

2021
ETHICS REPORT



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2021 Ethics Report and Statement to the Board of Directors regarding, inter alia, the general consistency between the principles declared in the Code and the company management

1. Foreword

During 2021, the Ethics Committee met on 9 February, 3 August and 15 December.

At the meeting on 9 February, the 2020 Ethics Report and relative Statement to the Board of Directors were approved.

At the meetings on 3 August and 15 December, the activity of the Committee in the first-half of 2021 and at 30 November was explained.

During all the meetings the trends were analysed in terms of the overall use of *EticaMente!*, the *online* training course on the Code of Ethics for Employees, Agents and Agency Staff of the Unipol Group, made available in July 2020.

A series of awareness-raising actions on the use of the course were assessed, defined and commenced, also with the support of the Heads of the organisational units.

2. Reports and requests received

The Code of Ethics envisages that reports may be sent by anyone in writing to the Ethics Officer via ordinary post or by sending an e-mail to the address responsabile.etico@unipol.it; such reports may concern criticisms, suggestions and alleged breaches of the Code of Ethics.

In 2021, at 31 December, 145 requests and reports were received at the email address of the Ethics Officer, as opposed to 264 in 2020 and 143 in 2019.

The reports and requests received can be broken down as follows:

Reports or requests received	2021	2020	2019
Reports of alleged and specific breaches of the Code of Ethics	7	7	9
Opinions requested from the Ethics Officer (Business/Values consistency; models of conduct consistency; various clarifications; suggestions)	2	10	6
"Complaint" type reports (relating to inefficiencies, delays, disputes, even with presumed ethical profiles)	125	216	106
Contacts of various types	11	31	22
Total	145	264	143

The comparison with the details of the previous two years clearly reveals a "return to normality" for the activity of the Ethics Officer with respect to his institutional role, after the increase recorded in 2020 determined by the high number of reports sent to him, communicating to the Company operational problems of various types, irrespective of the presence of any "ethical" profiles. This phenomenon, correlated with the operational and communication difficulties arising as a result of the health emergency, now appears to have returned to ordinary levels, thanks to interventions adopted by the Company (42% reduction in "complaint" reports compared to 2020).

As can be seen from the table, in terms of reports, the activity of the position in general is aligned with that of 2019.

Significantly, there has been stability over time in the figure relating to reports specifically under the remit of the Ethics Officer (9); there were still very contained numbers of reports of possible breaches of the Code of Ethics (7, of minor importance and resolved without identifying breaches);

and, in 2 cases, the Ethics Officer was consulted for information or opinions on matters of business "ethics".

2.1 *Reports relating to alleged and specific breaches of the Code of Ethics*

Of the 7 reports received of alleged and specific breaches, 2 were archived without further action:

- a Sub-Agent, who contacted the Ethics Officer asking if he could report the agent's "professional misconduct"; upon receiving a positive response and being asked to specify and substantiate the circumstances, the interested party did not pursue the report;
- an Employee of a Group company, who contacted the Ethics Officer for an assessment of compliance with the Code of Ethics regarding a corporate decision to change an economic condition *ad personam*; after an initial contact requesting further information, the interested party decided not to pursue the request.

The other 5 reports, which were investigated and resolved without identifying any incoherence between the acts and arguments reported and the Code of Ethics, concerned:

- a Client, who reported that he had come across a social media post by a person expressing opinions strongly in contrast with the principles of the Group, expressed in the Charter of Values and in the Code of Ethics. The person in question, on his profile, mentioned (without specifying the time) the role covered as an employee of a Group company. Checks revealed that the person had not been employed by or collaborated with the Group Company for many years; it also emerged that his statements were not directly related to the Company (cited only *marginally*, in his profile). As there is no longer any existing relationship, the Charter and the Code are not applicable to that individual (otherwise, the procedure envisaged by the Code would have been activated, as such conduct would not be tolerated). The conclusion was communicated to the reporting person who was thanked for the sensitivity and interest shown;
- an Independent Expert (appraiser), who reported the alleged breach of the Code of Ethics in relation to him by the Company representatives for whom he provided his service, due to the communication methods of the decision to suspend the relationship of collaboration indefinitely. The alleged breach related to the fact that the decision had been notified to another Independent Expert during a meeting which the reporting person had said - at the last minute - he could not attend, together with professional assessments of his work, according to what was reported by the Independent Expert present. An investigation was opened and a report produced by the managers which revealed that, in fact, the decision to withdraw had

been notified in advance by telephone, at his request, and that the other Independent Expert had only incidentally been notified of this during the meeting (as the latter had requested at that meeting confirmation of the decision, having already been informed of the same by the reporting person). Furthermore, it emerged that no professional assessment relating to him was expressed during the meeting. The Ethics Officer therefore informed the reporting person that he had not identified any breaches of the Code in the dynamics of the meeting and the communication methods that characterised it;

