SUSTAINABILITY POLICY

01 August 2019

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CONTENTS

1. Introduction

Document objectives

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

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

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

The Policy defines:

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

The Policy therefore pursues the following general objectives:

- supporting the process of defining strategic sustainability decisions, including therein risk governance, climate-related opportunities and impacts, whose operating application is detailed in the specific risk management Policies (such as, *inter alia*, the Risk Management Policy, the Investment Policy, the Credit Policy, the Non-Life and Life Business Underwriting Policies), the Outsourcing and supplier selection policy;
- improving the ESG risk management process, defining explicit management methods and objectives;
- facilitating the non-financial reporting process;
- increasing the level of awareness and knowledge of policies and expected results with respect to material issues;
- spreading the culture of sustainability.

Policy approval and review

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

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

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

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

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

2. Reference context

Internal and external regulatory references

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

EU regulations:

- Directive 2014/95/EU of the European Parliament and of the Council of 22 October 2014, amending directive 2013/34/EU as regards disclosure of non-financial and diversity information by certain large undertakings and groups, and subsequent amendments and additions;
- Communication from the Commission – Guidelines on non-financial reporting (methodology for reporting non-financial information) – C/2017/4234 of 5 July 2017 and subsequent amendments and additions.

Domestic regulations:

- Legislative Decree no. 254 of 30 December 2016 Implementation of Directive 2014/95/EU of the European Parliament and of the Council of 22 October 2014, amending directive 2013/34/EU as regards disclosure of non-financial and diversity information by certain large undertakings and groups, and subsequent amendments and additions;
- Consob Regulation implementing Legislative Decree no. 254 of 30 December 2016 relating to the reporting of non-financial information, adopted with Resolution no. 20267 of 18 January 2018, and subsequent amendments and additions;
- Legislative Decree no. 231 of 8 June 2001, "Discipline of the administrative responsibility of legal persons, companies and associations even without legal personality";
- IVASS Regulation no. 38 of 3 July 2018, containing provisions for corporate governance systems.

Internal regulations:

- Charter of Values and Code of Ethics, approved by the Unipol Board of Directors on 23 March 2017;
- "Charter of equal opportunities and equality at work", adopted by Unipol on 5 October 2009;
- Organisation, management and control models adopted pursuant to Legislative Decree 231/2001 by the main Unipol Group companies;
- Vendors' Code of Conduct for responsible procurement (CdCF), adopted by Unipol in December 2018.

Scope of application

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

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

Definitions and terminology

Top Management	The Chief Executive Officer and Group CEO and the management responsible at top level for the decision-making process and for implementing strategies (i.e., the Key Managers identified for the purposes of the application of the supervisory regulations on intercompany transactions).
Climate changing emissions	Gas emissions that contribute to altering the global level of the climate on Earth. These emissions are calculated using the methodology laid out in Directive 2003/87/EC on the Emission Trading Scheme ("ETS"), and the international classification laid out by the Greenhouse Gas Protocol ("GHG Protocol") standard in Scope 1, Scope 2 and Scope 3. Scope 1 emissions are those from sources owned or controlled by the organisation, Scope 2 emissions are those coming from the consumption of purchased energy and Scope 3 includes emissions produced by actions generated by the activities of the organisation but which it does not control.
ESG Guidelines	Guidelines for the *ex ante* assessment of ESG risks that could arise within the Group's business processes, useful to supporting correct assessment of the risks in line with the sustainability guidelines described in paragraphs 3 et seq., which are gradually integrated into the relative policies and approved during the review phase.

United Nations 2030 Goals	The Sustainable Development Goals (SDGs) laid out in the "2030 Agenda for Sustainable Development", a plan of action for people, the planet and prosperity, signed in September 2015 by the governments of 193 UN member states: Goal 1: End poverty in all its forms everywhere. Goal 2: End hunger, achieve food security and improved nutrition and promote sustainable agriculture. Goal 3: Ensure healthy lives and promote well-being for all at all ages. Goal 4: Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all. Goal 5: Achieve gender equality and empower all women and girls. Goal 6: Ensure availability and sustainable management of water and sanitation for all. Goal 7: Ensure access to affordable, reliable, sustainable and modern energy for all. Goal 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all. Goal 9: Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation. Goal 10: Reduce inequality within and among countries. Goal 11: Make cities and human settlements inclusive, safe, resilient and sustainable. Goal 12: Ensure sustainable consumption and production patterns. Goal 13: Take urgent action to combat climate change and its impacts. Goal 14: Conserve and sustainably use the oceans, seas and marine resources for sustainable development. Goal 15: Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss. Goal 16: Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective,

