complete work that has provided a valuable map with photos, descriptions, georeferencing and conservation status of the gardens. Some of these, by type and location, have now been included in an exploration itinerary to appreciate the island from unusual and special perspectives. The study of the Pantelleria gardens is particularly important in times of climate change because they have been a type of construction that has protected against particularly dry conditions for about two centuries and ensures a microclimate that allows citrus trees to grow, trees which are traditionally grown inland. These experiences are of great interest because they constitute good agricultural and land management practices capable of adapting to the climate changes already underway.

In 2021, work also continued on the creation of a Mediterranean garden at the Cantieri Culturali della Zisa (Palermo), involving the recovery of an old cistern where water will be channelled for irrigation use to water a newly created hanging garden with Mediterranean plants and shrubs, for educational purposes and public use of the spaces.

In 2021, again as part of the "Bellezza Italia" campaign, two new projects were launched:

The first concerned the study of climate impacts, enhancement and fruition of the Rio Posada Estuary in the Tepilora Regional Natural Park, Biosphere Reserve "Tepilora, Rio Posada and Montalbo" in Sardinia, recognised as a UNESCO World Heritage Site in 2017. Furthermore, since February 2021, the mouth area has been protected by the Ramsar Convention. The Rio Posada estuary is a delicate biodiversity hotspot. However, the vast wetland at the mouth of the river is particularly exposed to extreme climatic events, and has a high flood risk: both in the inland areas, due to the abandonment of cultivation and the reduced capacity for forest management, and in the coastal strip marked by increased anthropic pressure from seaside tourism, with infrastructures and management practices that for years have not taken ecological balance into account, as in the case of the flattening of the dunes to create usable beach areas. The project concerns the former Peschiera di Posada, an ideal link between the natural area, the sandy coastline and the hamlet of San Giovanni, one of the most popular locations during the summer season. The Park House and the new headquarters of the Environmental and Sustainability Education Centre, managed by Legambiente Sardegna, will be built there. In the framework of "Bellezza Italia", Legambiente Sardegna will conduct a study to analyse the extreme climate

⁶⁷Tenute del Cerro owns around 4,300 hectares of land in Tuscany and Umbria, of which 300 hectares of vineyards among the most sought-after for high quality wine production.

events that occurred in the area in the last 50 years, the climate scenario for the whole island and for the Rio Posada basin, the ongoing actions and good practices for climate adaptation. The results of the study will then be conveyed through a thematic display in the Park House to facilitate understanding of the phenomena, stimulate coherent and proactive behaviour, and keep the memory alive. Lastly, an Estuary Observatory will be set up to enrich the Park House, in order to understand the complexity of the coastal wetland and observe the rich birdlife there, nesting in their natural habitat;

The second intervention focused on the protection, use and reconstruction of the biodiversity of the Campomarino di Maruggio dunes, through conservation and enhancement of one of the last dunes surviving the settlement pressure. On one hand, the ecosystem will be cordoned off in order to protect it, by protecting the biodiversity present and action to strengthen that presence, and on the other hand, the ecosystem will be studied, creating dossiers and posters for the purpose of scientific dissemination and organisation of appointments with schools.

The actions implemented in the framework of the "Bellezza Italia" campaign are aimed at launching recovery and requalification actions of degraded areas in different Italian territories, analysing how the restoration/improvement of the natural heritage could contribute to climate change adaptation, and possibly to climate gas-changing mitigation.

Thanks to a partnership with Treedom, the Unipol Group has created its own Unipol forest with 11,000 trees growing in different countries around the world on three continents: Africa (Kenya, Tanzania, Madagascar), Asia (Nepal) and South America (Colombia, Ecuador, Guatemala, Haiti). This project contributes to the achievement of 10 of the 17 Sustainable Development Goals of the UN 2030 Agenda, with particular impact on the following goals: Target 8 (economic growth), Target 12 (responsible consumption and production), Target 13 (combating climate change) and Target 15 (life on earth). Trees play a fundamental role: from an environmental point of view, they absorb CO₂, improve air and water quality and help preserve biodiversity; from a social point of view, the development of agroforestry systems helps to multiply and diversify farmers' income. In their life cycle, the trees in the Unipol forest will absorb 2,362 tonnes of CO₂ from the atmosphere.

Advocacy and research activities on climate change related issues

UnipolSai has promoted dialogue with institutions, regulators and national and European supervisors with a view to supporting the demands of Group companies in a transparent manner and with respect for the general interest. The aim is to maintain a relationship of constructive cooperation, favouring the exchange of information necessary to ensure the knowledge and updating of the Group's Functions/Departments on regulatory developments and relevant consultation processes, as well as the correct interpretation and application of current regulations.

The Group also participates in the work of some important trade associations such as Assonime, Assogestioni, ABI, AMICE⁶⁸ and of the most important national and European stakeholder groups engaged in the discussion and preparation of technical documents to support the Institutions and Supervisory Authorities in the areas of greatest interest to the Group.

With regard to the issue of sustainability, and specifically the issue of combating climate change, further significant steps towards the Green Deal goals were taken at European level in 2021. At the end of the usual public consultation processes in which the Group participated in 2020, the European Commission published the proposal for a Delegated Regulation integrating Regulation (EU) 2020/852 (the "Taxonomy" Regulation). In addition, the Group followed the initiatives developed by EIOPA aimed, for example, at promoting the widest possible insurance coverage against the occurrence of extreme catastrophic events or at integrating increased risks related to the effects of climate change into insurance industry regulations. These include publication of:

- the pilot *Dashboard* on the insurance protection gap in relation to natural disasters,
- the *Discussion Paper* on methodologies for the potential inclusion of climate change in the natural catastrophe sub-module of the standard formula, aimed at revising the prudential requirements for insurers against natural catastrophe risks, and
- the *Discussion paper* on Non-Life Underwriting and Pricing Practices in relation to climate change, aimed at exploring pricing strategies that help mitigate climate-related risks while expanding insurance coverage for those risks.