- an Employee of a Group Company, who reported a situation of workplace distress consequent to operational decisions of his managers that allegedly prevented him from expressing his professionalism, depriving his role of any meaning, and inferring from this a lack of respect of the Code of Ethics. The case was investigated with the colleague and then analysed, with his consent, with the relevant Human Resources Department, which was already aware of the problem, considering it to be due primarily to personal factors (the resource, in the current role, has been difficult to manage for some time). Once again taking the route of direct dialogue which, in this case, seemed the most appropriate, the Ethics Officer noted to the reporting person that the reported matter did not involve ethical profiles but would be further investigated by HR, which confirmed that it had scheduled a meeting with the employee, the outcome of which would be notified to the Ethics Officer;
- a Service Provider (a medical practice partnered with a Group Company), which, through its lawyer, reported the alleged breach of the Code of Ethics in relation to it by the Company, in terms of management of the contractual relationship (decisions taken unjustifiably and without reason). The investigation carried out by the Ethics Officer revealed that the decisions, claimed to be the subject of the breach, concerned periodic operational renegotiation operations with reference to Clients, necessary for the efficient and balanced implementation of the company policies and strategies. Those decisions were not only legitimised by the existing contract but had also been communicated in advance with the respective details in a circular published on the website for the Company's Vendors. The Ethics Officer thus informed the lawyer appointed by the Vendor that he had not found, in the application and management of the contract in question, acts or behaviours that infringed the Charter of Values and the Code of Ethics;
- a Client, who contacted the Ethics Officer to express his concerns about whether or not the *#UnMesePerTe* initiative was respectful of the principles of the Code of Ethics, considering also that Unipol gave little visibility to these principles. The considerations of the reporting

person were drawn also from the increase in the annual premium of the motor insurance policy communicated to him by his Agent, offset with the return of one month's premium envisaged by *#UnMesePerTe*, considering that, in fact, the benefit had been cancelled out. The report was initially managed by the Ethics Officer in a frank and constructive telephone discussion, which already clarified many aspects, ending with the commitment to follow up with a detailed written response, prepared with the support of the UnipolSai Motor and Claims Departments. In brief, the reporting person was informed that:

- a) the Charter of Values and the Code of Ethics of Unipol Group were made available to all *stakeholders* on the institutional websites with the greatest visibility, being easily accessible;
- b) the *#UnMesePerTe* initiative demonstrates the Group's sensitivity to the Charter of Values and the Code and to the precepts of corporate liability; as such, the initiative was explained from every profile: the idea was aimed at giving a timely and tangible sign of help to Clients at a time of serious economic-financial emergency; the significant economic commitment by the Insurance Company, having adopted the initiative first, which was then imitated, albeit partially, by others; in view of the circumstances, the suitability of the *voucher* as the most appropriate means for returning one month's premium, with access methods gradually finalised in view of the requirements of all Clients;
- c) the figures for the initiative (the validity of which has been extended throughout 2021) shows that the purposes that inspired it have been achieved: 5,900,000 Clients benefited from the *voucher*; with an investment for the Company of €230 million and a reduction of 9.4%, equal to €30 for each policy, of the annual premium paid on average thanks also to the *voucher*;
- d) other initiatives with strong social value have been designed to implement effectively the Charter of Values and the Code, starting with that of Solidarity (such as *#andràtuttobenefree* and *#UniSalutePerTe*, free health insurance for the consequences of Covid-19; the *Più3Auto* initiative, designed for Clients who, by virtue of the economic difficulties, have had to "stop" the car as a result of little use);
- e) the technical methods that every year lead Insurance Companies to recalculate the motor civil liability premium are linked to various risk parameters (which have been

illustrated), monitored to apply the fundamental principle of "mutuality" which is at the basis of insurance activity;

- f) transparency and clarity towards Clients are principles of primary importance for the Unipol Group, meaning that any constructive suggestion aimed at improving the efficiency of the service and the communication is precious (from that profile, the reporting person was thanked).

