

Second-Party Opinion

Unipol Green Bond Framework



Evaluation Summary

Sustainalytics is of the opinion that the Unipol Green Bond Framework is credible and impactful and aligns with the four core components of the Green Bond Principles 2018. This assessment is based on the following:



USE OF PROCEEDS The eligible categories for the use of proceeds – Green Buildings, Renewable Energy, Energy Efficiency, Environmentally Sustainable Management of Living Natural Resources and Land Use, and Clean Transportation – are aligned with those recognized by the Green Bond Principles 2018. Sustainalytics considers that Unipol’s investments in these areas will lead to positive environmental impacts and advance the UN Sustainable Development Goals, specifically SDGs 7, 11 and 15.



PROJECT EVALUATION / SELECTION Unipol has established a Green Bond Working Group, led by Unipol Gruppo Head of Finance and consisting of representatives from UnipolSai Finance, Real Estate and Sustainability departments. The Green Bond Working Group is responsible for assessing the proposed assets and projects against the criteria listed under the Framework. Final approval for project selection is provided by the Group Investment Committee, UnipolSai Investment Committee and UnipolSai Real Estate Committee. Sustainalytics considers the project selection process in line with market practice.



MANAGEMENT OF PROCEEDS Unipol will track and monitor the net proceeds through its internal accounting system. Unipol’s Green Bond Working Group will manage net proceeds using a portfolio approach and will ensure, on an at least biannual basis, that the amount of Eligible Green Assets matches or exceeds the amount of green bonds proceeds outstanding. Pending allocation, bond proceeds may be invested in money market instruments in line with the Group’s liquidity policy. This process is in line with market practice.



REPORTING Unipol will report on allocation and impact metrics on an annual basis, until full allocation or in case of any material changes. This report will be made available on its website as well as through relevant Company reports. Sustainalytics views Unipol allocation and impact reporting as aligned with market practice.

Evaluation date September 11, 2020

Issuer Location Bologna, Italy

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Introduction

Unipol (including Unipol Gruppo, UnipolSai Assicurazioni and its subsidiaries, and referred together as “Unipol”, “the Group” or “the Issuer”) is an Italian insurance and financial services holding company. In addition to its insurance business, the Group operates in the areas of real estate, hospitality, healthcare and agriculture. Unipol is headquartered in Bologna, Italy and currently employs about 12,300 employees.

Unipol has developed the Unipol Green Bond Framework (the “Framework”) under which Unipol Gruppo and/or its subsidiary UnipolSai Assicurazioni intend to issue green bonds under different debt-like formats such as, unsecured or subordinated transactions, and use the proceeds to finance and/or refinance, in whole or in part, existing and/or future projects that contribute to the reduction of greenhouse gas emissions and promote sustainable use of natural resources in Italy and Europe. The Framework defines eligibility criteria in five areas:

1. Green Buildings
2. Renewable Energy
3. Energy Efficiency
4. Environmentally Sustainable Management of Living Natural Resources and Land Use
5. Clean Transportation

Unipol engaged Sustainalytics to review the Unipol Green Bond Framework, dated September 2020, and provide a Second-Party Opinion on the Framework’s environmental credentials and its alignment with the Green Bond Principles 2018 (GBP).¹ This Framework has been published in a separate document.²

Scope of work and limitations of Sustainalytics Second-Party Opinion

Sustainalytics’ Second-Party Opinion reflects Sustainalytics independent³ opinion on the alignment of the reviewed Framework with the current market standards and the extent to which the eligible categories are credible and impactful.

As part of the Second-Party Opinion, Sustainalytics assessed the following:

- The Framework’s alignment with the Green Bond Principles 2018, as administered by ICMA;
- The credibility and anticipated positive impacts of the use of proceeds;
- The alignment of the issuer’s sustainability strategy and performance and sustainability risk management in relation to the use of proceeds.

For the use of proceeds assessment, Sustainalytics relied on its internal taxonomy, version 1.5, which is informed by market practice and Sustainalytics’ expertise as an ESG research provider.

As part of this engagement, Sustainalytics held conversations with various members of Unipol’s management team to understand the sustainability impact of their business processes and planned use of proceeds, as well as management of proceeds and reporting aspects of the Framework. Unipol representatives have confirmed (1) they understand it is the sole responsibility of Unipol to ensure that the information provided is complete, accurate or up to date; (2) that they have provided Sustainalytics with all relevant information and (3) that any provided material information has been duly disclosed in a timely manner. Sustainalytics also reviewed relevant public documents and non-public information.

This document contains Sustainalytics’ opinion of the Framework and should be read in conjunction with that Framework.

Any update of the present Second-Party Opinion will be conducted according to the agreed engagement conditions between Sustainalytics and Unipol.

Sustainalytics’ Second-Party Opinion, while reflecting on the alignment of the Framework with market standards, is no guarantee of alignment nor warrants any alignment with future versions of relevant market standards. Furthermore, Sustainalytics’ Second-Party Opinion addresses the anticipated impacts of eligible

¹ The Green Bond Principles are administered by the International Capital Market Association and are available at <https://www.icmagroup.org/green-social-and-sustainability-bonds/green-bond-principles-gbp/>.

² The Unipol Green Bond Framework is available on Unipol’s website at: <https://www.unipol.it/en/investors/past-operations-capital-and-loans/green-bond-framework>

³ When operating multiple lines of business that serve a variety of client types, objective research is a cornerstone of Sustainalytics and ensuring analyst independence is paramount to producing objective, actionable research. Sustainalytics has therefore put in place a robust conflict management framework that specifically addresses the need for analyst independence, consistency of process, structural separation of commercial and research (and engagement) teams, data protection and systems separation. Last but not the least, analyst compensation is not directly tied to specific commercial outcomes. One of Sustainalytics’ hallmarks is integrity, another is transparency.

projects expected to be financed with bond proceeds but does not measure the actual impact. The measurement and reporting of the impact achieved through projects financed under the Framework is the responsibility of the Framework owner.

In addition, the Second-Party Opinion opines on the intended allocation of proceeds but does not guarantee the realised allocation of the bond proceeds towards eligible activities.

No information provided by Sustainalytics under the present Second-Party Opinion shall be considered as being a statement, representation, warrant or argument either in favour or against, the truthfulness, reliability or completeness of any facts or statements and related surrounding circumstances that Unipol has made available to Sustainalytics for the purpose of this Second-Party Opinion.