With particular reference to the two discussion papers mentioned above, the Group intervened in the related consultation processes to urge, on the one hand, a greater granularity in the definitions of the individual perils included in the standard formula and, on the other hand, to support the importance of an appropriate assessment of climate change-related risks in insurance contracts, stressing the need to pursue mitigation and adaptation objectives in order to ensure full functionality of the insurance business. At the same time, the Unipol Group has pointed out, *inter alia*, that public-private partnerships are of crucial importance in order to guarantee the principle of risk mutualisation, especially with regard to those extreme events that affect large sections of the population in a non-random manner.

In addition to the above, UnipolSai continued to monitor and play an active part in the process of revising the Solvency II Directive (Directive 2009/138/EC)⁶⁹ which discussed, among other things, the integration into the Directive of macro-prudential

⁶⁸ Association of Mutual Insurers and Insurance Cooperatives in Europe

⁶⁹ The revision of the Directive was initiated in February 2019 by the European Commission through the request for Technical Advice addressed to EIOPA on certain aspects of specific interest to the legislator, which was followed in December 2020 by the EIOPA Authority Opinion on the revision of the Directive.

supervisory principles and measures related to the European Green Deal, which aims to ensure the overall stability of the financial system and to encourage the insurance industry to invest in activities that promote the transition to a sustainable economy. Given the high impact that both proposals can have on the insurance industry as a whole and on the Group in particular, the Group has set up its own internal task force to analyse the above legislative proposals in detail, prepare in-depth documents and coordinate internal working tables with the aim of defining an initial Group position and establishing a dialogue with the Institutions (Italian and European, such as the Permanent Representation of Italy to the EU in Brussels) and the competent Authorities.

As regards the investee companies, UnipolSai has declared its compliance with Climate Action 100+, a partnership promoted by investors (UNPRI, CERES) to involve companies generating the most pollution in terms of greenhouse gas emissions to improve climate change governance, reduce emissions and strengthen financial transparency on these matters. With reference to the Real Assets and Private Equity Funds, engagement activities have been carried out during the underwriting phase, aimed at excluding investments whose main focus is the extraction of oil and/or coal and/or the production of electricity from fossil fuels. These activities were implemented through the ad hoc drafting of side letters which the counterparty Fund managers are required to sign.

With regard to public institutions, in 2021 UnipolSai contributed to the publication entitled *"From protection to prevention: the role of cooperative and mutual insurance in disaster risk reduction"*⁷⁰ produced by ICMIF (International Federation of Insurance Cooperatives and Mutual Societies, of which Unipol is a member) together with UNDRR, the United Nations Office for Disaster Risk Reduction. This publication is the result of a collaboration launched in 2019 between ICMIF and UNDRR to initiate a joint reflection on the role that insurance can play in increasing the awareness and skills of the different local players in order to foster better risk prevention. The project led to the publication of an initial mapping of "best practices" implemented by ICMIF member insurers, including UnipolSai. The second stage of the project will consist of implementing a number of pilot experiences.

Lastly, the Unipol Group participates in a series of international initiatives intended to strengthen its commitment to climate-related matters in its various reference areas. These initiatives also provide a forum for discussion to gather ideas for continual improvement of the path taken by the Group to align its commitments with the objectives set by the Paris Agreement.

Integration of the Mobility Ecosystem with services contributing to reducing environmental impacts

Through the Mobility ecosystem, which directly and integrally oversees services collateral to the core business, the Group offers new sustainable mobility opportunities.

With regard to long-term rentals, **UnipolRental** has launched a series of projects to encourage the use of electric vehicles and is one of the Italian leaders in the sector in terms of the percentage of contracts for full electric vehicles.

With Tper (Trasporto Passeggeri Emilia-Romagna), UnipolRental has launched **"Corrente"**, a free-flow full electric car sharing service covering the municipalities of Bologna, Ferrara, Casalecchio di Reno and Rimini with a fleet of around 400 vehicles.

Through the **"CARE SHARING"** project, intended to share vehicles between different services in the same company location, UnipolRental provides and manages a fleet of low or zero emission vehicles to the Bologna Local Health Authority, gradually replacing the health authority's fleet with environmentally sustainable vehicles.

Lastly, UnipolRental has launched an **all-inclusive green offer** designed for the **corporate world**, and in parallel for the **retail world**, including latest-generation electric and plug-in vehicles with maintenance and assistance services, installation and maintenance of charging stations at the customer's premises or wallboxes for home charging where appropriate, an "energy card" for charging through public networks, and an insurance policy for the electrical system.

In the Mobility ecosystem, the Unipol Group also contributes to development of the circular economy and sustainable mobility with the **online sale of used vehicles** and **e-bikes** through proprietary platforms. In fact, **Cambiomarcia**, a company specialising in the resale of used cars, was acquired in 2020 to extend the lifespan of vehicles. In 2021, the car-selling platform was complemented by a platform dedicated to the sale of e-bikes, called **Cambiobike**.