The Client acknowledged the response and declared that he was satisfied, as the meaning of his comments had been grasped, confirming his loyalty to the Company.

In 2 cases the Ethics Officer was consulted in the form of a request for opinion on ethical issues:

- a Department Manager asking if there were impediments in the Code of Ethics to the fact that the son of a department collaborator was training at the office of a Independent Expert. The Ethics Officer responded that there was no incompatibility, but that the father would have to declare that he would refrain from dealing with the cases used by the Independent Expert to train his son;
- a Broker, in a collaboration relationship for some time with the Group, contacted the Ethics Officer to submit his thinking on the fact that the world of insured persons in general would perceive the "ethics declarations" made by insurance companies as a mere formality. The Ethics Officer responded that he did not agree with that statement, at least in relation to the Unipol Group, in which the culture of business ethics has deep roots and a consolidated history, which is constantly applied in its day to day work.

2.2 *"Complaint" type reports (relating to inefficiencies, delays, disputes, even with presumed ethical aspects)*

125 reports were received by the Ethics Officer in 2021 which were generically registered as being "complaint type" reports. In 2020 and 2019 there were, respectively, 216 and 106. As already previously indicated, in this area the most significant figure is that of the sharp reduction in this type of report compared to 2020 (- 42%); with respect to 2019, there were more reports but to a limited extent (+ 18%).

As a rule, for those reports not of an "ethical" nature, the Ethics Officer acts as a facilitator of possible solutions, collaborating, in particular, with the Complaints and Client Special Assistance Departments and with other departments involved case by case (such as Special Areas and Settlement Controls, Motor, Sales Department, Sales Communication), for issues mainly relating to claims, behaviours of the agency network considered inadequate, inefficiencies of the assistance services or call centres, etc.

Other issues of particular criticality that have increased in recent years (insurance fraud, cases of possible *data breaches*) have been monitored closely by the Ethics Officer, always liaising with methods specifically agreed with the dedicated departments (Anti-Fraud and Authority Response, Privacy and Focal Point Data Breach).

For example, there were two cases of complaints due to inefficiencies (inefficient management of a non-functioning satellite anti-theft alarm; inefficient management of a request for a replacement car); these cases were complex and delicate as they were also reported by Clients to IVASS, which asked the Insurance Company to provide justifications and to remedy what had occurred. At the request of the various departments involved, the Ethics Officer provided support based upon his institutional role, making direct contact with the Clients to attempt to recover their loyalty, with a positive outcome.

With regard to the phenomenon of attempted fraud brought to the attention of the Ethics Officer, the situation appears to have decreased compared to 2020: in 2021, 2 cases of fraud by fake insurance brokers were managed, compared to 7 in the previous year. In addition to these, there were some reports of attempted fraud of another nature, against which the Insurance Company took steps (e.g. the case of a person proposing the sale of properties of the Group, highlighted by the *investment manager* of a company operating abroad, which was informed that this was a fake broker).

As some of these reports, although having the nature of "complaints", also involve possible aspects of breach of the Code of Ethics, the Ethics Officer also assesses them from his own standpoint, always liaising with the Complaints department to determine the appropriate response. No situations were identified in 2021 in which the reference to the Code of Ethics was well-founded.

2.3 *Contacts of various types*

The picture is completed with the 11 contacts of various types (sending of CVs for possible recruitment, requests for professional cooperation, sponsorship requests, etc.) which were forwarded to the relevant corporate departments.

3. *Training activity: user trends of the EticaMente! course*

As indicated in the 2020 Ethics Report, an initial assessment of the user trends of the *EticaMente!* course, launched in July 2020, revealed still limited participation in relation to the breadth of potential users. Aside from the non-compulsory nature of the course, the Ethics Committee considered that this result was significantly affected by the difficulties generated by the health emergency, in terms of attention to and participation in all components of company life.

The Committee therefore decided to:

- implement, from January 2021, a series of awareness-raising initiatives agreed with “Unica” (also involving the Managers);
- reconsider the user trends to cover the whole of the first-half of 2021, to verify the effectiveness of the actions undertaken and to assess any further interventions.

In 2021, therefore, those decisions were implemented.

Based upon the data provided in the constant monitoring carried out by Unica, in the meetings held in 2021 the Ethics Committee analysed the trends of use of the *EticaMente!* course and assessed the effects of the initiatives adopted over time.

Generally, it was confirmed that the decision not to make the course compulsory was the most correct and appropriate one.