Sustainalytics' Opinion

Section 1: Sustainalytics' Opinion on the Unipol Green Bond Framework

Sustainalytics is of the opinion that the Unipol Green Bond Framework is credible and impactful, and aligns with the four core components of the GBP. Sustainalytics highlights the following elements of Unipol's Green Bond Framework:

- Use of Proceeds:
 - The eligible categories of Green Buildings, Renewable Energy, Energy Efficiency, Environmentally Sustainable Management of Living Natural Resources and Land Use, and Clean Transportation are aligned with those recognized by the GBP. Sustainalytics believes Unipol's use of proceeds will contribute to the reduction of greenhouse gas emissions and promote sustainable use of natural resources in Italy and Europe.
 - Unipol has established a 36-month look-back period for its refinancing activities, which Sustainalytics considers to be in line with market practice. The Group intends to allocate the proceeds as soon as practically possible, and no later than the maturity of the bond.
 - Under the Green Building category, Unipol intends to use the proceeds to construct, develop, acquire, operate, and maintain commercial and residential buildings that obtain third-party green building certification standards, namely LEED (Gold or above), BREEAM (Excellent or above), HQE (Excellent or above). Sustainalytics views the mentioned certifications as credible, and the levels selected as impactful. (See Appendix 1 for further description of the referenced building standards.) In addition, Unipol commits to ensuring that new constructions will have at least 20% lower primary energy demand as compared to the primary energy demand resulting from implementing European Commission's nearly zero-energy buildings (NZEB)⁴ requirements. The Framework also defines a threshold of at least 30% energy savings in comparison to the baseline,⁵ which Sustainalytics considers to be in line with market practice.
 - Under the category of Renewable Energy, Unipol intends to finance onshore and offshore wind energy, solar photovoltaic, small-scale hydropower (<20 MW), and large-scale hydropower (>20 MW) with lifecycle emission below 100gCO₂e/kWh or power density above 5W/m². For all new hydropower projects, Unipol confirmed that projects would obtain environmental and social impact assessments by a credible third-party per project in order to ensure there is no significant risk or expected negative impact identified associated with projects. Unipol will also finance geothermal facilities that operate at life cycle emissions below 100gCO₂e/kWh. Sustainalytics considers the inclusion of a life cycle emissions threshold for large hydro and geothermal facilities to be in line with market practice.
 - Under the Energy Efficiency category, Unipol intends to invest in energy-efficient products and systems that are not powered and/or driven by fossil fuel. These products and systems include LED lighting, smart grids, smart meters, energy storage systems, and non-fossil fuel-powered heating and cooling systems. Sustainalytics highlights that Unipol commits to reporting on the estimated or achieved energy efficiency, on a portfolio basis, where feasible.
 - Under the Environmentally Sustainable Management of Living Natural Resources, Unipol intends to invest in sustainably managed forests and forest products that are certified by credible third-

⁴ European Commission, NZEB, accessed in August 2020, at: https://ec.europa.eu/energy/content/nzeb-24_en

⁵ The intended baseline defined as the energy performance of the building prior to renovation.

- party forest certification systems, namely Forest Stewardship Council (FSC), Programme for the Endorsement of Forest Certification (PEFC), Sustainable Forestry Initiative (SFI) and other equivalent and recognized level of certification. Sustainalytics is of the opinion that the mentioned forestry certification schemes are robust and credible. (See Appendix 2 for further description of the referenced forestry certifications.)
- Under the Clean Transportation category, Unipol intends to finance the construction, development, operation, acquisition and maintenance of low-carbon public and private transportation assets. These include electrified rail, trams, and trolleybuses; electric or hydrogen buses without direct emissions, electric vehicles, hybrid buses and private hybrid vehicles with CO₂ emission threshold of <50gCO₂/p-km, and infrastructure dedicated to electrified transport. Sustainalytics considers the inclusion of a 50gCO₂/p-km threshold for hybrid buses and private vehicles as aligned with international trajectories for low-carbon transportation.
 - Project Evaluation and Selection:
 - Unipol has established a Green Bond Working Group who will be responsible for project evaluation and selection. The Green Bond Working Group will assess the proposed assets and projects against the criteria listed under the Framework. Based on the intended eligible projects, the Green Bond Working Group will consult with the Group Investment Committee, UnipolSai Investment Committee or UnipolSai Real Estate Committee to make the final selection. The Green Bond Working Group will be led by Unipol Gruppo Head of Finance and will consist of representatives from UnipolSai Finance department, Real Estate department, and Sustainability department.
 - Based on the establishment of a working group and the implementation of a formal process, Sustainalytics considers this process to be in line with market practice.
 - Management of Proceeds:
 - Unipol has committed to managing the proceeds of its green bonds using a portfolio approach. The Green Bond Working Group will ensure, at least on a biannual basis, that the amount of Eligible Green Assets matches or exceeds the amount of green bonds proceeds outstanding. The Working Group will also, as soon as practicable, remove and replace assets which are not long eligible or have matured/been reimbursed. Pending allocation, bond proceeds may be invested in money market instruments in line with the Group's liquidity policy.
 - Unipol will track and monitor allocation to eligible assets through its internal accounting system.
 - Sustainalytics considers this process to be in line with market practice.
 - Reporting:
 - A year from the date of issuance, and annually thereafter, or in case of material changes, Unipol will publish a Green Bond Report, until proceeds are fully allocated. This report will provide information on a portfolio level, about the allocation of proceeds from each Green Bond issued and the impact of related Eligible Green Assets. Unipol will publish the Green Bond Report on Unipol Gruppo and UnipolSai Assicurazioni's website.⁶ The Group will also integrate allocation and impact information in UnipolSai's annual Group Sustainability Report as well as Group Annual Integrated Report.
 - Allocation report will contain information on; (i) the total amount of green bond net proceeds, (ii) amounts of funds allocated to each category, sector, and region, and (iii) the balance of unallocated proceeds.
 - Impact report will include metrics such as annual energy savings in MWh/GWh, annual reduced and/or avoided emissions in tons of CO₂e, estimated tons of CO₂ sequestered by the financed activities, number of green building certification obtained etc.
 - Sustainalytics considers this process to be in line with market practice.

Alignment with Green Bond Principles 2018

Sustainalytics has determined that the Unipol Green Bond Framework aligns to the four core components of the GBP. For detailed information please refer to Appendix 3: Green Bond/Green Bond Programme External Review Form.

⁶ Unipol's annual Green Bond Report to be published at: <https://www.unipol.it/en>

Section 2: Sustainability Strategy of Unipol

Contribution of framework to Unipol's sustainability strategy

Sustainalytics is of the opinion that Unipol demonstrates a strong commitment to sustainability. In 2018, the Group established a 'Sustainability Policy', in which Unipol's strategies, objectives and commitments to improve its sustainability performance and environmental impact have been defined.⁷ This policy is adopted by Unipol Group as well as by its wholly-owned subsidiaries. Two of the focus areas of Unipol's Sustainability Policy is promoting environmental protection and fighting against climate change risks.⁸

The Group has developed a 2019-2021 strategic plan to create 'shared value and sustainable development'. This strategic plan consists of environmental targets such as: (i) by 2021 increase products with social and environmental value in overall insurance portfolio by 30% and (ii) by 2021 reduce average carbon footprint of its employees by 7%.⁹ Furthermore, the Group has committed to increasing SDG related investing to EUR 600m by 2021. The Group reported that in 2018, 22.7% of premiums collected were from products with ESG value¹⁰ and it expended EUR 326m in SDG related investments.¹¹

Unipol published a position paper "Unipol per il Clima" which highlights the causes and effects of climate change, particularly in Italy and analyses the role Italian insurance companies can play to combat climate change.¹² Following the paper, Unipol has started to offer innovative products and services to help its customers address climate risk while increasing their resilience.¹³ These initiatives include: (i) Energia Sole: A product tailored for companies that produce energy from renewable sources, and (ii) KM&Servizi:¹⁴ A product aimed at reducing vehicular emissions.¹⁵ Unipol is also the leading partner of Life DERRIS (Disaster Risk Reduction Insurance) project.¹⁶ This project aims to test and implement an innovative form of a public-private partnership between insurance companies, municipalities and businesses to increase the resilience of Italian SMEs to climate change.¹⁷

Sustainalytics is of the opinion that the Unipol Green Bond Framework is aligned with the Group's overall sustainability strategy and initiatives and will further the Group's action on its key environmental priorities.