For detailed information on UnipolSai's environmental policies, please refer to the "Sustainability" section of the Unipol Group's website, and in particular the TFCR Report of Unipol

⁷⁰ The publication is available at the following link: <https://www.icmif.org/undrr-icmif-report/>

Appendix - UnipolSai in numbers

GRI standards	Description	UoM	2021	2020	Change % / p.p.	Notes
SOCIAL DATA						
EMPLOYEES						
102-7	Total number of employees	No.	11,881	11,770	1%	
405-1	Total number of employees by gender	No.	11,881	11,770	1%	
	Men	No.	5,430	5,404	0%	
	Women	No.	6,451	6,366	1%	
405-1	Number of employees by age bracket	No.	11,881	11,770	1%	
	Over 60 years	No.	806	732	10%	
	51-60 years	No.	3,874	3,877	0%	
	41-50 years	No.	3,945	3,919	1%	
	31-40 years	No.	2,457	2,551	-4%	
	Up to 30 years	No.	799	691	16%	
102-8	Employees by type of contract: permanent	No.	11,410	11,350	1%	
	Men	No.	5,246	5,235	0%	
	Women	No.	6,164	6,115	1%	
102-8	Employees by type of contract: temporary	No.	471	420	12%	
	Men	No.	184	169	9%	
	Women	No.	287	251	14%	
102-8	Full-time employees	No.	9,872	9,718	2%	
	Men	No.	5,168	5,133	1%	
	Women	No.	4,704	4,585	3%	
102-8	Part-time employees	No.	2,009	2,052	-2%	
	Men	No.	262	271	-3%	
	Women	No.	1,747	1,781	-2%	
102-8	Outsourced	No.	82	49	67%	
	Men	No.	25	13	92%	
	Women	No.	57	36	58%	
102-41	Collective bargaining agreements	%	100	100	0	For employees of companies in Italy
102-41	Strike hours carried out	Hours	4,689	0	100%	For employees of companies in Italy
102-41	Assembly hours carried out	Hours	3,871	6,559	-41%	For employees of companies in Italy
102-41	Nr of assemblies carried out	No.	97	31	213%	For employees of companies in Italy
TURNOVER						
401-1	Recruitment by gender	No.	1,320	882	50%	
	Men	No.	664	461	44%	
	Women	No.	656	421	56%	
401-1	Turnover by age brackets	No.	1,320	882	50%	
	Over 60 years	No.	47	46	2%	
	51-60 years	No.	203	140	45%	
	41-50 years	No.	262	185	42%	
	31-40 years	No.	350	252	39%	
	Up to 30 years	No.	458	259	77%	
401-1	Recruitment by area	No.	1,320	882	50%	
	North West	No.	233	111	110%	
	North East	No.	259	197	31%	
	Centre	No.	222	126	76%	
	South and Islands	No.	349	239	46%	
	Abroad	No.	257	209	23%	
401-1	Terminations by gender	No.	1,210	1,383	-13%	
	Men	No.	634	713	-11%	
	Women	No.	576	670	-14%	
401-1	Terminations by age bracket	No.	1,210	1,383	-13%	See in "Capital Trends"
	Over 60 years	No.	272	540	-50%	
	51-60 years	No.	311	311	0%	
	41-50 years	No.	214	199	8%	
	31-40 years	No.	211	189	12%	
	Up to 30 years	No.	202	144	40%	

GRI indications	Description	UoM	2021	2020	Change % / p.p.	Notes
401-1	Terminations by area	No.	1,210	1,383	-13%	
	North West	No.	226	353	-36%	
	North East	No.	184	218	-16%	
	Centre	No.	193	246	-22%	
	South and Islands	No.	365	293	25%	
	Abroad	No.	242	273	-11%	
401-1	Hiring rate by gender					
	Men	%	12.2%	8.5%	43%	
	Women	%	10.2%	6.6%	54%	
401-1	Hiring rate by age bracket					
	Over 60 years	%	6%	6%	-	
	51-60 years	%	5%	4%	1 p.p.	
	41-50 years	%	7%	5%	2 p.p.	
	31-40 years	%	14%	10%	4 p.p.	
	Up to 30 years	%	57%	37%	20 p.p.	
401-1	Hiring rate by area					
	North West	%	18%	13%	5 p.p.	
	North East	%	20%	22%	-2 p.p.	
	Centre	%	17%	14%	3 p.p.	
	South and Islands	%	26%	27%	-1 p.p.	
	Abroad	%	19%	24%	-5 p.p.	
401-1	Termination rate by gender					
	Men	%	11.7%	13.2%	-1.5 p.p.	
	Women	%	8.9%	10.5%	-1.6 p.p.	
401-1	Termination rate by age bracket					
	Over 60 years	%	34%	74%	-40 p.p.	
	51-60 years	%	8%	8%	-	
	41-50 years	%	5%	5%	-	
	31-40 years	%	9%	7%	2 p.p.	
	Up to 30 years	%	25%	21%	4 p.p.	
401-1	Termination rate by area					
	North West	%	19%	26%	-7 p.p.	
	North East	%	15%	16%	-1 p.p.	
	Centre	%	16%	18%	-2 p.p.	
	South and Islands	%	30%	21%	9 p.p.	
	Abroad	%	20%	20%	-	
401-1	Turnover rate by professional category					Calculation on average emp. 2021
	Executives	%	0.10%	n.a.	n.a.	
	Officers and middle mgmt	%	1.35%	n.a.	n.a.	
	Administrative staff	%	11.50%	n.a.	n.a.	
	Blue-collar workers/Other	%	7.85%	n.a.	n.a.	
	Call Centre personnel	%	0.49%	n.a.	n.a.	
401-1	Total employee turnover rate	%	21.28%	n.a.	n.a.	
	Insurance employee turnover rate	%	11.61%	n.a.	n.a.	
	Employee turnover rate Italy	%	19.30%	n.a.	n.a.	
	Employee turnover rate Serbia	%	35.56%	n.a.	n.a.	
	Employee turnover rate Ireland	%	37.38%	n.a.	n.a.	
402-1	Minimum notice period for operational changes in Italy	ql	The minimum notice period for significant operational changes in Italy is four weeks (30 days), as specified in collective bargaining agreements.			
TRAINING						
404-1	Hours of training provided by gender	Hours	169,213	108,734	56%	
	Men	Hours	82,269	56,793	45%	
	Women	Hours	86,943	51,941	67%	
404-1	Hours of training provided by professional category	Hours	169,213	108,734	56%	
	Executives	Hours	2,229	2,367	-6%	
	Officers and middle mgmt	Hours	46,144	34,339	34%	
	Administrative staff	Hours	106,832	61,610	74%	
	Blue-collar workers/Other	Hours	290	214	36%	
	Call Centre personnel	Hours	13,718	10,204	34%	
404-1	Average hours of training provided by gender					
	Men	Hours	15.6	42.38	-63%	
	Women	Hours	13.8	33.47	-59%	