	accountable and inclusive institutions at all levels. Goal 17: Strengthen the means of implementation and revitalize the global partnership for sustainable development.
ESG Factors	Environmental, social and governance issues considered "material" for the Group and for the reference stakeholders, according to that defined in the Materiality Matrix.
ESG Risks	Risks originating from ESG factors
Occupational health and safety management system	Manual illustrating the methods that can be used to manage aspects relating to worker health and safety within the work environment and the real estate assets, defining policies, procedures and responsibilities, and activating a monitoring process oriented towards continuous improvement.
Supplier ESG management system	Management model used to raise Group supplier awareness with regard to the ESG impact of their activities, as well to assess the compliance of the same with UNGC requirements (this assessment is also made through the Vendors' Code of Conduct for responsible procurement – CdCF – based on the Global Compact[1] principles and on Standard ISO20400[2], adopted by Unipol).
ISO50001 Standard	International standard which lays out the requirements for creating, initiating, maintaining and improving an energy management system. The objective of this system is to enable an organisation to pursue the continuous improvement of its energy performance taking a systematic approach, including energy efficiency as well as energy consumption and use.
United Nations Global Compact (UNGC)	United Nations initiative with the objective of promoting a culture of corporate social responsibility by sharing, implementing and disseminating common principles and values. This initiative led to the drawing up of 10 universal principles divided into 4 areas:

[1] Initiative of the United Nations with the objective of promoting a culture of social responsibility in companies by sharing, implementing and disseminating common principles and values. This initiative led to the drawing up of ten universal principles for human rights, labour, the environment and anti-corruption.

[2] International standard for sustainable purchasing launched by the International Standards Organization (ISO), which defines guidelines to integrate sustainability into the procurement choices of companies.

	Human Rights I. Businesses should support and respect the protection of internationally proclaimed human rights. II. Businesses should make sure that they are not complicit in human rights abuses. Human rights are universal and Human Rights are recognized indistinctly to all human beings. **Labour** III. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining. IV. Businesses should uphold the elimination of all forms of forced and compulsory labour. V. Businesses should uphold the effective abolition of child labour. VI. Businesses should uphold the elimination of discrimination in respect of employment and occupation. **Environment** VII. Businesses should support a precautionary approach to environmental challenges. VIII. Businesses should undertake initiatives to promote greater environmental responsibility. IX. Businesses should encourage the development and diffusion of environmentally friendly technologies. **Anti-Corruption** X. Businesses should work against corruption in all its forms, including extortion and bribery.
Green economy	Economy with low carbon emissions, resilient to climate change, more efficient in terms of resources and circular. The transition to a green economy is a key element to guarantee the competitiveness of the European Union in the long term; in this regard one of the objectives of the European Commission's Action Plan: "Financing Sustainable Growth" (8 March 2018) is to gradually develop an EU taxonomy of sustainable business activities, also with a view to assisting investors in identifying environmentally sustainable activities, facilitating the flow of capital towards the same.
Task Force on Climate-related Financial Disclosures (TCFD)	Body established in 2015 by the Financial Stability Board (FSB) tasked with drawing up recommendations on the reporting of risks

	linked to climate change, with a view to guiding and encouraging companies to align the information disclosed with the expectations and needs of investors.

3. Sustainability guidelines

3.1. Support for the 2030 Agenda for Sustainable Development

The Unipol Group is committed to contributing to sustainable development, as defined by the United Nations 2030 Goals, and integrates that commitment within its business model.

This integration takes place by acting with the utmost integrity and farsightedness, while cooperating with Group stakeholders in shared value creation processes.

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

The Unipol Group is committed to promoting and respecting universally recognised human rights as well as supporting the elimination of all forms of forced and compulsory labour and the effective elimination of child labour within its respective spheres of influence.

To that end, the Group has developed and adopted a dedicated system for the ESG management of its suppliers.

