

UNEP-FI

PRINCIPLES FOR SUSTAINABLE INSURANCE

INTESA SANPAOLO VITA INSURANCE GROUP

REPORT ON PROGRESS - 2020

INTRODUCTION

In December 2019 Intesa Sanpaolo Vita Insurance Group (hereinafter also referred to as the "Insurance Group" or "the Company") has signed the United Nations Environment Program Finance Initiative (UNEP FI) Principle for Sustainable Insurance (PSI). Launched in 2012, the four UNEP FI Principles for Sustainable Insurance serve as a worldwide framework for the insurance industry to address environmental, social, and governance risks and opportunities. They are based on the insurance sector's core business to identify, manage, and carry risk.

In line with the commitments undertaken, the Insurance Group has established its own principles to support an ethical and sustainable business strategy. Environmental, social, and governance (ESG) considerations are crucial to the Insurance Group. Therefore, the UNEP FI Principles for Sustainable Insurance, the UN Global Compact, the Equator Principles, and the Principles for Responsible Banking (PRB), all of which the Intesa Sanpaolo Group (hereinafter also referred to as the "Banking Parent Company" or "the Parent Company") supports, are taken into account when addressing the three areas.

The Insurance Group, as a PSI signatory, must produce an annual disclosure on progress made in implementing the Principles for Sustainable Insurance. The main initiatives carried out in 2020 are outlined below. This is the first annual progress report disclosed by the Company.

The 2020 Consolidated Non-Financial Statement of the Parent Company also includes the overview of the key facts and figures of the Insurance Group, and it presents additional details with regard to the implementation of the Insurance Group sustainability commitments.

PRINCIPLE 1

We will embed in our decision-making environmental, social and governance issues relevant to our insurance business.

All six of the categories covered by the first Principle for Sustainable Insurance were addressed by the Insurance Group, namely: company strategy, risk management and underwriting, product and service development, claims management, sales and marketing, and investment management.

Regarding company strategy, in line with the objectives of the Intesa Sanpaolo Group and the analyses initiated in 2019, the Insurance Group continued in 2020 its development path to integrate ESG factors into its decision-making and strategic choices, implementing initiatives and actions in the Environmental, Social and Governance area as described in the document. The plan and the initiatives envisaged in the short and medium-long term have been defined to be in line with the Sustainable Development Goals (SDGs) and the Principles for Sustainable Insurance (PSI), as described in more detail below.

The Insurance Group's program envisages, first of all, an increased focus on Governance and monitoring processes. To achieve this, at the beginning of 2020, the Insurance Group set up a structure dedicated to Sustainability that is across-the-board in all companies and business units. The organizational unit, positioned inside the "Personnel, Change and Sustainability Area", is dedicated to monitoring Sustainability/ESG issues. The aim of the creation of a dedicated sustainability unit is to develop a strategy and a roadmap on ESG issues and to promote a sustainability culture within the Company's people.

The new organizational unit contributes to the integration of ESG inside the Insurance Group, monitoring the initiatives with respect to the evolution of national and international regulations, fostering ESG culture, and enhancing strong governance.

In order to promote the integration of ESG principles within the organization and to strengthen its

market position as a sustainable player, during 2020, in line with the evolution of the international regulatory context, the Insurance Group started a path to integrate the principles and requirements specified in the EU Regulations 2019/2088 and 2020/852 in its offering and disclosure processes. The project involved all the Life insurance companies and the support and control functions (e.g., Products, Compliance, Legal, Sales, Finance, Risk Management, etc.) with the goal to analyze the current status and define a roadmap of tangible actions so as to ensure compliance with regulatory requirements, in line with the European Union timelines. The defined actions will be implemented starting from 2021.

In addition, the Insurance Group reacted proactively to the pandemic context, encouraging the use of smart working by sharing best practices with Insurance Group managers and by disseminating effective management techniques, guidance, and through active listening. A survey was run among the Company's people to learn how smart working was perceived, and more than 700 replies were gathered. In June 2020, the Company launched "PlayInsurance," a project to co-design the new "hybrid" working techniques together with managers. The "PlayInsurance" best practices were afterwards incorporated in the "Next Way of Working program" of the Banking Parent Company.