GRI indications	Description	UoM	2021	2020	Change % / p.p.	Notes
404-1	Average hours of training provided by professional category	Hours	9.7	23.57	-59%	
	Executives	Hours	18.1	47.46	-62%	
	Officers and middle mgmt	Hours	14.7	365.98	-96%	
	Administrative staff	Hours	12.5	14.4	-13%	
	Blue-collar workers/Other	Hours	1.1	4.76	-77%	
	Call Centre personnel	Hours	9.7	23.57	-59%	
404-1	Training method					
	Nr. of classroom courses, webinars, videoconferences	No.	546	535	2%	
	Nr. of distance training courses	No.	450	438	3%	
	Number of classroom, webinar, videoconference participants	No.	17,685	12,816	38%	
	Number of participants (distance training, classroom, webinars)	No.	75,088	51,260	46%	
	Man-hours classroom courses, webinars, videoconferences	No.	72,503	56,769	28%	
	Staff hours of distance training	No.	96,720	51,546	88%	
	Classroom, webinar, video conferencing participants	No.	6,175	5,314	16%	
	Number of distance training participants	No.	10,497	10,637	-1%	
404-1	Contract training					
	Hours of training provided per contract: Full Time	Hours	135,789	80,579	69%	
	Hours of training provided per contract: Part Time	Hours	33,424	28,083	19%	
	Average hours of training provided per contract: Full Time	%	13.8	8.3	66%	
	Average hours of training provided per contract: Part Time	%	16.6	13.7	22%	
403-5	Training on safety (Italy)					Data on Group companies based in Italy
	Trained employees with worker role	No.	9,180	n.a.	n.a.	
	Trained employees with supervisory role	No.	1,081	n.a.	n.a.	
	Trained employees with managerial role	No.	138	n.a.	n.a.	
403-5	Safety training on appointments (Italy)					Data on Group companies based in Italy
	APS - first aid	No.	475	n.a.	n.a.	
	DAE - DAE qualified personnel	No.	135	n.a.	n.a.	
	AI-Add Emergency, Fire-fighting, Evac.	No.	678	n.a.	n.a.	
	ROE-Resp. Op. Emergency	No.	9	n.a.	n.a.	
	WSR-Workers' Safety Representative	No.	19	n.a.	n.a.	
	ASPP- Add. Prev. Service Prot.	No.	13	n.a.	n.a.	
	RSPP - Prev. and Prot. Officer	No.	4	n.a.	n.a.	
	Other Appointments	No.	40	n.a.	n.a.	
403-5	Training on safety (Abroad)					Data on Group companies based Abroad
	Employees trained	No.	639	n.a.	n.a.	
	Executives trained	No.	67	n.a.	n.a.	
ACCIDENTS						
403-9a	Accidents by gender	No.	65	46	41%	
	Men	No.	25	20	25%	
	Women	No.	40	26	54%	
403-9a	Accidents by type	No.	65	46	41%	
	Not while commuting	No.	29	22	32%	
	While commuting	No.	36	24	50%	
403-9a	Recordable workplace accident rate by sector					Rates calculated on the basis of millions of theoretical working hours and non-commuting accidents
	Total	No.	1.14	0.97	18%	
	Insurance	No.	0.73	0.62	18%	
	Real estate	No.	10.70	21.37	-50%	
	Tourism	No.	6.70	5.14	30%	
	Healthcare	No.	2.15	3.68	-43%	
	Other	No.	5.70	2.32	146%	