In the same way, the Group has adopted a system to evaluate the compliance of its conduct and of its sphere of influence with regard to ESG risks, which are to be outlined in the specific risk management Policies, and also actively participates in study and advocacy activities aimed at the world of politics and business.

Therefore, the Group confirms its support for the principles of the UNGC, its intent to promote them within the company and to publicly report them through the “Communication on progress” (COP)[3]

3.3. Protection of workers and equal opportunities

The Unipol Group believes that its success is based on professional qualities and moral integrity, as well as the capacity for collaboration and innovation of all of its employees. As a result, Unipol undertakes to create a working environment in which all of these characteristics are present and to support the development of each individual, irrespective of gender, age, sexual orientation, personal situation, geographical origin or religious beliefs, so that people can find adequate conditions of respect and well-being. Unipol also believes that the integration of competences, skills and different attitudes make a fundamental contribution to the collective activity of creating value; this is why it continuously commits to strengthening its ability to promote and enhance the expression of different talents, respecting all of the diversities present in the Group. To this end, the “Charter of equal opportunities and equality at work” has been adopted and, within the scope of a path of continuous improvement and transparency, the Group has established processes and defined precise guidelines in human resource management policies, as well as signed numerous agreements with the Trade

[3] Annual report through which Unipol shares its commitments and the results obtained with its stakeholders

Unions, which it considers key partners for the construction of a positive work environment. Unipol also operates to guarantee optimal conditions of health and safety at work, with an incremental approach with respect to what is laid out by regulations in terms of prevention and the culture of health, as outlined in the Occupational Health and Safety Management System.

3.4. Safeguarding the environment and the fight against climate change

The Unipol Group supports a preventive approach with regard to environmental challenges, identifying and measuring the impact of its activities in the short- , medium- and long-term, adopting processes and technologies intended to reduce negative external factors (for example, climate-altering emissions, with particular attention paid to climate changing emissions and exploitation of natural resources). It also participates in initiatives that promote greater environmental responsibility in the world of business and amongst customers.

In particular, Unipol considers climate change one of the main risks that its activities are exposed to. Therefore, it is adopting governance and management approaches that seek to identify, assess, manage and reduce exposure to said risk, both with regard to Group activities and its spheres of influence.

Through “Unipol for the climate”, the Unipol Group has made a specific commitment to contribute to reducing climate-altering emissions by 2030, to reach the goals undertaken by the Governments at the twenty-first annual session of the Conference of the Parties (COP21) of the United Nations Framework Convention on Climate Change (UNFCCC). This contribution entails a commitment to performing property development activities that are directed to achieving the utmost energy self-sufficiency, investments in the energy refurbishment of existing property assets, not just with relation to property it owns for business use, but also to managed property not for business use, as well as the careful selection of investment sectors, preferring the Green economy, engagement activities with companies invested in that have a significant climatic impact, careful assessment of the risks insured, promoting the adoption of sustainable practices (particularly the prevention and management of risks related to climate change) in particular in small and medium enterprises. The Unipol Group also provides its expertise and know-how to various types of entity to increase the country’s resilience to climatic phenomena.

3.5. Customer protection

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

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

3.6. Responsible data management

Given the increasingly important role of information technologies in company activities and processes, which influence relations with stakeholders, with particular reference to employees and customers, and to the consequent exchange of data and information, the Unipol Group undertakes to take constant care to guarantee a responsible approach to data management, which is developed over time consistently with legislative, cultural and technological change and which is directed towards adopting advanced protection systems and to promoting the awareness of its stakeholders in terms of how and for what purposes their data is used. Unipol also believes that it is also important to use its IT assets and its knowhow to create shared value, in ways and forms that are compatible with the protection of individual rights.

3.7. Proper business practices

The main Unipol Group companies have adopted an Organisational, management and control model[4] and procedures designed to prevent the commission of offences and violations within their operations.

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

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

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

3.8. Integration of Sustainability into processes

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

The Group's value creation planning and model are characterised by a commitment to fair, ethical and responsible business practices, envisaging a contribution to the Sustainable Development Goals as elements to develop the Business Plan.

To fully understand the effects of its activities and to better direct the same to achieving changes that are consistent with its values, its strategies and its commitment in terms of sustainability, Unipol

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

recognises the value of impact-oriented planning, assessment and measuring systems, and is committed to adopting this approach in an increasing widespread manner.