Well positioned to address common environmental and social risks associated with the projects

While Sustainalytics recognizes that the net proceeds from the bonds issued under the Framework will be directed towards eligible projects that are recognized by the GBP as impactful, Sustainalytics is aware that such eligible projects could also lead to negative environmental and social outcomes such as emissions, effluents, and improper management of waste, land use change, biodiversity loss, workers' health and safety, and public opposition, mainly related to large scale infrastructure projects. Sustainalytics is of the opinion that Unipol is well positioned to manage and mitigate potential risks as it has the following policies and measures in place for its investments as well as its operations:

- Unipol's Sustainability Policy¹⁸ outlines the Group's commitments to manage and mitigate the ESG risks to which it is exposed and defines the roles and responsibilities of the Group bodies and

⁷ Unipol, Politica In Materia Di Sostenibilità, August 2019, at: https://www.unipol.it/sites/corporate/files/pages_related_documents/unipol_politica-di-sostenibilita_2019.pdf

⁸ Unipol, Politica In Materia Di Sostenibilità, August 2019, at: https://www.unipol.it/sites/corporate/files/pages_related_documents/unipol_politica-di-sostenibilita_2019.pdf

⁹Unipol, A clear path to sustainability 2019- 2021, at: https://www.unipol.it/sites/corporate/files/document_attachments/ug_2019-2021_path-to-sustainability_en.pdf

¹⁰ Products with ESG value are distinctive insurance solutions that integrate economic growth and socio-environmental value, creating shared value between the Company and clients. These products respond to the dynamics related to the evolution in the composition of households, the loss of purchasing power of the most vulnerable sections of the population, the unemployment and job insecurity, the need of protecting environment and the climate emergency.

¹¹ Unipol, Press release - Sustainable Development And Climate Change, accessed on 20 August 2020, https://www.gruppounipol.it/sites/corporate/files/press_related_documents/pre_ug_unipol-bilancio-integrato-2018_29-05-2019_en.pdf

¹² Unipol, Unipol per il clima, 2013, at: https://www.unipol.it/sites/corporate/files/unipol_clima_def.pdf

¹³ Unipol, Products, services and investments for the fight against climate change, accessed on 20 August 2020, at: <https://www.unipol.it/en/sustainability/climate-change/products-services-and-investments-fight-against-climate-change>

¹⁴ The premium for KM&Servizi is calculated based on a series of parameters, including kilometers travelled; lesser kilometers travelled, lesser the premium.

¹⁵ At: https://www.unipol.it/sites/corporate/files/pages_related_documents/unipol-and-climate-change_2019.pdf

¹⁶ Unipol, Products, services and investments for the fight against climate change, accessed on 20 August 2020, at: <https://www.unipol.it/en/sustainability/climate-change/products-services-and-investments-fight-against-climate-change>

¹⁷ Unipol, Products, services and investments for the fight against climate change, accessed on 20 August 2020, at: <https://www.unipol.it/en/sustainability/climate-change/products-services-and-investments-fight-against-climate-change>

¹⁸ Unipol Gruppo, Sustainability Policy, August 2019, at: https://www.unipol.it/sites/corporate/files/pages_related_documents/unipol_sustainability-policy_2019_en.pdf

departments involved in the ESG risk management process. The Group's Risk Management Policy includes a specific section on ESG risk management, where the Group defines, identifies and describes its main ESG risks and the methods to manage them. The Group integrates ESG risk and oversight procedures not only in its underwriting policies but also its investment policies.¹⁹ Since 2012 the Group assesses the sustainability of all its investments by including – (i) exclusionary criteria, (ii) screening based on international conventions as well as (ii) evaluating ESG factors.²⁰ The main ESG risks areas identified by the Group pertain to - climate change, increase in social polarization, socio-demographic change, the technological evolution of the society, violation of human and worker rights, environmental damage and negative impact on the environment and behavior in violation of the integrity of corporate conduct.²¹

- In 2019, Unipol established a Responsible Investment Policy, the *SRI Investment Policy*, intending to integrate ESG factors into the selection criteria of issuers and the Group's investments. Based on the policy, Unipol considers the presence of ESG factors (such as the presence of an environmental management strategy) while avoiding companies that are involved in environmentally and/or socially harmful activities. Furthermore, countries that are associated with inadequate practices in relation to the principles defined by the United Nations are considered as high ESG risk.²²
- Unipol has established its Charter of Values and Code of Ethics²³ by using a stakeholder consultation. The Charter of Values serves as a guideline for the Group to adopt practices such as individually and collectively taking responsibility for the Group's actions, ensure resource efficiency by reducing waste etc. Unipol's Code of Ethics guides the decision-making process while supporting the governance and management of the Group. It describes the Group's conduct for and with its stakeholders through the principles outlined in the Code some of which are – prevention of bribery or extortion, counter any terrorist financing or money-laundering activities, adopt transparent conduct in relations with public administration.
- Unipol is a signatory to various responsible investment initiatives. In 2017, the Group signed the United Nations' Principles for Responsible Investment under which it commits to include ESG factors in investment decisions.²⁴ In 2018 the Group joined the UN Global Compact²⁵ and subscribed to the Talanoa Call for Action.²⁶

Based on these policies, standards and assessments, Sustainalytics is of the opinion that Unipol has implemented adequate measures and is well positioned to manage and mitigate environmental and social risks commonly associated with the eligible categories.

Section 3: Impact of Use of Proceeds

All five use of proceeds categories are aligned with those recognized by the GBP and are considered by Sustainalytics to deliver environmental benefits. Sustainalytics has highlighted below a few areas where the impact is specifically relevant in the local context:

Role of insurance companies in financing climate change

One of the consequences of climate change is the increase in frequency and severity of extreme weather-related disasters, including droughts, flooding, wildfires, and severe storms.²⁷ The last decade has seen a steady increase in the number of natural disasters that have caused more than USD 1 billion in damages.²⁸

¹⁹ UnipolSai, 2019 Sustainability Report, at: http://www.unipolsai.com/sites/corporate/files/pages_related_documents/2019-sustainability-report-unipolsai_en.pdf

²⁰ UnipolSai, 2019 Sustainability Report, at: http://www.unipolsai.com/sites/corporate/files/pages_related_documents/2019-sustainability-report-unipolsai_en.pdf

²¹ Unipol Gruppo, Management of ESG Risks, accessed in August 2020, at: <https://www.unipol.it/en/sustainability/integrated-approach/management-esg-risks>

²² Unipol, Guidelines for Investment Activities with Reference to Responsible Investments ("Sri Investment Policy"), at: https://www.unipol.it/sites/corporate/files/document_attachments/ug_annex_investment-policy-sri_en.pdf

²³ Unipol Gruppo, Charter of Values and Code of Ethics, accessed in August 2020, at: https://www.unipol.it/sites/corporate/files/pages_related_documents/cartavalori-codiceetico_approvato_23032017_versione_03082017_eng.pdf

²⁴ Unipol Gruppo, Initiatives with Public Institutions, accessed in August 2020, at: <https://www.unipol.it/en/sustainability/strategy/initiatives-public-institutions>

²⁵ The United Nations Global Compact encourages businesses to adopt sustainable and socially responsible policies through its ten principles which pertain to human rights, labour, environment and anti-corruption. These principles are non-binding; however, companies are encouraged to report on their implementation. Read more at: <https://www.unglobalcompact.org/what-is-gc>

²⁶ The Talanoa Call for Action emphasizes the need to increase ambition and action five-fold to achieve the 1.5°C target. Read more at: <https://unfccc.int/sites/default/files/resource/Talanoa%20Call%20for%20Action.pdf>