GRI indications	Description	UoM	2021	2020	Change % / p.p.	Notes
403-9a	Accident severity by sector					Rates calculated on the basis of thousands of theoretical hours worked
	Total	No.	0.07	0.07	-	
	Insurance	No.	0.06	0.05	20%	
	Real estate	No.	0.43	1.18	-64%	
	Tourism	No.	0.23	0.37	-39%	
	Healthcare	No.	0.06	0.11	-47%	
	Other	No.	0.13	0.03	333%	
403-9a	Number of hours worked by sector					Theoretical hours as per national collective labour agreement of the various sectors
	Total	No.	25,488,486	22,765,589	12%	
	Insurance	No.	23,382,174	20,995,769	11%	
	Real estate	No.	93,600	93,600	0%	
	Tourism	No.	1,196,000	973,440	23%	
	Healthcare	No.	465,296	271,440	71%	
	Other	No.	351,416	431,340	-19%	
403-09	Days of absenteeism by sector	No.				
	Insurance	No.	170,583	181,419	-6%	
	Real estate	No.	583	440	33%	
	Tourism	No.	7914	7912	0%	
	Healthcare	No.	1368	1557	12%	
	Other	No.	504	1082	-53%	
403-09	Absenteeism rate	%	6.82	7.25	-0.43 p.p.	
DIVERSITY AND EQUAL OPPORTUNITY						
405-01	Employees belonging to protected categories					
	Disabled					
	Total	%	4.28%	n.a.	n.a.	
	Executives	%	0.53%	n.a.	n.a.	
	Officers and middle mgmt	%	1.32%	n.a.	n.a.	
	Administrative staff	%	4.85%	n.a.	n.a.	
	Blue-collar workers/Other	%	2.09%	n.a.	n.a.	
	Call Centre personnel	%	6.56%	n.a.	n.a.	
	Protected Categories					
	Total	%	0.99%	n.a.	n.a.	
	Executives	%	0	n.a.	n.a.	
	Officers and middle mgmt	%	0.46%	n.a.	n.a.	
	Administrative staff	%	1.28%	n.a.	n.a.	
	Blue-collar workers/Other	%	0	n.a.	n.a.	
	Call Centre personnel	%	0.27%	n.a.	n.a.	
405-1	Equal opportunity indicators					
405-01	Women out of total management positions within revenue-generating functions ⁷¹	%	24.98%	n.a.	n.a.	
405-01	Women in STEM positions on the total ⁷²	%	22.81%	n.a.	n.a.	
405-1	Women in official/junior management positions	%	29.6	n.a.	n.a.	
405-1	Employees with Italian citizenship out of total workforce	%	96.60			
405-1	Employees in managerial positions with Italian citizenship as a percentage of the total management team	%	98.37			
CUSTOMERS						
102-6	Non-insurance customers by sector					Natural, legal and corporate persons
	Agricultural	No.	9,886	n.a.	n.a.	
	Real estate	No.	1,486	n.a.	n.a.	
	Tourism	No.	112,606	n.a.	n.a.	
	Healthcare	No.	95,917	n.a.	n.a.	
	Other	No.	13,545	n.a.	n.a.	
COMPLAINTS						
103-3	Division of complaints by area (Italy)	No.	18,559	20,525	-10%	
	Accepted	No.	7,748	7,589	2%	
	Rejected	No.	7,725	9,354	-17%	
	Settled	No.	2,109	2,487	-15%	
	Under investigation	No.	977	1,095	-11%	

⁷¹ The figure takes into account the share of total women managers or executives in the so-called revenue-generating functions, i.e., those who contribute directly to the production of output in terms of products and services; typically do not include support functions such as HR, Legal, IT, Administration, etc.

⁷² this figure takes into account the share of women in STEM positions, i.e., all positions in science, technology, engineering and mathematics;

GRI indications	Description	UoM	2021	2020	Change % / p.p.	Notes
103-3	Division of complaints by area (Italy)	No.	18,559	20,525	-10%	
	Claims	No.	13,779	14,422	-4%	
	Legal	No.	193	146	32%	
	Administration	No.	616	731	-16%	
	Commercial	No.	1,283	1,327	-3%	
	Industrial	No.	2,305	3,337	-31%	
	Information Systems	No.	364	545	-33%	
	Other	No.	19	17	12%	
103-3	Percentage of complaints per stage (Italy)					
	Accepted	%	42%	37%	5 p.p.	
	Rejected	%	42%	46%	-4 p.p.	
	Settled	%	11%	12%	-1 p.p.	
	Under investigation	%	5%	5%	0 p.p.	
103-3	Percentage of complaints by area (Italy)					
	Claims	%	74%	70%	4 p.p.	
	Legal	%	1%	1%	0 p.p.	
	Administration	%	3%	4%	-1 p.p.	
	Commercial	%	7%	6%	-1 p.p.	
	Industrial	%	12%	16%	-4 p.p.	
	Information Systems	%	2%	3%	-1 p.p.	
	Other	%	0%	0%	0 p.p.	
417-3	Cases of non-compliance concerning marketing communications	No.	0	0	0%	Cases of non-compliance attributable to IDD Directive
PENSION FUND						
201-3	Percentage enrolled					
	Executives	%	100%	100%	0 p.p.	
	Employees	%	80%	81%	-1 p.p.	
201-3	Total contributions paid	€	57,625,673	56,483,814	2%	
201-3	Company contributions made	€	21,770,503	20,207,518	8%	
	Executives	€	2,659,695	2,664,247	0%	
	Employees	€	19,110,808	17,543,271	9%	
201-3	Staff contributions made	€	35,855,170	36,276,296	-1%	
	Executives	€	2,443,041	1,924,412	27%	
	Employees	€	33,412,129	34,351,884	-3%	
201-3	Incidence of company contributions	%	38%	36%	2 p.p.	
	Executives	%	52%	58%	-6 p.p.	
	Employees	%	36%	34%	2 p.p.	
Welfare Fund						
201-3	Percentage enrolled					
	Executives	%	100%	96%	4 p.p.	
	Employees	%	96%	86%	10 p.p.	
201-3	Total contributions paid	€	22,200,770	21,683,929	2%	
201-3	Company contributions made	€	19,705,014	19,260,060	2%	
	Executives	€	1,950,710	1,978,756	-1%	
	Employees	€	17,754,304	17,281,304	3%	
201-3	Staff contributions made	€	2,495,756	2,423,869	3%	
	Executives	€	142,366	144,571	-2%	
	Employees	€	2,353,390	2,279,298	3%	
201-3	Incidence of company contributions	%	89%	89%	0 p.p.	
	Executives	%	93%	93%	0 p.p.	
	Employees	%	88%	88%	0 p.p.	
GOVERNANCE DATA						
ANTI-FRAUD						
	Total reports	No.	11,926	8,737	36%	
	Settlement cases reported	No.	7,883	7,690	3%	
	Underwriting cases reported	No.	4,043	1,047	286%	
	Total complaints	No.	569	539	6%	
	No. settlement complaints filed	No.	425	427	0%	
	No. underwriting complaints filed	No.	144	112	29%	
	Number of open files on reported cases	No.	2,102	2,160	-3%	
ANTI-CORRUPTION						
205-2	Members of the governing body trained in the field of anti-corruption	ql	The members of the Board of Directors approve the updating of the Organisation, Management and Control Model pursuant to Italian Legislative Decree 231/2001, which also contains provisions relating to the prevention of the risk of commission of bribery and corruption offences.			

