



**THREE-YEAR
SUSTAINABILITY
PLAN
2013-15**

Introduction

The Unipol Group believes that insurance business plays a social role since it helps to safeguard the security of individuals and their possessions, protect savings and promote sustainable and balanced development in the local area. It therefore deems commitment to sustainability to be an integral part of its corporate ethos and over the years has developed appropriate planning and reporting tools.

For twenty years Unipol has used its Sustainability Report to provide information on the work it has been doing with all its stakeholders, each year trying to introduce new areas of analysis and performance indicators. Since 2010 it has drawn up a three-year Sustainability Plan in order to define and express its vision, accompanied by a system of qualitative and quantitative targets that are monitored periodically in order to check not only that the Plan is being adhered to but also that it is up-to-date and effective. Since 2011 the objectives of the Plan have been laid down in a Sustainability Budget containing practical commitments and timely action, which is drawn up concurrently with the financial budget and involves all the Managers as well as the Sustainability reps for each area.

Since the last strategic plan (2010-12), sustainability has become one of the pivotal aspects of our business strategy, and this commitment has been renewed at each stage of the planning, monitoring and reporting processes, with the Sustainability documents being discussed and approved by the Board of Directors at the same time as the financial documents.

In this case too the Group's three-year Sustainability Plan forms an integral part of its Business Plan, which focuses on the merger with the former Fonsai companies and consolidating the marketplace presence of new Unipol Group on the basis of its values and strategies. Thus this Plan includes and develops the new challenge that the complexity of the New Group involves: integration, new business, new markets, operating in such a way as to combine the best of each.

The guidelines for reinforcing sustainability in the New Group are the social role that insurance plays and commitment to innovation. The former means paying attention to current social needs, which has been a feature of Unipol from the outset, the second is of fundamental importance for building the future.

Targets and Methodology

The Sustainability Plan is the instrument the Unipol Group uses to lay down its economic, social and environmental policies and is an integral part of the Group's Business Plan. This Plan is the result of a long and complex process of involvement and participation: the ten Policies were identified during the workshops for the 2013-15 Merger Plan held in Autumn-Winter 2012/13 and were discussed and elaborated with the Senior Executives and the Board of Directors' Sustainability Committee. When possible the process of drawing up each policy involving all the Managers and Heads of Departments pertinent to Group sustainability included identifying an indicator with a quantitative target to be reached by the end of the three years. In addition specific objectives were laid down for each policy. At the same time, starting with the Workshop Plans with the help of the Managers and their Sustainability reps, the most important activities for responding in an innovative and effective way to the Policies laid down were identified and passed to the Senior Executives and the Sustainability Committee for discussion.

The result of this process is a three-year plan with 10 Policies, 10 target indicators, 25 objectives and 49 activities.

In order to ensure that the objectives are achieved the Unipol Group has adopted a monitoring system of 100 internal indicators, which will be recorded twice a year. Annual progress on the objectives will be published on the Sustainability page of the Unipol Group website (<http://sostenibilita.unipol.it/>).

The Sustainability department collates the information gathered and helps business partners to select themes and actions that have an impact on the sustainability of their organization.

A Glossary has been included in order to make the document easier to understand and more transparent.

The Sustainability Plan was submitted to and approved by the Board of Directors on 15 May 2014.

Policies

1. **Manage the company in such a way as to ensure that it is financially strong and reasonably profitable**
2. **Ensure that the business is run for the benefit of all its stakeholders**
3. **Promote innovative welfare models and services**
4. **Strengthen the role of the entire world of work, cushioning the fall in individuals' purchasing power, real and potential, and offering help to companies that need to reorganize**
5. **Help to reduce, prevent and manage climate change and natural disasters**
6. **Help young people into work, recognising the value of their talents and entrepreneurial spirit**
7. **Introduce innovations to and improve customer relations by:**
 - **Strengthening the direct relationship**
 - **Developing and reinforcing the idea of focusing on the customer**
 - **Adopting a more local management model**
8. **Innovate both the content and delivery of the customer-service element**
9. **Promote a more responsible and fairer market**
10. **Offer support locally, in partnership with other organizations, in order to introduce and consolidate innovative processes with a high social value**

1. Manage the company in such a way as to ensure it is financially strong and reasonably profitable

TARGET	ACTION	STAKEHOLDER INVOLVED
Ensure that there is an appropriate supply of capital	Maintain a good solvency ratio, in line with the risks that could be incurred (risk appetite) Improve the risk-returns profile of the portfolio in order to mitigate the equity risk	Shareholders

TARGET	ACTION	STAKEHOLDER INVOLVED
Continue to innovate in order to ensure that the system of governance is as transparent as possible	Improve communication with Shareholders by laying down a formal procedure Update the Code of Corporate Governance by inserting The Code of Ethics as an appendix	Shareholders

TARGET	ACTION	STAKEHOLDER INVOLVED
Increase management transparency	Draw up the Integrated Report	Shareholders