²⁷ National Oceanic and Atmospheric Administration, Billion-Dollar Weather and Climate Disasters: Time Series, January 2020, at: <https://www.ncdc.noaa.gov/billions/time-series>

²⁸ Deloitte, Climate risk: Regulators sharpen their focus, 2019, at: <https://www2.deloitte.com/content/dam/Deloitte/us/Documents/financial-services/us-fsi-climate-risk-regulators-sharpen-their-focus.pdf>

This rapid increase presents a high exposure of risk to insurance companies as not only does it increase their third-party liability claims, but also results in a rise of insurance premiums which may undermine affordability or even availability of coverage to their consumers.²⁹ Therefore, mitigating climate change risks is naturally aligned with the business objectives of insurance companies. It is estimated that to meet the Paris Agreement goals an investment of USD 6.9 trillion a year is required up to 2030.³⁰ As large institutional investors, insurance companies are uniquely positioned to accelerate investments in climate aligned projects and assets. The global insurance industry has the potential of redirecting the flow of finance towards building socio-economic resilience to mitigate and better cope with the effects of climate change.

Sustainalytics is of the opinion that Unipol's investments in projects and assets that are aimed at reducing emission and conserving natural resources will help accelerate efforts to transition into a low carbon sustainable economy.

Importance of expanding renewable energy capacity and facilitating low carbon transport in Europe and Italy

The European Union (EU) has a collective target for the region to (i) increase renewable energy as a percentage of final energy consumption to 32% by 2030, (ii) increase energy efficiency by 32.5% and (iii) reduce GHG emissions by 40%. The EU requires its member countries to adopt national energy and climate plans. In accordance with the EU's call, Italy's National Energy Strategy aims to increase the share of renewables to 55% of the electricity mix by 2030 and reduce energy consumption by 10 Mtoe by 2030.³¹ Besides this ambitious commitment, Italy is currently highly dependent on fossil fuels, deriving 67% of its electricity from fossil fuels in 2016.³² Therefore, investments from the public as well as the private sector is necessary for Italy to achieve the goals in its Energy Strategy.

The transportation sector (including bunkering) in Italy contributed to 28% of the Country's GHG emissions in 2016.³³ Recognizing the large GHG footprint of its transport sector, Italy has implemented several policies and measures to decarbonize the sector, some of which include; (i) the National Energy Strategy which aims to source 21% of the transport sector energy demand from renewable sources such as electric, biomethane and biofuels, and (ii) the Sustainable Mobility Roadmap which articulates the importance of promoting low carbon transport vehicles.³⁴ In 2019, Italy introduced incentives to encourage the purchase of vehicles with CO₂ emissions of less than 70g/km and introduced taxes for the purchase of M1³⁵ category of vehicles that have higher than 160g/km of CO₂ emissions.³⁶

Sustainalytics is of the opinion that Unipol's investments in the renewable energy, low-carbon public and private vehicles, and electric transport infrastructure will help bolster Italy's efforts to reduce its GHG emission and ultimately support the EU climate goals.

Alignment with/contribution to SDGs

The Sustainable Development Goals (SDGs) were set in September 2015 and form an agenda for achieving sustainable development by the year 2030. This green bond advances the following SDG goals and targets:

Use of Proceeds Category		SDG target
Green Buildings	11. Sustainable Cities and Communities	11.6 By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management

²⁹ EPA, Greenhouse Gas Emissions, (accessed on February 2020), at: <https://www.epa.gov/ghgemissions/sources-greenhouse-gas-emissions>

³⁰ OECD, The World Bank, UN Environment, Financing Climate Futures, 2018, at: <http://www.oecd.org/environment/cc/climate-futures/policy-highlights-financing-climate-futures.pdf>

³¹ Governo Italiano, Ministry of Economic Development, Italy's National Energy Strategy 2017, accessed in August 2020, at: https://www.mise.gov.it/images/stories/documenti/BROCHURE_ENG_SEN.PDF

³² EIA, Italy, August 2017, at: <https://www.eia.gov/international/analysis/country/ITA>

³³ Transport & Environment (2019) Emission Reduction Strategies for the Transport Sector in Italy, 2019, at: https://www.transportenvironment.org/sites/te/files/publications/2019_01_EUKI_IT_report_FINAL_0.pdf

³⁴ Transport & Environment (2019) Emission Reduction Strategies for the Transport Sector in Italy, 2019, at: https://www.transportenvironment.org/sites/te/files/publications/2019_01_EUKI_IT_report_FINAL_0.pdf

³⁵ As per United Nations Economic Commission for Europe, M1 vehicles refer to the category of vehicles used for carriage of passengers, comprising not more than eight seats in addition to the driver.

³⁶ Transport & Environment (2019) Emission Reduction Strategies for the Transport Sector in Italy, 2019, at: https://www.transportenvironment.org/sites/te/files/publications/2019_01_EUKI_IT_report_FINAL_0.pdf

Renewable Energy	7. Affordable and Clean Energy	7.2 By 2030, increase substantially the share of renewable energy in the global energy mix
Energy Efficiency	7. Affordable and Clean Energy	7.3 By 2030, double the global rate of improvement in energy efficiency
Environmentally Sustainable Management of Living Natural Resources and Land Use	15. Life on Land	15.a Mobilize and significantly increase financial resources from all sources to conserve and sustainably use biodiversity and ecosystems
Clean Transportation	11. Sustainable Cities and Communities	11.2 By 2030, provide access to safe, affordable, accessible and sustainable transport systems for all, improving road safety, notably by expanding public transport, with special attention to the needs of those in vulnerable situations, women, children, persons with disabilities and older persons

Conclusion

Unipol has developed the Unipol Green Bond Framework under which it intends to issue green bonds and use proceeds to finance eligible projects in the categories of Green Buildings, Renewable Energy, Energy Efficiency, Environmentally Sustainable Management of Living Natural Resources and Land Use, and Clean Transportation. Sustainalytics considers that the projects funded by the bonds will help contribute to the reduction of greenhouse gas emissions and promote sustainable use of natural resources in Italy and Europe.

The Unipol Green Bond Framework outlines a process by which proceeds will be tracked, allocated, and managed, and commitments have been made for reporting on the allocation and impact of the use of proceeds. Furthermore, Sustainalytics believes that the Unipol Green Bond Framework is aligned with the overall sustainability strategy of the company and that the green use of proceeds categories will contribute to the advancement of the UN Sustainable Development Goals 7, 11 and 15. Additionally, Sustainalytics is of the opinion that Unipol has adequate measures to identify, manage and mitigate environmental and social risks commonly associated with the eligible projects funded by the use of proceeds.

Based on the above, Sustainalytics is confident that Unipol is well-positioned to issue green bonds and that the Unipol Green Bond Framework is robust, transparent, and in alignment with the four core components of the Green Bond Principles 2018.