GRI indications	Description	UoM	2021	2020	Change % / p.p.	Notes
205-2	Percentage of employees specifically trained on anti-corruption policies and procedures (Italy)					
	Total	%	61%	88%	-27 p.p.	Training on OMM renewal
	Executives	%	53%	95%	-42 p.p.	
	Officers and middle mgmt	%	69%	97%	-28 p.p.	
	Administrative staff	%	65%	89%	-24 p.p.	
	Call Centre personnel	%	25%	72%	-47 p.p.	
	Blue-collar workers/Other	%	61%	47%	14 p.p.	
ANTI-MONEY LAUNDERING	Percentage of employees specifically trained on anti-corruption policies and procedures (Italy)					
	Total	%	93%	85%	8 p.p.	
Sanctions	Sanctions for non-compliance with environmental laws/regulations					
307-1	Total	No.	0	0	-	
419-01	Sanctions for non-compliance with health and safety laws/regulations					
	Total	No.	0	0	-	
419-01	Sanctions for non-compliance with laws/regulations on socio-economic issues					
	Total	No.	0	0	-	
PAY GAPS BY GENDER	Pay gaps - Fixed (Italy)					
405-2					Deviations by gender and classification for median values of annual gross fixed remuneration of employees	
	W/M - Executives		1.06	1.05	1 p.p.	
	W/M - Officers and managers		0.95	0.95	0 p.p.	
	W/M - Administrative staff		0.94	0.93	1 p.p.	
	W/M - Call centre personnel		1.00	1.03	-3 p.p.	
	W/M - Blue-collar workers/Other		0.94	0.96	-2 p.p.	
405-2	Pay gap - Fixed (Serbia)				Deviations by gender and classification for median values of annual gross fixed remuneration of employees	
	W/M - Executives		1.16	1.45	-29 p.p.	
	W/M - Officers and managers		1.03	1.03	0 p.p.	
	W/M - Administrative staff		0.87	0.88	-1 p.p.	
	W/M - Call centre personnel		0.67	0.57	10 p.p.	
	W/M - Blue-collar workers/Other		0.90	0.74	16 p.p.	
405-2	Pay gaps - Fixed+Variable (Italy)				Differences relating to median values of gross annual fixed+variable remuneration of employees	
	W/M - Executives		1.02	1.02	0 p.p.	
	W/M - Officers and managers		0.94	0.94	0 p.p.	
	W/M - Administrative staff		0.93	0.92	1 p.p.	
	W/M - Call centre personnel		1.01	1.01	0 p.p.	
	W/M - Blue-collar workers/Other		0.94	0.95	-1 p.p.	
405-2	Pay gaps - Fixed+Variable (Serbia)				Differences relating to median values of gross annual fixed+variable remuneration of employees	
	W/M - Executives		1.21	1.54	-33 p.p.	
	W/M - Officers and managers		1.04	1.00	4 p.p.	
	W/M - Administrative staff		0.87	0.87	0 p.p.	
	W/M - Call centre personnel		0.67	0.56	11 p.p.	
	W/M - Blue-collar workers/Other		0.90	0.74	16 p.p.	
405-2	Pay gaps (Ireland)				Deviations by gender and classification for median values of annual remuneration	
	W/M - Fixed Employees		0.80	0.74	6 p.p.	Breakdown by classification not significant
	W/M - Fixed + Variable Employees		0.78	0.74	4 p.p.	Breakdown by classification not significant
102-35	Percentage of shares owned by the CEO in the basic salary		%	0.93	0.47	
	Annual remuneration of the CEO	€	1,832,500			
	Average employee remuneration	€	50,226			
	Median employee remuneration	€	43,925			
	Ratio of CEO salary to average employee		36.49			
	Ratio of CEO salary to median employee salary		41.7			

ECONOMIC DATA

DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED

201-1	Direct economic value generated	€ million	14,903	14,203	5%
	Net premiums earned	€ million	11,879	11,349	5%
	Financial income	€ million	2,572	2,243	15%
	Commission income	€ million	45	34	32%
	Gains on sale of assets	€ million	407	577	-29%