With regard to Risk management and underwriting, the Insurance Group revised the risk map to integrate the category "reputational risks" with a sub-reputational risk that includes ESG aspects. This type of ESG reputational risk has been classified as having a medium to high level of risk and a plan of possible remedial actions was identified. By the end of the 2020 the company decided to define and implement a first list of investment rules and exclusions.

With regard to product and service development, the Insurance Group has continued to evolve the product and service offering model for all business lines throughout 2020, to meet the sustainability preferences of customers.

With respect to the life business, the life companies of the Insurance Group evolved their product portfolio as follows:

- Intesa Sanpaolo Vita continued to offer the Open Pension Fund "Il Mio Domani", that in 2019 was enriched with 3 new fully ESG compartments.
- Fideuram Vita launched in 2020 the new "Fideuram Millennials segment" within the Fideuram Pension Fund entirely based on ESG investment criteria and changed the investment policy of the open pension fund, including exclusion criteria for investments in certain sectors and countries.

With respect to the non-life business, the non-life companies of the Insurance Group evolved their product portfolio as follows:

- Intesa Sanpaolo Assicura extended, in March 2020, free services and health coverage of its product "Health", providing the possibility for customers positive to COVID-19 to make use of the hospitalization daily allowance even during home isolation, without suffering any threshold and deficiencies, to meet needs deriving from the COVID-19 pandemic
- Intesa Sanpaolo RBM Salute, market leader in the Health business, was acquired in 2020 and new ESG products with a social component were launched: the "Tutto Salute" product, in particular, is designed to protect categories of customers that normally are not covered by the national employment contracts (e.g. interns, housewives, etc.); the product has a competitive premium compared to the market average, and it is designed to protect this segment. In addition, an innovative Telemedicine/Teleconsultation service is offered to customers for assistance, prevention, and remote protection through a digital platform.

The Insurance Group also included an "ESG mechanism" into some of its products to allocate a portion of the company profits to charity and solidarity organizations. In 2020 Intesa Sanpaolo Life, for instance, donated almost 3 million euros to support ESG/solidarity initiatives using this mechanism. Additionally, the Insurance Group joined an acceleration program in November 2020 with the aim of identifying the most promising start-ups in the Health & BioTech sector. The goal of the initiative is to create new innovative services and products through the activation of an Open Innovation ecosystem, that puts together corporate partners, research centers, start-ups and other players from

the digital world, to develop new, relevant technologies and offerings for the Health sector.

With regard to claims management, the Insurance Group has further developed and monitored the Customer Satisfaction survey system created several years ago, to also include, on a voluntary basis, all calls received by Customer Service using a 2-question questionnaire to assess the Service. This initiative is an addition to the already-active initiative for customers of the non-life business, who expressed a significant level of satisfaction in 2020. In particular, on a scale from 0 to 10, the average scores were as follows: 9.0 for roadside assistance; 8.6 for Motor liability claims; 8.8 for Land Vehicles Insurance (CVT) claims; 8.1 for Home Assistance and 7.9 for Home Claims. During the year, there was also a survey addressed to customers following their calls to Customer Service. Even here good results were achieved. Indeed, on a scale from 1 to 5, the average score was 4.5 for general satisfaction and 4.5 for the management of the call.

Moreover, the essential phases of the claims management process can now be managed by customers in "self" mode thanks to new solutions that have been created. In fact, a digital claim reporting program via APP was introduced in July 2020. In just 5 months, 15% of customers reported claims via APP, and customers expressed their appreciation for the simple, quick, and intuitive claim reporting process.

The claims' tracking program was developed as a new solution to ensure greater transparency on the claims process and status, allowing the customer to monitor the progress status of a claim via Intesa Sanpaolo Assicurazioni APP and Internet Banking.

With regard to sales and marketing, the Insurance Group has launched a series of initiatives and projects during 2020 to promote a culture of sustainability and the awareness of employees towards the importance of environmentally friendly behaviors. During the year, "SharingResponsibility"— a noteworthy initiative to advance the Insurance Group's sustainability culture and educate everyone in the Group on sustainability/ESG issues — was introduced. The initiative, which involved all four Companies of the Group in the respective working centers in Italy and Ireland, is based on a cutting-edge format that combines both physical and digital elements: window stickers and posters were positioned in the various premises, and an online quiz platform, with questions about Sustainability, was launched. The initiative has seen the active participation of more than half of the Insurance Group's population and more than 3,900 quizzes played.