In particular, in the assessment *step* of the first half-year, having identified an initial appreciable improvement in the usage figure, the Ethics Committee considered that it was still necessary to proceed with further initiatives to give the maximum visibility to the course and to raise the awareness of all potential recipients of the importance of the issues covered, also leveraging the methods of the teaching approach adopted: smart, engaging, interactive, and constructed while looking concretely at the daily life of the business.

During 2021, therefore, articulated actions were adopted with continuity, shared and coordinated by Unica, which can be summarised as follows:

- sending of an email invitation to the interested parties to use the course;
- specific interventions on the company intranet (banners, trailers, information);
- awareness-raising activities directly carried out by the Managers with their collaborators.

The comparison between the figure at 1 December 2020 and the overall figure (from July 2020 to December 2021) demonstrates that the actions have been effective, taking the number of completed courses from 1,648 to 5,499:

	1 Jul/1 Dec 2020	% of workforce	1 Jul 2020/31 Dec 2021	% of workforce
Employees	655	6.3%	3,233	30.7%
Networks	993	3%	2,266	7.1%
Total	1648	3.8%	5,499	13%

There has been a significant increase in use by Employees (over 30%), an outcome that bears witness to the significant and profuse commitment of the Managers. With regard to the Agency Network, even though the usage figure has more than doubled, it is believed that the result can still be improved.

For a more precise assessment of the figure, it may be worth noting that the participation level achieved to date by *EticaMente!is* is by far the highest among those recorded for courses of a voluntary nature made available by "Unica" for Employees and Networks.

Furthermore, it should be considered that in the month of January 2022 there were another 158 uses (of which 101 employees and 57 in the agency network) and at that date there were still 3,557 uses begun but not yet completed.

For 2022, the Ethics Officer therefore suggests, again in close liaison with "Unica":

- continuing to monitor and solicit use of the course;
- encouraging the many *pending* uses to be completed;
- concentrating the awareness-raising initiatives on the Agency Network.

4. *Definition of a new classification mode of reports of alleged breaches of the Code of Ethics, aimed at reporting according to international standards*

During 2021 the Sustainability Department informed the Ethics Officer of the need to have a smart reference document from which to obtain data and information on the company *policies* regarding ethical issues, to be used in habitual relationships with non-financial analysts (compilation of questionnaires, data in support of video conferences, etc.).

To satisfy this requirement, the Ethics Officer and Sustainability agreed and developed a model that reconciles the specific value system of Unipol (Charter of Values/Code of Ethics) with areas/issues

uniquely legible according to international standards, in terms of coherent behaviours and respective reporting criteria (the fundamental reference is represented by the 10 principles of the United National Global Compact, which Unipol undertakes to respect through two Committees of the Board of Directors, namely the Ethics Committee and the Sustainability Committee, with duties of solicitation and supervision).

The model illustrates a series of general categories (broken down by *stakeholders* or sensitive issues), based upon "clusters" to which to attribute the circumstances of breach of the Code of Ethics managed annually, with an essential description of the actions undertaken.

The model is applied, starting from this Ethics Report, in Annex 1, which illustrates in table form the 7 reports managed in 2021 and supplements the Report itself.

Nothing has changed with regard to the preparation, in accordance with common practice, of the annual Ethics Report, containing the complete, detailed and qualitative reporting of all reports and activities of the Ethics Officer, in the extended and short version, published, respectively, on the institutional website www.unipol.it and in the integrated consolidated financial statements of the Unipol Group.

5. Final considerations and assessment of the general consistency between the principles declared in the Code and company management.

In 2020, due to the critical issues generated by the health emergency, the operations of the Ethics Officer were marked by a strong increase in the recourse by *stakeholders* (in particular, Clients) to the Department to report problems of various kinds, mainly concerning insurance and in any case not related to profiles of compliance with the Code of Ethics. It should be emphasised that this is a role as "facilitator" that the Ethics Officer performs on a standard basis, also as an expression of coherence with the values and principles that inspire the Group, particularly from the profile of listening, attention to Client requirements and efficiency of the service.

Following the interventions adopted by the Group from the managerial, operational and communication profile, 2021 was characterised by a return to normal levels of the engagement on this front by the Ethics Officer, allowing him to focus on the activities involved in his institutional role.

In terms of the ordinary activity of analysis and any investigation of reports of alleged and specific breaches of the Code of Ethics, no well-founded situations were identified in 2021.

Among the other activities, we note the definition, with the Sustainability Department, of a new classification model of reports of alleged breaches of the Code of Ethics (as already described in point 4).