GRI indications	Description	UoM	2021	2020	Change % / p.p.	Notes
201-1	Economic value distributed	€ million	12,343	13,327	-7%	
	Payment to policyholders	€ million	8,066	9,127	-12%	
	Payment to other stakeholders	€ million	4,277	4,200	2%	
201-1	Economic value retained	€ million	2,560	876	192%	
PREMIUM INCOME BY CHANNEL						
102-7	Percentage breakdown of premium income by channel					
	Agency Network	%	60%	66%	-6 p.p.	
	Management/Broker	%	17%	20%	-3 p.p.	
	Bancassurance network	%	21%	12%	9 p.p.	
	Other	%	1%	2%	-1 p.p.	
AMOUNT PAID TO SUPPLIERS BY TYPE						
102-9	Amount paid to suppliers by type					
	Total	€ million	1,029	1,149	-10%	
	Printing and stationery	€ million	4	8	-47%	
	Marketing, advertising and sponsorship	€ million	57	50	15%	
	Miscellaneous services	€ million	307	293	5%	
	Transport services	€ million	2	1	15%	
	Information technology	€ million	226	206	10%	
	Equipment, fixtures and fittings and signs	€ million	15	13	9%	
	Consultancy and services	€ million	118	115	3%	
	Utilities and operation	€ million	11	10	20%	
	Real estate management	€ million	191	186	3%	
	Other diversified categories	€ million	98	267	-63%	
VALUE OF CONTRIBUTIONS TO THE COMMUNITY BY TYPE						
201-1	Value of contributions to the Community by type					
	Total	€ million	10.26	8.32	23%	In 2021 no emergency health contributions were made
	Charitable donations	€ million	1.02	1.55	-34%	
	Sponsorships	€ million	9.24	6.77	36%	
	Contribution to Unipolis Foundation	€ million	0.85	0.75	13%	
	Contribution for medical emergency	€ million	0	20	-100%	
ENVIRONMENTAL DATA						
ENERGY						
302-1	Energy consumed					
	Gas	GJ	115,120	129,437	-11%	
	Diesel	GJ	6,400	6,543	-2%	
	Agricultural diesel	GJ	4,027	4,370	-8%	
	Electricity	GJ	257,739	272,001	-5%	
	of which renewable	GJ	241,251	249,195	2%	
	of which non-renewable	GJ	16,488	22,806	-85%	
	LPG	GJ	1,753	1,452	21%	
	District heating/cooling	GJ	67,407	86,448	-22%	
	Energy intensity	GJ/add	38.2	42.5	-10%	The type of energy included is the energy consumed within the organisation.
WATER						
303-3	Water withdrawal					
	Water withdrawal m³	m³	1,158,650	1,156,538	0%	Break down by water sources and category not available
EMISSIONS						
305	Direct GHG emissions (Scope 1) and indirect emissions (Scope 2, Scope 3)					
305-1	Scope 1 - Total	T CO ₂ eq	9,150	n.c.	n.c.	(n.c.) Not comparable due to methodological variation
305-1	Scope 1 - Property	T CO ₂ eq	7,564	8,395	-2.2%	
305-1	Scope 1 - Company fleets	T CO ₂ eq	1,586	n.a.	n.a.	
305-2	Scope 2 - energy purchase (Location Based)	T CO ₂ eq	26,271	29,434	-11%	
305-2	Scope 2 - energy purchase (Market Based)	T CO ₂ eq	7,345	9,148	-20%	
305-1-2	Scope 1 and Scope 2 Total	T CO ₂ eq	35,421	n.c.	n.c.	
305-3	Scope 3 - Total	T CO ₂ eq	7,680,594	n.c.	n.c.	(n.c.) Not comparable due to methodological variation
305-3	Scope 3 - employee mobility (travel)	T CO ₂ eq	663	938	-29%	
305-3	Scope 3 - customer mobility	T CO ₂ eq	6,767,615	7,832,915	-14%	Customers with electronic devices; from 2021 includes Unipol Rental
305-3	Scope 3 - Corporate investments	T CO ₂ eq	904,724	n.c.	n.c.	
305-3	Scope 3 - home-working employees	T CO ₂ eq	7,592	n.c.	n.c.	
305-4	Emission intensity	T CO ₂ eq/add	2.98	3.21	-7%	The types of emissions included are scope 1 and scope 2 (location based)

GRI indications	Description	UoM	2021	2020	Change % / p.p.	Notes
WASTE						
306-3	Waste by type					The data does not include waste generated by Unipol Re DAC and Arca Vita International Dac, Unipol Rental and Dyadea Medical Centres.
	Total waste	Tonnes	1,425	885	n.a.	Compared to 2020, the overall volume increases as a result of the expansion of the scope and as a result of major renovations carried out taking advantage of the absence of staff at the sites.
	Non-hazardous waste	Tonnes	1226	680	n.a.	
	Hazardous waste	Tonnes	199	205	n.a.	
	Waste not destined for disposal by means of recovery operations	Tonnes	1,060			recycling, re-use, other recovery operations
	Waste destined for disposal by disposal operations	Tonnes	365			incineration, landfill/other disposal methods

COUNTRY BY COUNTRY TAX REPORT

	number of employees (no.)	Revenues from sales to third parties (€ thousand)	Revenues * from intra-group operations with other tax jurisdictions (€ thousand)	Profit (loss) before tax (€ thousand)	Corporate income tax accrued on profits (losses) (€ thousand)	Tangible assets other than cash and cash equivalents (€ thousand)	Corporate income tax paid on a cash basis (€ thousand)
Italy	10,450	14,459,366	399	1,008,287	136,976	1,474,010	187,029
Serbia	1,324	107,368	-	12,894	1,632	19,598	1,612
Ireland	49	237,811	-	10,708	1,378	1,350	11
Netherlands	-	-	-	-147	-	-	-
Germany	-	2,224	-	-780	-	-	-
Luxembourg	-	-	-	-33	-	-	-

* intercompany revenue excludes technical deriving from reinsurance.