Appendices

Appendix 1: Summary of Referenced Green Building Certification Schemes

	LEED	BREEAM	HQE
Background	Leadership in Energy and Environmental Design (LEED) is a US Certification System for residential and commercial buildings used worldwide. LEED was developed by the non-profit U.S. Green Building Council (USGBC) and covers the design, construction, maintenance and operation of buildings.	BREEAM (Building Research Establishment Environmental Assessment Method) was first published by the Building Research Establishment (BRE) in 1990. Based in the UK, this scheme can be used for new, refurbished and extension of existing buildings.	The Haute Qualité Environnementale or HQE (High Quality Environmental standard) is a standard for green building in France, based on the principles of sustainable development first set out at the 1992 Earth Summit. The standard was launched in 2005 and is controlled by HQE and certificate is issued by Cerway/ Certivea/ Cerqual.
Certification levels	<ul style="list-style-type: none"> • Certified • Silver • Gold • Platinum 	<ul style="list-style-type: none"> • Pass • Good • Very Good • Excellent • Outstanding 	<ul style="list-style-type: none"> • Pass • Good • Very good • Excellent • Exceptional
Areas of assessment	<ul style="list-style-type: none"> • Energy and atmosphere • Sustainable Sites • Location and Transportation • Materials and resources • Water efficiency • Indoor environmental quality • Innovation in Design • Regional Priority 	<ul style="list-style-type: none"> • Management • Energy • Land Use and Ecology • Pollution • Transport • Materials • Water • Waste • Health and Wellbeing • Innovation 	<ul style="list-style-type: none"> • Energy • Environment (Site, Components, Worksite, Water, Waste, Maintenance) • Comfort (Hydrothermal, Acoustic, Visual, Olfactory) • Health (Spaces quality, Air Quality, Water Quality) • Principles of Equivalence
Requirements	<p>Minimum requirements independent of level of certification; point-based scoring system weighted by category to determine certification level.</p> <p>The rating system is adjusted to apply to specific sectors, such as: New Construction, Major Renovation, Core and Shell Development, Schools-/Retail-/Healthcare New Construction and Major Renovations, and Existing Buildings: Operation and Maintenance.</p>	<p>Minimum requirements depending on the level of certification; scoring system weighted by category, producing a percentage-based overall score. The majority of BREEAM issues are flexible, meaning that the client can choose which to comply with to build their performance score.</p> <p>BREEAM has two stages/ audit reports: a 'BREEAM Design Stage' and a 'Post Construction Stage', with different assessment criteria.</p>	<p>Prerequisites (independent of level of certification) + Points-based performance level: Performing and High Performing</p> <p>The Prerequisite level is obtained when all the minimum requirements for a target are met, while the Performing and High Performing levels are obtained based on a percentage of points given per target, allowing for flexibility.</p> <p>Based on the total number of stars obtained per area, an overall HQE level is then given.</p> <p>Environmental certificates are assigned at all stages of the building life cycle, and on-site audits are required.</p>
Qualitative Considerations	Widely accepted within the industry, both in North America and internationally, and considered a guarantee of strong performance.	Used in more than 70 countries: Good adaptation to the local normative context. Predominant environmental focus, lower levels are less strict than LEED.	HQE certification has the highest number of targets concerning individuals. The "Comfort" and "Health" related themes are the most developed in this scheme.

			The HQE scheme recognises European and international standards (in particular the ISO and ASHRAE standards).
Performance display			

Appendix 2: Summary of Forestry Sustainability Certifications

	FSC ³⁷	PEFC ³⁸	SFI ³⁹
Background	Founded in 1993 after the 1992 Earth Summit in Rio failed to produce any international agreements to fight against deforestation, FSC aims to promote sustainable forest management practice.	PEFC was founded in 1999 in response to the specific requirements of small- and family forest owners as an international umbrella organization providing independent assessment, endorsement and recognition of national forest certification systems.	In 2005, the PEFC recognized the SFI standard with an aim to advance sustainable forestry and responsible purchasing globally. The SFI program has on-product labels to help consumers interact with the forestry supply chain by supporting responsible forestry. The SFI standards pertain to - Forest Management Standard, Fiber Sourcing Standard and Chain-of-Custody Standard
Basic Principles	<ul style="list-style-type: none"> • Compliance with laws and FSC principles • Tenure and use rights and responsibilities • Indigenous peoples' rights • Community relations and workers' rights • Benefits from the forests • Environmental impact • Management plans • Monitoring and assessment • Special sites – high conservation value forests (HCVF) • Plantations 	<ul style="list-style-type: none"> • Maintenance and appropriate enhancement of forest resources and their contribution to the global carbon cycle • Maintenance and enhancement of forest ecosystem health and vitality • Maintenance and encouragement of productive functions of forests (wood and no-wood) • Maintenance, conservation and appropriate enhancement of biological diversity in forest ecosystems • Maintenance and appropriate enhancement of protective functions in forest management (notably soil and water) • Maintenance of socioeconomic functions and conditions • Compliance with legal requirements 	<ul style="list-style-type: none"> • To practice sustainable forestry that integrates a land stewardship ethic and conservation of ecosystem services • To protect and maintain forest productivity and health • To protect water resources and biological diversity • To manage the visual impacts of forest operations, and to provide recreational opportunities for the public • To manage and protect integrity of forests and lands of special significance (ecologically, geologically or culturally important) • To use and promote sustainable forestry practices that are both scientifically credible and economically, environmentally and socially responsible • To avoid Controversial Sources including Illegal logging in Offshore Fiber Sourcing as well as sourcing from countries that do not have effective social laws. • To comply with applicable federal, provincial, state, and local forestry and related environmental laws, statutes, and regulations • To support advances in sustainable forest management through forestry research as well as improve the practice of sustainable forestry through training and education programs • To broaden the practice of sustainable forestry on public lands through community involvement as well as the understanding of the standard by

³⁷ Forest Stewardship Council, at: <https://www.fsc.org/en>

³⁸ Programme for the Endorsement of Forest Certification, at: <https://www.pefc.org/>

³⁹ Sustainable Forestry Initiative, at: <https://www.sfiprogram.org/>

			<p>documenting certification audits and making the findings publicly available.</p> <ul style="list-style-type: none"> To continually improve the practice of forest management
Governance	<p>The General Assembly, consisting of all FSC members, constitutes the highest decision-making body.</p> <p>At the General Assembly, motions are proposed by one member, seconded by two more, and deliberated and voted on by all members. Members are entitled to vote to amend the bylaws, initiate new policies, and clarify, amend or overturn a policy decision by the board.</p> <p>Members apply to join one of three chambers – environmental, social, or economic – that are further divided into northern and southern sub-chambers.</p> <p>Each chamber holds 33.3% of the weight in votes, and within each chamber the votes are weighted so that the North and South hold an equal portion of authority, to ensure influence is shared equitably between interest groups and countries with different levels of economic development.</p> <p>The votes of all individual members in each sub-chamber represent 10% of the total vote of the sub-chamber, while the votes of organizational members make up the other 90%.</p> <p>The members vote for the board of directors, which is accountable to the members. There is an international board elected by all members and a US board, elected by the US-based members.</p>	<p>PEFC’s governance structure is formed by the General Assembly (GA) which is the highest authority and decision-making body. It is made up of all PEFC members, including national and international stakeholders.</p> <p>Members vote on key decisions including endorsements, international standards, new members, statutes and budgets. All national members have between one and seven votes, depending on membership fees, while international stakeholder members have one vote each.</p> <p>The Board of Directors supports the work of the GA and together the GA and the Board make the formal approval of final draft standards. Standards are developed by working groups.</p> <p>In general, PEFC’s governance structure is more representative of industry and government stakeholders than of social or environmental groups, which gives industry and governments more influence in the decision-making process. However, the organization does include stakeholders from all sectors.</p>	<p>The SFI program is operated by SFI Inc., a fully independent non-profit charitable 501(c)(3) organization.</p> <p>SFI Inc. is governed by an 18-member board of directors made up of three chambers with equal membership: environmental, social and economic. This multi-stakeholder board of directors is the sole governing body over all aspects of the SFI program, including the SFI 2010-2014 Standard, chain-of-custody, labeling and claims, marketing and promotion.</p> <p>The SFI has an External Review Panel, comprising environmental, conservation and forestry experts. This panel annually reviews the program’s progress and releases a report publicly.</p> <p>There are thirty-seven SFI Implementation Committees across North America that operate at the regional, state and provincial level to help promote the SFI Standard through targeted local actions. They involve public agencies, universities, local forestry associations, landowners, loggers, partnerships with conservation groups, and other community-based organizations.</p>
Scope	<p>FSC is a global, multi-stakeholder owned system. All FSC standards and policies are set by a consultative process. There is an FSC Global standard and for certain countries FSC National standards. Economic, social, and environmental interests have equal weight in the standard setting process. FSC follows the ISEAL Code of Good Practice for Setting Social and Environmental Standards.</p>	<p>Multi-stakeholder participation is required in the governance of national schemes as well as in the standard-setting process. Standards and normative documents are reviewed periodically at intervals that do not exceed five years. The PEFC Standard Setting standard is based on ISO/IEC Code for good practice for standardization</p>	<p>SFI Standards promote sustainable forest management in North America and responsible procurement of forest products around the world.</p> <p>The SFI Forest Management Standard particularly applies to organizations in the United states and Canada and the Fiber Sourcing Standard as well as the Chain-of-Custody standard apply to any organization globally.</p>