Achieve a coefficient of overall capital levels (solvency ratio) of x1.8

2. Ensure that the business is run for the benefit of all its stakeholders

TARGET	ACTION	STAKEHOLDER INVOLVED
Extend monitoring to the former Fondiaria Sai Group companies	Monitor procedures by continuously strengthening the synergies of second- and third-level controls	Shareholders Employees Customers Agents Community
Measure and monitor the reputation and emerging risk over time using a qualitative and quantitative approach	Adopt an Emerging and Reputation Risks Observatory	Shareholders Employees Customers Agents Suppliers Community
Raise awareness of and consolidate sustainability policies	Evaluate the introduction of themes of sustainability in the bonus scheme for senior executives	Shareholders Employees Community

Draw up and adopt an equity-reputation index and procedures for managing and improving it

3. Promote innovative welfare models and services

TARGET	ACTION	STAKEHOLDER INVOLVED
Increase customer trust	<p>Apply the <i>Manual for approving Life products in accordance with Unipol's values</i> when designing and managing all new products and get Bureau Veritas to check</p> <p>Extend relevance of the Manual and the check carried out by Bureau Veritas to the sale of the Life Product</p>	<p>Agents</p> <p>Customers</p> <p>Community</p>

TARGET	ACTION	STAKEHOLDER INVOLVED
Consolidate and distribute the products that fulfil new social needs	<p>Promote the 'UnipolSai baby savings' joint Life insurance for couples in order to protect all couples irrespective of their marital status</p> <p>UniSalute to develop and promote individual benefits in order to enable even those not in an occupational scheme to have access to additional health benefits</p> <p>Extend trials of the 'local welfare' project to more regions in order to provide access to supplementary welfare and health funds irrespective of working category</p>	<p>Customers</p> <p>Community</p>

TARGET	ACTION	STAKEHOLDER INVOLVED
Set up a permanent platform for discussing welfare in Italy to analyse current features and future prospects	<p>Develop new research and raise awareness of <i>Welfare Italy – workshop for new social policies</i></p>	<p>Shareholders</p> <p>Community</p>

Increase the number of policyholders with Life and Health products by 5%

4. Strengthen the role of the entire world of work, cushioning the fall in individuals' purchasing power, real and potential, and offering help to business that need to reorganize

TARGET	ACTION	STAKEHOLDER INVOLVED
Consolidate Unipol's social role as a 'company for everyone'	Promote research and development in order to introduce new insurance products and benefits	Shareholders Customers Community
	Introduce new banking products	
	Renovate property and use it for new social housing	

Increase the number of policies paid by instalments as a proportion of all new business by 25%

5. Help to reduce, prevent and manage climate change and natural disasters

TARGET	ACTION	STAKEHOLDER INVOLVED
Reduce direct emissions	<p>Adopt eco-efficient construction criteria (green building) when restoring investment properties</p> <p>Monitor and reduce energy consumption in the new property</p> <p>Encourage employees to use sustainable transport</p> <p>Increase the process of dematerializing daily work by introducing new technologies and new IT systems</p>	<p>Shareholders</p> <p>Employees</p> <p>Agents</p> <p>Community</p>
Advertise UnipolSai as 'green insurance'	<p>Encourage suppliers to protect the environment and be eco-efficient</p> <p>Draw up and implement a policy to tackle the consequences of existing climate change</p> <p>Enter into partnership with environmental associations to develop positive action to safeguard local areas</p>	<p>Customers</p> <p>Suppliers</p> <p>Community</p>

Reduce direct emissions by 10% (scope 1) and those resulting from the purchase of electricity (scope 2) by 5%

6. Help young people into work, recognising the value of their talents and entrepreneurial spirit

TARGET	ACTION	STAKEHOLDER INVOLVED
Support the employment of young people	Create talent-management courses for recent graduates using an objective and structured selection process	Shareholders Employees Community
Improve the relationship with workplaces	<p>Launch a scheme for accelerating start-ups: <i>Unipollideas</i></p> <p>Provide local help for promoting culture and entrepreneurial ideas to young people</p> <p>Develop co-working and temporary working spaces</p>	Shareholders Employees Community
Offer opportunities for professional development	<p>Expand the Unipol Corporate University to improve the range of courses offered</p> <p>Support training and individual professional development needs</p>	Shareholders Employees Community

Have 35% of middle management under 45

7. Introduce innovations to and improve customer relations by:

- **Strengthening the direct relationship**
- **Developing and reinforcing the idea of focusing on the customer**
- **Adopting a more local management model**

TARGET	ACTION	STAKEHOLDER INVOLVED
Improve the quality of services	Reorganize local marketing in order to provide better support for agents Reorganize Non-Life business according to type of client in order to respond more effectively to their differing requirements Provide training in 'providing advice' for intermediaries Adopt new ways of communicating with customers and agents	Employees Customers Agents