The Insurance Group also identified, through the development of an online community, the needs of customers in relation to the subject of savings with the aim to spread an insurance culture and co-developing new products on the market.

The digital community was launched in August 2020 and has the goal to bring Millennials closer to savings issues and evolve the offering model.

Furthermore, the Insurance Group developed two types of training activities for its sales network: one focused on clarifying the rules for the enrolment and maintenance in the RUI register (the Italian intermediaries register) and one focused on product disclosure, especially when releasing new products with sustainable characteristics.

In relation to Investment management, during 2020 the Insurance Group collaborated with the delegated asset managers (Eurizon Capital, Fideuram Asset Management) to establish common criteria to further develop the ESG Investment Policy of the Insurance Parent Company by defining an overall strategy at Insurance Group level to integrate ESG factors. The document, which will be in force from January 2021, defines the investment criteria as well as negative screening and exclusion lists of our investment portfolios.

PRINCIPLE 2

We will work together with our clients and business partners to raise awareness of environmental, social and governance issues, manage risk and develop solutions.

Clients and suppliers are at center of the Insurance Group strategy and commitments. With reference to the suppliers, the Company specifically created an e-sourcing tool for conducting a preliminary assessment of its providers; the potential providers are requested to complete a sustainability questionnaire prior to their registration, to identify the potential supplier's awareness and their actual practices in terms of sustainability. During the tender and selection processes, this technology aims to incorporate actual disclosure and encourage vendors to discuss ESG issues.

Given the low level of insurance penetration in the Italian market and the importance of creating an insurance literacy among the population, the Insurance Group has been promoting several initiatives to spread a positive insurance culture and create awareness on protection gap. To continue along the path opened by Area X (the experiential space inaugurated in Turin at the end of 2019 and dedicated to the culture of insurance protection), at the end of 2020, the Insurance Group started a research program to identify projects and initiatives to promote a protection culture among younger customers (Millennials) by engaging them in surveys and co-design activities. These in-depth analyses allowed to define a new framework strategy to foster an Insurance Culture among Millennials and to identify new projects and initiatives for the following years.

To support young people and the future of work in the insurance field, the Insurance Group also partnered with the University of Turin, the Turin Polytechnic, the "Collegio Carlo Alberto", and Reale Mutua to design and offer a Master in Insurance Innovation. The program was officially launched in September 2020.

PRINCIPLE 3

We will work together with governments, regulators and other key stakeholders to promote widespread action across society on environmental, social and governance issues.

The Insurance Group keeps updated with ESG regulatory developments and participates to public consultations to support the discussion on regulatory changes, and it regularly receives updates on ESG regulatory frameworks and trends from Intesa Sanpaolo's Brussels headquarters.

Moreover, the Insurance Group works together with other key stakeholders to submit data for market surveys (e.g., ANIA¹ survey) in order to provide feedbacks at insurance sector level.

In addition to the abovementioned information, the Insurance Group has an active role in promoting the development of environmental, social and governance issues across society in order to foster the creation of a wider culture of sustainability and the integration of insurance related sustainability topics into daily lives and businesses.

¹ ANIA - Associazione Nazionale fra le Imprese Assicuratrici (i.e. National Association of Insurance Companies)

PRINCIPLE 4

We will demonstrate accountability and transparency in regularly disclosing publicly our progress in implementing the Principles.

To assess, measure and monitor the Company's progress in managing ESG issues and to disclose this information publicly proactively and regularly, the Insurance Group monitors regularly the sustainability performance and contributes half-yearly and yearly to the Sustainability Report of the Banking Parent Company Intesa Sanpaolo with information about the Insurance Group performance.

The Insurance Group participates at regional, national, and international conferences and events on sustainability (such as CETIF, EFMA, IKN, etc.). Additionally, the Insurance Group engages in dialogue with stakeholders by emphasizing the value of adhering to PSI principles and by specifically referencing PSI in its corporate sustainability policies, which are made available to the public on the Insurance Group's companies website (e.g., Insurance Group Sustainability Policy, Insurance Group Charter of Values, Insurance Group ESG Investment Management Policy).