		(Guide 59) ⁴⁰ and the ISEAL Code of Good Practice for Setting Social and Environmental Standards.	
Chain-of-Custody	<ul style="list-style-type: none"> The Chain-of-Custody (CoC) standard is evaluated by a third-party body that is accredited by FSC and compliant with international standards. CoC standard includes procedures for tracking wood origin. CoC standard includes specifications for the physical separation of certified and non-certified wood, and for the percentage of mixed content (certified and non-certified) of products. CoC certificates state the geographical location of the producer and the standards against which the process was evaluated. Certificates also state the starting and finishing point of the CoC. 	<ul style="list-style-type: none"> Quality or environmental management systems (ISO 9001:2008 or ISO 14001:2004 respectively) may be used to implement the minimum requirements for chain-of-custody management systems required by PEFC. Only accredited certification bodies can undertake certification. CoC requirements include specifications for physical separation of wood and percentage-based methods for products with mixed content. The CoC standard includes specifications for tracking and collecting and maintaining documentation about the origin of the materials. The CoC standard includes specifications for the physical separation of certified and non-certified wood. The CoC standard includes specifications about procedures for dealing with complains related to participant's chain of custody. 	<ul style="list-style-type: none"> Any entity harvesting, transporting, handling or processing forest based products can use CoC certification to track and communicate forest fiber content using one of the following optional approaches for chain of custody: physical separation, average percentage or volume credit method. These entities shall obtain an independent, third-party certification by an SFI certification body to the requirements set out in this standard if they choose to utilize an SFI CoC label or claim. Quality or environmental management systems (ISO 9001: 2008) or environmental management system (ISO 14001:2004) can be used to meet minimum requirements for the management system. This standard shall be used together with the requirements specifying the origin, which is to be verified by the CoC. Usage of labels and claims based on the implementation of this standard shall follow ISO 14020:2000 (Environmental labels and declarations)
Non-certified wood sources	<p>FSC's Controlled Wood Standard establishes requirements to participants to establish supply-chain control systems, and documentation to avoid sourcing materials from controversial sources, including:</p> <ol style="list-style-type: none"> Illegally harvested wood, including wood that is harvested without legal authorization, from protected areas, without payment of appropriate taxes and fees, using fraudulent papers and mechanisms, in violation of CITES requirements, and others, 	<p>The PEFC's Due Diligence System requires participants to establish systems to minimize the risk of sourcing raw materials from:</p> <ol style="list-style-type: none"> forest management activities that do not comply with local, national or international laws related to: operations and harvesting, including land use conversion, <ul style="list-style-type: none"> management of areas with designated high environmental and cultural values, 	<p>SFI requires program participants to:</p> <ol style="list-style-type: none"> Comply with applicable federal, provincial, state, and local forestry and related environmental laws, statutes, and regulations such as - The Clean Water Act, The Endangered Species Act, The Species at Risk Act, The Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) etc. Avoid controversial sources including Illegal Logging and Fiber Sourced from Areas that do not have Effective Social Laws pertaining to: workers' health and safety, fair labor practices, indigenous peoples' rights, anti-discrimination and anti-harassment measures, prevailing wages and workers' right to organize.

⁴⁰ ISO, "ISO/IEC Guide 59:2019", (2019), at: <https://www.iso.org/standard/23390.html>

	<p>b. Wood harvested in violation of traditional and civil rights,</p> <p>c. Wood harvested in forests where high conservation values are threatened by management activities,</p> <p>d. Wood harvested in forests being converted from forests and other wooded ecosystems to plantations or non-forest uses,</p> <p>e. Wood from management units in which genetically modified trees are planted.</p>	<ul style="list-style-type: none"> o protected and endangered species, including CITES species, o health and labor issues, o indigenous peoples' property, tenure and use rights, o payment of royalties and taxes. <p>c. genetically modified organisms,</p> <p>d. forest conversion, including conversion of primary forests to forest plantations.</p>	<p>c. Document information that includes knowledge about direct suppliers' application of the principles of sustainable forestry.</p>
<p>Accreditation/ verification</p>	<p>FSC-accredited Certification Bodies (CB) conduct an initial assessment, upon successful completion companies are granted a 5-year certificate. Companies must undergo an annual audit every year and a reassessment audit every 5 years. Certification Bodies undergo annual audits from Accreditation Services International (ASI) to ensure conformance with ISO standard requirements.</p>	<p>Accreditation is carried out by an accreditation body (AB). Like a certification body checks a company meets the PEFC standard, the accreditation body checks that a certification body meets specific PEFC and ISO requirements. Through the accreditation process PEFC has assurance that certification bodies are independent and impartial, that they follow PEFC certification procedures.</p> <p>PEFC does not have their own accreditation body. Like with the majority of ISO based certifications, PEFC relies on national ABs under the umbrella of the International Accreditation Forum (IAF). National ABs need to be a member of the IAF, which means they must follow IAF's rules and regulations.</p>	<p>All SFI certifications require independent, third-party audits and are performed by internationally accredited certification bodies.</p> <p>Accredited certification bodies are required to:</p> <ul style="list-style-type: none"> • maintain audit processes consistent with the requirements of ISO 17021:2006 conformity assessment – requirements for bodies providing audit and certification of management systems; and • conduct audits in accordance with the principles of auditing contained in the ISO 19011:2002 Guidelines for Quality and/or Environmental Management Systems Auditing.
<p>Conclusion</p>	<p>Sustainalytics views both FSC and PEFC, as well as the PEFC-affiliated scheme SFI, as being robust, credible standards that are based on comprehensive principles and criteria that are aligned with ISO. Both schemes have received praise for their contribution to sustainable forest management practices⁴¹ and both have also faced criticism from civil society actors.^{42,43} In certain instances, these standards go above and beyond national regulation and are capable of providing a high level of assurance that sustainable forest management practices are in place. However, in other cases, the standards are equal or similar to national legislation and provide little additional assurance. Ultimately, the level of assurance that can be provided by either scheme is contingent upon several factors including the certification bodies conducting audits, national regulations and local context.</p>		