4. Roles and responsibilities of the players involved

4.1. Board of Directors

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

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

The Boards of Directors of the Companies in scope:

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

4.2. Control and Risk Committee

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

The Control and Risk Committees of both companies examine (i) the content of this Policy and its subsequent amendments, as well as (ii) the model to identify, assess and manage the main ESG risks, in particular those related to climate.

4.3. Group Risk Committee

Within the scope of its advisory function in support of the Chief Executive Officer and Group CEO of the Parent, the Group Risk Committee examines (i) the content of this Policy and its subsequent amendments, (ii) the model to identify, assess and manage the main ESG risks, in particular those related to climate, and their impact on business strategy and (iii) the policies in place to achieve the Goals of COP21.

This Committee also verifies the consistency of the strategies in place with respect to the content of the above-cited model.

4.4. Sustainability Committee of the Parent

The Parent's Sustainability Committee provides support to the management body in defining the model to identify, assess and manage the main ESG risks, including in particular those related to climate, their impact on business strategy and the policies in place to achieve the objectives of COP21, as well as in defining the commitments and monitoring the Indicators. In addition, the Committee examines proposals with respect to the Policy and its subsequent amendments, the Annual Integrated Report and the Non-Financial Statement contained in it.

4.5. Ethics Committee of the Parent

The Parent's Ethics Committee

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

4.6. Board of Statutory Auditors of the Parent

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

4.7. Top Management

The Top Management

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

4.8. Ethics Officer of the Parent

The Ethics Officer of the Parent assists the Ethics Committee in performing its tasks, sharing with it a proactive role with regard to the content and the purposes of the Code, as well as responsibility for its promotion, correct interpretation and implementation. It directly receives reports on alleged non-compliance and alleged infringement of the Code of Ethics from various stakeholders and conducts any investigations. In more complex and delicate cases, it submits the results to the Ethics Committee for assessment and a final decision. It draws up the Annual Ethics Report, submitting it to the Committee for examination and assessment.

4.9. Sustainability Function of the Parent

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

- starting from the issues identified by the Chief Risk Officer of the Parent on the basis of the Emerging and Reputational Risks Observatory, it involves all company departments and the main stakeholders in the construction and update of the Materiality Matrix;
- with the support of the Audit, Chief Risk Officer and Compliance and Anti-Money Laundering Functions of the Parent, each insofar as it is responsible, identifies the ESG risks to which the Group is exposed, evaluates the relative oversight mechanisms and suggests actions for improvement, adopting a method that is consistent with the mapping and assessment of the processes, risks and controls adopted within the Group;
- with the assistance of the competent company structures, it develops and supplies data to the reporting system defined by the TCFD;
- verifies the adequacy and effectiveness of the improvement actions taken and shares the commitments made within the Policy and the Indicators with the various department managers;
- verifies the accuracy/comprehensiveness/materiality of the data used to calculate the Indicators;
- prepares reporting to the Board of Directors, the Sustainability Committee and the Top Management of the Parent.

5. Reporting

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

- Percentage of turnover of Group Suppliers subject to analysis within the ESG management system;
- Percentage of exemptions to the ESG Guidelines for the assumption of insurance risks;
- Percentage of exemptions to the ESG Guidelines for investments;
- Employee turnover rate;
- Weighted percentage of employees classified in the least represented gender receiving promotions;
- Employee training hours per capita;
- Expenses for employee training;
- Number of medical visits for health monitoring (obligatory and for preventive medicine initiatives);
- Percentage reduction of scope 1, 2 and 3 CO_2 emissions;
- Quantification of the impacts of climate change on insurance activities and of the contribution of investment activities to the transition to a green economy;
- Percentage of ISO50001 standard certification coverage on the main instrumental properties;
- Percentage of complaints submitted by customers and relating to the underwriting phase;
- Number of penalties received from the competent Supervisory Authority following complaints submitted by customers relating to the underwriting phase;
- Number of penalties received from the competent Supervisory Authority following complaints submitted by customers relating to the settlement phase;

- Settlement speed;
- Percentage of employees trained on anti-money laundering;
- Number of antitrust penalties;
- Tax rate.

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

6. Annex 1

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

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

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

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

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

The materiality matrix

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