TARGET	ACTION	STAKEHOLDER INVOLVED
Develop the use of a variety of channels	Activate and promote web-based channels (e-insurance, MyUnipolBanca) Introduce new technology (apps) Evaluate the expansion of the use of social networks	Customers Agents

Observe the benchmark for the percentage of satisfied and dissatisfied customers (net promoter score – NPS)

8. Innovate both the content and the delivery of the customer-service element

TARGET	ACTION	STAKEHOLDER INVOLVED
Reduce the number of complaints and the incidence of litigation	Restructure claims-handling procedures by introducing service centres to support customers	Customers Agents

TARGET	ACTION	STAKEHOLDER INVOLVED
Increase the level of customer satisfaction	Reorganize bank opening hours	Customers Community

Increase by 10% the number of customers benefitting from compensation for damage in a specific form

9. Promote a more responsible and fairer market

TARGET	ACTION	STAKEHOLDER INVOLVED
Become a leader in the field of socially responsible investment (SRI) in the world of non-specialists	Add ESG criteria (environmental, social and governance) to investment policy	Shareholders Customers Community
	Add ESG criteria (environmental, social and governance) to lending policy	

TARGET	ACTION	STAKEHOLDER INVOLVED
Improve our rating in sustainability ratios	Obtain a positive solicited SRI rating	Shareholders Customers Community
	Formalize data collection for unsolicited rating	

TARGET	ACTION	STAKEHOLDER INVOLVED
Consolidate the Group's social role	Promote and relaunch <i>30 days for sustainability</i>	Suppliers Customers Community
	Carry out a feasibility study on guarantees and loans issued to businesses confiscated from the Mafia	

Double the presence of the UnipolSai security in the sustainability ratios

10. Offer support locally, in partnership with other organizations, in order to introduce and consolidate innovative processes with a high social value

TARGET	ACTION	STAKEHOLDER INVOLVED
Play a social role in communities both nationally and locally	Play a greater social and cultural role locally, particularly in areas where we have an office	Employees Community
	Develop an awareness-raising project jointly with the 'No-Gaming-Machine Movement' on the problems of gambling	
	Develop an information and training course on finance for adults and children	

TARGET	ACTION	STAKEHOLDER INVOLVED
Raise awareness of and consolidate sustainability policies	Increase opportunities for and the number of participants in corporate voluntary work	Employees Community

Increase the number of beneficiaries of community work by 10%

Glossary

Green building: Green building is an international term indicating a building designed, constructed and managed in a sustainable and efficient manner and certified as such by an independent body.

Index of reputation capital: Reputation capital indicates the combination of values and social behaviour that affects the ability of an undertaking to enter into a contract with its principal Stakeholders. There are various methods of calculating this capital by constructing an index for it, none officially recognised as universally valid and reliable. The Unipol Group is developing its own internal index using best practices.

Solvency Ratio: The Solvency Ratio is a measure of a banking or financial intermediary's gearing of overall capital levels. It is calculated as the ratio between the intermediary's 'shareholders' equity for supervisory purposes' and total 'assets weighted for the risk' reported in the intermediary's financial statements.

Socially Responsible Investment (SRI): Investing in a socially responsible way means expanding the traditional scope of analysis and evaluation carried out by States and businesses by selecting and managing investment portfolios using social, ethical and environmental criteria as part of a strict and responsible policy of exercising rights connected with ownership of the securities.

NPS: The Net Promoter Score is a way of measuring customer loyalty to a business and is the ratio between satisfied customers who would recommend the business to others and those who are dissatisfied and would advise against using it.

Rating: An undertaking's sustainability rating is provided by a rating company using recognised valuation criteria. As in the case of ordinary rating it may be unsolicited, i.e. calculated by rating companies independently of the undertaking and based entirely on published information, or solicited, i.e. requested and paid for by the undertaking and calculated using an internal inspection process and based on established criteria.

Integrated Report: The Integrated Report is a single company document that reports on financial, environmental, social and governance results. Its aim is to simplify still further the way the organization communicates, showing the links between strategy, policies, investments and results.

Compensation for damage in a specific form: A concept which refers to restoring property to its state prior to the claim, with the cost of repairs being directly borne by the insurer.

Risk appetite or propensity for risk: In the case of individual businesses the risk appetite determines the possible extra negative impact, based on all the risks incurred, that the organization is willing to incur once suitable measures have been taken to prevent and monitor each major risk.

Scopes: The International Classification contained in scope 1, scope 2 and scope 3 of the GHG Protocol, provided for in Directive EU/86/2003, reflects the level of control that the organization has over its own emissions. All the direct greenhouse-gas emissions actually produced by sources owned by the business come under scope 1. Scope 2 covers emissions arising out of the purchase of electricity.

Internal audit systems: Second-level (advance) monitoring systems are risk management (for monitoring and controlling quantifiable risks), compliance (for ensuring that regulations are observed) and the Manager in charge of financial reporting (for monitoring accounting figures and financial communications); however (retrospective) monitoring of the efficiency and efficacy of these systems comes under Audit and is third level.