⁴¹ FESPA, "FSC, PEFC and ISO 38200", (2018), at: <https://www.fespa.com/en/news-media/blog/fsc-pefc-and-iso-38200>

⁴² Yale Environment 360, "Greenwashed Timber: How Sustainable Forest Certification Has Failed", (2018), at: <https://e360.yale.edu/features/greenwashed-timber-how-sustainable-forest-certification-has-failed>

⁴³ EIA, "PEFC: A Fig Leaf for Stolen Timber", (2017), at: <https://eia-global.org/blog-posts/PEFC-fig-leaf-for-stolen-timber>

Appendix 3: Green Bond / Green Bond Programme - External Review Form

Section 1. Basic Information

Issuer name: Unipol Gruppo S.p.A. and/or UnipolSai

Green Bond ISIN or Issuer Green Bond Framework Name, if applicable: Unipol Green Bond Framework

Review provider's name: Sustainalytics

Completion date of this form: September 1, 2020

Publication date of review publication:

Section 2. Review overview

SCOPE OF REVIEW

The following may be used or adapted, where appropriate, to summarise the scope of the review.

The review assessed the following elements and confirmed their alignment with the GBP:

- | | |
|--|--|
| <input checked="" type="checkbox"/> Use of Proceeds | <input checked="" type="checkbox"/> Process for Project Evaluation and Selection |
| <input checked="" type="checkbox"/> Management of Proceeds | <input checked="" type="checkbox"/> Reporting |

ROLE(S) OF REVIEW PROVIDER

- | | |
|---|--|
| <input checked="" type="checkbox"/> Consultancy (incl. 2 nd opinion) | <input type="checkbox"/> Certification |
| <input type="checkbox"/> Verification | <input type="checkbox"/> Rating |
| <input type="checkbox"/> Other (<i>please specify</i>): | |

Note: In case of multiple reviews / different providers, please provide separate forms for each review.

EXECUTIVE SUMMARY OF REVIEW and/or LINK TO FULL REVIEW (*if applicable*)

Please refer to Evaluation Summary above.

Section 3. Detailed review

Reviewers are encouraged to provide the information below to the extent possible and use the comment section to explain the scope of their review.

1. USE OF PROCEEDS

Overall comment on section (*if applicable*):

The eligible categories of Green Buildings, Renewable Energy, Energy Efficiency, Environmentally Sustainable Management of Living Natural Resources and Land Use, Clean Transportation, are aligned with those recognized by the GBP. Sustainalytics believes Unipol's use of proceeds will contribute to the reduction of greenhouse gas emissions and promote sustainable use of natural resources in Italy and Europe.

Unipol has established a 36-month look back period for its refinancing activities, which Sustainalytics considers to be in line with market practice. The Group intends to allocate the proceeds as soon as practically possible, and no later than the maturity of the bond.

Under the Green Building category, Unipol intends to use the proceeds to construct, develop, acquire, operate, and maintain commercial and residential buildings that obtain third-party green building certification standards, namely LEED (Gold or above), BREEAM (Excellent or above), HQE (Excellent or above). In addition, Unipol commits to ensuring that new constructions will have at least 20% lower primary energy demand as compared to the primary energy demand resulting from implementing European Commission's nearly zero-energy buildings (NZEB) requirements. The Framework also defines a threshold of at least 30% energy savings in comparison to the baseline.

Under the category of Renewable Energy, Unipol intends to finance onshore and offshore wind energy, solar photovoltaic, small scale hydropower (<20 MW), and large scale hydropower (>20 MW) with lifecycle emission below 100gCO₂e/kWh or power density above 5W/m². For all new hydropower projects, Unipol confirmed that projects would obtain environmental and social impact assessments by a credible third-party per project in order to ensure there is no significant risk or expected negative impact identified associated with projects. Unipol will also finance geothermal facilities that operate at life cycle emissions below 100gCO₂e/kWh.

Under the Energy Efficiency category, Unipol intends to invest in energy-efficient products and systems that are not powered and/or driven by fossil fuel. These products and systems include LED lighting, smart grids, smart meters, energy storage systems, and non-fossil fuel-powered heating and cooling systems.

Under the Environmentally Sustainable Management of Living Natural Resources, Unipol intends to invest in sustainably managed forests and forest products that are certified by credible third-party forest certification systems, namely Forest Stewardship Council (FSC), Programme for the Endorsement of Forest Certification (PEFC), Sustainable Forestry Initiative (SFI) and other equivalent and recognized level of certification.

Under the Clean Transportation category, Unipol intends to finance the construction, development, operation, acquisition and maintenance of low-carbon public and private transportation assets. These include- electrified rail, trams, and trolleybuses; electric or hydrogen buses without direct emissions, electric vehicles, hybrid buses and private hybrid vehicles with CO₂ emission threshold of <50gCO₂/p-km, and infrastructure dedicated to electrified transport. Sustainalytics considers the inclusion of <50gCO₂/p-km threshold for hybrid buses and private vehicles as aligned with international trajectories for low-carbon transportation.

Use of proceeds categories as per GBP:

- | | |
|---|---|
| <input checked="" type="checkbox"/> Renewable energy | <input checked="" type="checkbox"/> Energy efficiency |
| <input type="checkbox"/> Pollution prevention and control | <input checked="" type="checkbox"/> Environmentally sustainable management of living natural resources and land use |
| <input type="checkbox"/> Terrestrial and aquatic biodiversity conservation | <input checked="" type="checkbox"/> Clean transportation |
| <input type="checkbox"/> Sustainable water and wastewater management | <input type="checkbox"/> Climate change adaptation |
| <input type="checkbox"/> Eco-efficient and/or circular economy adapted products, production technologies and processes | <input checked="" type="checkbox"/> Green buildings |
| <input type="checkbox"/> Unknown at issuance but currently expected to conform with GBP categories, or other eligible areas not yet stated in GBP | <input type="checkbox"/> Other (<i>please specify</i>): |

If applicable please specify the environmental taxonomy, if other than GBP:

2. PROCESS FOR PROJECT EVALUATION AND SELECTION

Overall comment on section (if applicable):

Unipol has established a Green Bond Working Group who will be responsible for project evaluation and selection. The Green Bond Working Group will assess the proposed assets and projects against the criteria listed under the Framework. Based on the intended eligible projects, the Green Bond Working Group will consult with the Group Investment Committee, UnipolSai Investment Committee or UnipolSai Real Estate Committee to make the final selection. The Green Bond Working Group will be led by Unipol Gruppo Head of Finance and will consist of representatives from UnipolSai Finance department, Real Estate department, and Sustainability department.

Evaluation and selection

- | | |
|--|--|
| <input checked="" type="checkbox"/> Credentials on the issuer's environmental sustainability objectives | <input checked="" type="checkbox"/> Documented process to determine that projects fit within defined categories |
| <input checked="" type="checkbox"/> Defined and transparent criteria for projects eligible for Green Bond proceeds | <input type="checkbox"/> Documented process to identify and manage potential ESG risks associated with the project |
| <input checked="" type="checkbox"/> Summary criteria for project evaluation and selection publicly available | <input type="checkbox"/> Other (<i>please specify</i>): |

Information on Responsibilities and Accountability

- | | |
|--|--|
| <input checked="" type="checkbox"/> Evaluation / Selection criteria subject to external advice or verification | <input type="checkbox"/> In-house assessment |
| <input type="checkbox"/> Other (<i>please specify</i>): | |

3. MANAGEMENT OF PROCEEDS

Overall comment on section (*if applicable*):

Unipol has committed to managing the proceeds of its green bonds using a portfolio approach. The Green Bond Working Group will ensure, on an at least biannual basis, that the amount of Eligible Green Assets matches or exceeds the amount of green bonds proceeds outstanding. The Working Group will also, as soon as practicable, remove and replace assets which are not long eligible or have matured/been reimbursed. Pending allocation, bond proceeds may be invested in money market instruments in line with the Group's liquidity policy.