The data shown relate to the 2020 tax period; this is because in order to meet the GRI standard, the Unipol Group also uses the data collected for Country by Country Reporting introduced, in line with the OECD's work on the Base Erosion and Profit Shifting project (BEPS), by Italian tax legislation (Article 1, paragraph 145 of Law 208/2015) which must be sent to local tax authorities within 12 months of the end of the relevant tax period.

Breakdown of Assets by sectors of economic activity (€ million)

	31/12/2021	% AuM	% High-carbon intensive sectors	High-carbon intensive % Asset Classes
SECTION A - AGRICULTURE, FORESTRY AND FISHERIES	0.0	0.00%	6.23%	Equity 1.22%
SECTION B - MINING	77.36	0.12%		Bond 4.99%
SECTION C - MANUFACTURING	1,762.59	2.82%		Infrastructure 0.00%
SECTION D - SUPPLY OF ELECTRICITY, GAS, STEAM AND AIR CONDITIONING	1,071.22	1.71%		Real estate 0.00%
SECTION E - WATER SUPPLY, SEWERAGE, WASTE TREATMENT AND REMEDIATION ACTIVITIES	41.83	0.07%		Structure Products 0.02%
SECTION F - CONSTRUCTION	372.14	0.60%		MBS 0.00%
SECTION H - TRANSPORT AND STORAGE	286.38	0.46%		Derivatives 0.00%
SECTION G - WHOLESALE AND RETAIL TRADE; REPAIR OF MOTOR VEHICLES AND MOTORBIKES	218.12	0.35%		
SECTION I - ACCOMMODATION AND FOOD SERVICES	27.98	0.04%		
SECTION J - INFORMATION AND COMMUNICATION SERVICES	1,328.60	2.30%		
SECTION K - FINANCIAL AND INSURANCE ASSETS	21,557.38	34.47%		
SECTION L - REAL ESTATE ACTIVITIES	550.45	0.88%		
SECTION M - PROFESSIONAL, SCIENTIFIC AND TECHNICAL ACTIVITIES	41.04	0.07%		
SECTION N - ADMINISTRATIVE AND SUPPORT SERVICE ACTIVITIES	13.67	0.02%		
SECTION O - PUBLIC ADMINISTRATION AND DEFENCE; COMPULSORY SOCIAL INSURANCE	34,420.50	55.04%		
SECTION P - EDUCATION	0.0	0.00%		
SECTION Q - HEALTH AND SOCIAL WORK	159.30	0.25%		
SECTION R - ARTISTIC, ENTERTAINMENT AND RECREATIONAL ACTIVITIES	2.32	0.00%		
SECTION S - OTHER SERVICE ACTIVITIES	0.0	0.00%		
SECTION U - ACTIVITIES OF EXTRATERRITORIAL ORGANISATIONS AND BODIES	496.32	0.79%		
Total Assets Under Management	62,537.21	100.0%		

Breakdown of elementary premium income by main economic sectors (UnipolSai SpA only)*

ATECO Code	31/12/2021
SECTION L - Real estate activities	14.4%
SECTION F - Construction of buildings	5.2%
SECTION G - Retail trade	4.6%
SECTION G - Wholesale trade	3.8%
SECTION F - Specialised construction works	3.7%
SECTION C - Manufacture of metal products	2.7%
SECTION S - Associative organisation activities	2.6%
SECTION H - Warehousing and support activities for transportation	2.4%
SECTION H - Land transport and transport via pipelines	2.3%
SECTION D - Supply of EE, gas steam and air conditioning	2.2%
SECTION I - Food and beverage service activities	2.1%
SECTION G - Wholesale and retail trade and repair of motor vehicles and motorbikes	2.0%
SECTION A - Growing crops and production of animal products, hunting and related services	2.0%
SECTION R - Sports, entertainment and leisure activities	2.0%
SECTION M - Management and management consultancy activities	1.9%
SECTION C - Manufacture of machinery and equipment	1.8%
SECTION F - Civil engineering	1.7%
SECTION S - Other personal service activities	1.6%
SECTION K - Financial services activities	1.5%
SECTION Q - Health care	1.5%

* The data presented here differs, in terms of the type of phenomenon it is intended to represent and therefore the calculation method, from the data published in the section "Information on the European taxonomy of eco-sustainable economic activities", and it is therefore in no way comparable thereto.

The presentation considers premium income from the elementary business portfolio relating to legal entities with an attributed ATECO code amounting to 87% (or €1,486 million) of the total legal entities. Only those sectors with a premium income value of more than €25 million, i.e. 70% of €1,486 million, have been included in the table.

Among these, the economic activities highlighted belong to sectors with a potentially high impact on climate change whose presence in the portfolio may influence the company's strategy for the transition to a low-carbon economy according to the indications of the EU policy "2030 climate and energy framework" and the Sasb standard FN-IN-450a.3.

Considering the total premium income from SME and Corporate customers, the value of business belonging to these sectors is 14.2%.

In order to proceed with the analysis of the economic sectors in the insurance portfolio with a view to demonstrating awareness of their current economic exposure and concentration in sectors that are impacted by climate change to varying degrees, ATECO codes corresponding to NACE codes identifiable as economic activities contributing to climate change mitigation and/or adaptation have been identified, using the most precise NACE code as much as possible (level 4).

However, the economic activities that should be considered as potentially environmentally neutral (schools, hospitals, public administration services, etc.) have not been taken into account in this first analysis.

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A company subject
to management and coordination
by Unipol Gruppo S.p.A.,
entered in Section I of the Insurance
and Reinsurance Companies List
at No. 1.00006
and a member of the
Unipol Insurance Group,
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