Particular and constant attention was reserved throughout the year to *EticaMente!*, the *online* training course for Employees, Agents and Agency Staff, implemented with “Unica-Unipol Corporate Academy” and launched in the second-half of the previous year.

Aware of the importance of a project aimed at spreading broad knowledge of the Charter of Values and the Code of Ethics within the Group, the Ethics Officer and “Unica” have activated a continuous monitoring process of the user trends of the course and have implemented the most appropriate interventions to raise the awareness of the recipients.

Within the space of a year and a half, there has been a constant increase in interest for *EticaMente!*, which is now, among the courses of voluntary nature made available to Employees and the Agency Network, the one that has obtained the highest number of participants. The Ethics Officer, with “Unica” and in collaboration with all Group departments through the fundamental figures of the Managers, will therefore continue to give it the maximum visibility in the future and to stimulate further the use of a fundamental tool aimed at strengthening a common culture in the Group, based upon the agreement of the principles of the Charter of Values and the Code of Ethics.

In conclusion, the Board of Directors is informed, in accordance with Article 2.2. of the Code of Ethics, that there is general consistency between the principles declared in the Code and company management.

Bologna, 9 February 2022.

Annex 1: Table showing the breakdown of 2021 reports relating to alleged and specific breaches of the Code of Ethics into homogeneous categories/clusters of the international standards, for reporting purposes

Cluster	Issue	2021 reports of alleged and specific breaches of the Code of Ethics	Management of the report
Employees, Agents and Collaborators (USGC: <i>Human Rights; Labour; Anti-Corruption</i>)	Working conditions	1 - <u>Employee</u> : report of alleged breach in company decision for ad personam economic treatment	<i>Investigation</i> : not carried out due to failure to proceed by the reporting person <i>Conclusions</i> : archiving with no further action
Employees, Agents and Collaborators (USGC: <i>Human Rights; Labour; Anti-Corruption</i>)	Elimination of discrimination in respect of employment and occupation	2 - <u>Sub-Agent</u> : generic report of alleged "professional misconduct" by the Agent	<i>Investigation</i> : not carried out due to failure to respond to the request for specific information <i>Conclusions</i> : archiving with no further action
Employees, Agents and Collaborators (USGC: <i>Human Rights; Labour; Anti-Corruption</i>)	Elimination of discrimination in respect of employment and occupation	3 - <u>Employee</u> : report of alleged business operational decisions not respectful of his professionalism, in breach of the Code of Ethics	<i>Investigation</i> : carried out <i>Conclusions</i> : lack of existence of the breach, communicated to the reporting person
Employees, Agents and Collaborators (USGC: <i>Human Rights; Labour; Anti-Corruption</i>)	Responsible use of social media	4 - <u>Client</u> : report of social media post by alleged employee in contrast with the principles of Unipol	<i>Investigation</i> : carried out, ascertained termination of any employment or collaboration relationship with the individual <i>Conclusions</i> : informed reporting person of the lack of applicability of the Code of Ethics to the individual

Cluster	Issue	2021 reports of alleged and specific breaches of the Code of Ethics	Management of the report
Suppliers (USGC: <i>Human Rights; Labour; Anti-Corruption; Environment</i>)	Fairness and transparency in the choice of and in relationships with Vendors	1 - <u>Independent Expert</u> : report of alleged violation of the Code of Ethics in communication methods of company decisions	<i>Investigation</i> : carried out <i>Conclusions</i> : lack of existence of the breach, communicated to the reporting person
Suppliers (USGC: <i>Human Rights; Labour; Anti-Corruption; Environment</i>)	Fairness and transparency in the choice of and in relationships with Vendors	2 - <u>Independent Expert</u> : report of alleged violation of the Code of Ethics in management of the contractual relationship	<i>Investigation</i> : carried out <i>Conclusions</i> : lack of existence of the breach communicated to the reporting person
Business responsibility	Offer of products/services open to new requests, to new needs of private mobility, welfare and property, proposing to Clients an ecosystem of competencies and assets integrated at Group level	1 - <u>Client</u> : report of alleged lack of respect of the Code of Ethics in the <i>#UnMesePerTe</i> initiative	<i>Investigation</i> : carried out (collection and sharing of data and arguments also with the technical area) <i>Conclusions</i> : explained by the Ethics Officer to the reporting person the reasons why the initiative respects the Unipol Charter of Values and Code of Ethics



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