Tracking of proceeds:

- | |
|---|
| <input checked="" type="checkbox"/> Green Bond proceeds segregated or tracked by the issuer in an appropriate manner |
| <input checked="" type="checkbox"/> Disclosure of intended types of temporary investment instruments for unallocated proceeds |
| <input type="checkbox"/> Other (<i>please specify</i>): |

Additional disclosure:

- | | |
|---|---|
| <input type="checkbox"/> Allocations to future investments only | <input checked="" type="checkbox"/> Allocations to both existing and future investments |
| <input type="checkbox"/> Allocation to individual disbursements | <input checked="" type="checkbox"/> Allocation to a portfolio of disbursements |
| <input checked="" type="checkbox"/> Disclosure of portfolio balance of unallocated proceeds | <input type="checkbox"/> Other (<i>please specify</i>): |

4. REPORTING

Overall comment on section (if applicable):

A year from the date of issuance, and annually thereafter, or in case of material changes, Unipol will publish a Green Bond Report, until proceeds are fully allocated. This report will provide information on a portfolio level, about the allocation of proceeds from each Green Bond issued and the impact of related Eligible Green Assets. Unipol will publish the Green Bond Report on Unipol Gruppo and UnipolSai Assicurazioni's website. The Group will also integrate allocation and impact information in UnipolSai's annual Group Sustainability Report as well as Group Annual Integrated Report.

Allocation report will contain information on; (i) the total amount of green bond net proceeds, (ii) amounts of funds allocated to each category, sector, and region, and (iii) the balance of unallocated proceeds.

Impact report will include metrics such as annual energy savings in MWh/GWh, annual reduced and/or avoided emissions in tons of CO₂e, estimated tons of CO₂ sequestered by the financed activities, number of green building certification obtained etc.

Use of proceeds reporting:

- | | |
|--|--|
| <input type="checkbox"/> Project-by-project | <input checked="" type="checkbox"/> On a project portfolio basis |
| <input type="checkbox"/> Linkage to individual bond(s) | <input type="checkbox"/> Other (<i>please specify</i>): |

Information reported:

- | | |
|---|--|
| <input checked="" type="checkbox"/> Allocated amounts | <input type="checkbox"/> Green Bond financed share of total investment |
| <input type="checkbox"/> Other (<i>please specify</i>): | |

Frequency:

- | | |
|---|--------------------------------------|
| <input checked="" type="checkbox"/> Annual | <input type="checkbox"/> Semi-annual |
| <input type="checkbox"/> Other (<i>please specify</i>): | |

Impact reporting:

- | | |
|--|--|
| <input type="checkbox"/> Project-by-project | <input checked="" type="checkbox"/> On a project portfolio basis |
| <input type="checkbox"/> Linkage to individual bond(s) | <input type="checkbox"/> Other (<i>please specify</i>): |

Information reported (expected or ex-post):

- | | |
|---|--|
| <input checked="" type="checkbox"/> GHG Emissions / Savings | <input checked="" type="checkbox"/> Energy Savings |
| <input type="checkbox"/> Decrease in water use | <input type="checkbox"/> Other ESG indicators (please specify): |
| | •Number of new construction/upgrading of buildings |
| | •Number of certification obtained/breakdown by label and level |
| | •Breakdown of renewable energy asset by energy type |
| | •Total installed capacity in MW |
| | •Annual energy generation (MWh) |
| | •Total surface of certified forests (hectares) and breakdown by country / region |
| | •Estimated tons of CO2 sequestered by the financed activities |
| | •Number of assets / projects financed and breakdown by type |
| | •Number of km of clean transportation infrastructure financed |

Frequency

- | | |
|--|--------------------------------------|
| <input checked="" type="checkbox"/> Annual | <input type="checkbox"/> Semi-annual |
| <input type="checkbox"/> Other (please specify): | |

Means of Disclosure

- | | |
|---|--|
| <input checked="" type="checkbox"/> Information published in financial report | <input checked="" type="checkbox"/> Information published in sustainability report |
| <input type="checkbox"/> Information published in ad hoc documents | <input checked="" type="checkbox"/> Other (please specify): Information published on company website |
| <input type="checkbox"/> Reporting reviewed (if yes, please specify which parts of the reporting are subject to external review): | |

Where appropriate, please specify name and date of publication in the useful links section.

USEFUL LINKS (e.g. to review provider methodology or credentials, to issuer's documentation, etc.)

Green Bond Framework: <https://www.unipol.it/en/investors/past-operations-capital-and-loans/green-bond-framework>
 Green Bond Report: <https://www.unipol.it/en>

SPECIFY OTHER EXTERNAL REVIEWS AVAILABLE, IF APPROPRIATE
Type(s) of Review provided:

- | | |
|--|--|
| <input type="checkbox"/> Consultancy (incl. 2 nd opinion) | <input type="checkbox"/> Certification |
| <input type="checkbox"/> Verification / Audit | <input type="checkbox"/> Rating |
| <input type="checkbox"/> Other (<i>please specify</i>): | |

Review provider(s):
Date of publication:
ABOUT ROLE(S) OF INDEPENDENT REVIEW PROVIDERS AS DEFINED BY THE GBP

- i. **Second-Party Opinion:** An institution with environmental expertise, that is independent from the issuer may issue a Second-Party Opinion. The institution should be independent from the issuer's adviser for its Green Bond framework, or appropriate procedures, such as information barriers, will have been implemented within the institution to ensure the independence of the Second-Party Opinion. It normally entails an assessment of the alignment with the Green Bond Principles. In particular, it can include an assessment of the issuer's overarching objectives, strategy, policy and/or processes relating to environmental sustainability, and an evaluation of the environmental features of the type of projects intended for the Use of Proceeds.
- ii. **Verification:** An issuer can obtain independent verification against a designated set of criteria, typically pertaining to business processes and/or environmental criteria. Verification may focus on alignment with internal or external standards or claims made by the issuer. Also, evaluation of the environmentally sustainable features of underlying assets may be termed verification and may reference external criteria. Assurance or attestation regarding an issuer's internal tracking method for use of proceeds, allocation of funds from Green Bond proceeds, statement of environmental impact or alignment of reporting with the GBP, may also be termed verification.
- iii. **Certification:** An issuer can have its Green Bond or associated Green Bond framework or Use of Proceeds certified against a recognised external green standard or label. A standard or label defines specific criteria, and alignment with such criteria is normally tested by qualified, accredited third parties, which may verify consistency with the certification criteria.
- iv. **Green Bond Scoring/Rating:** An issuer can have its Green Bond, associated Green Bond framework or a key feature such as Use of Proceeds evaluated or assessed by qualified third parties, such as specialised research providers or rating agencies, according to an established scoring/rating methodology. The output may include a focus on environmental performance data, the process relative to the GBP, or another benchmark, such as a 2-degree climate change scenario. Such scoring/rating is distinct from credit ratings, which may nonetheless reflect material environmental risks.

Disclaimer

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