

UNEP-FI

PRINCIPLES FOR SUSTAINABLE INSURANCE

INTESA SANPAOLO VITA INSURANCE GROUP

REPORT ON PROGRESS - 2022

INTRODUCTION

In December 2019 the Intesa Sanpaolo Vita Insurance Group (hereinafter also referred to as the "Insurance Group" or "the Company") became a signatory of the United Nations Environment Program Finance Initiative (UNEP FI) Principles for Sustainable Insurance (PSI).

The Principles for Sustainable Insurance are a global framework for the insurance industry to address environmental, social and governance (ESG) risks and opportunities. Launched in 2012, the UNEP FI Principles for Sustainable Insurance are based on the insurance industry's core business to understand, manage, and carry risk. This is the largest collaborative initiative between the UN and the insurance industry and the pioneering work by the PSI initiative includes the Net-Zero Insurance Alliance (NZIA) as well as work supporting the implementation of the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), and it is relevant to emerging frameworks such as the Task Force on Nature-related Financial Disclosures (TNFD). The UNEP FI Principles for Sustainable Insurance are based on four principles that encourage the development of an insurance industry that is more sustainable where all activities in the value chain, including interactions with stakeholders, are done in a responsible and forward-looking way by identifying, assessing, managing, and monitoring risks and opportunities associated with environmental, social and governance issues. The aim of a sustainable insurance is to reduce risk, develop innovative solutions, improve business performance, and contribute to environmental, social and economic sustainability.

The Intesa Sanpaolo Vita Insurance Group, in line with the commitments undertaken by Intesa Sanpaolo (hereinafter also referred to as the "Banking Parent Company" or "the Parent Company"), has expressed its commitment to environmental, social and governance (ESG) factors, and It has laid down its own guidelines to promote a responsible and sustainable business model. The three areas are addressed by taking into consideration the Sustainable Development Goals (SDGs) and the UNEP FI Principles for Sustainable Insurance, as well as initiatives such as the UN Global Compact, Equator Principles, Principles for Responsible Investment (PRI) and Principles for Responsible Banking (PRB), to which the Intesa Sanpaolo Group adheres.

In addition, at the end of 2021, the Insurance Group joined, through the Insurance Parent Company Intesa Sanpaolo Vita, two Net Zero alliances: the Net Zero Insurance Alliance (NZIA) and the Net Zero Asset Owner Alliance (NZAOA). By joining these alliances, the Companies of the Insurance Group aim to reduce greenhouse gas emissions from their insurance, reinsurance and investment portfolios to zero by 2050, helping to keep the rise in global temperatures within 1.5°C of pre-industrial levels. The importance of ESG as a key pillar of the strategy was confirmed by the new Intesa Sanpaolo Group 2022-25 Business Plan presented to the market in February 2022. The Insurance Group contributed to the Group's strategic plan, setting its own 2022-25 ESG strategy and roadmap to embed ESG in the various areas of business in which it operates.

The Insurance Group, as a PSI signatory, is required to prepare an annual disclosure of the progress made in implementing the Principles for Sustainable Insurance. The key actions undertaken during 2022 are summarized below. This is the third annual progress report disclosed by the Company. The 2022 Consolidated Non-Financial Statement of Intesa Sanpaolo Group 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.

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

Regarding company strategy, Intesa Sanpaolo Vita, in its role as Insurance Parent Company, monitors the integration of ESG issues in the governance and risk management of the controlled entities, considering the evolution of national and international legislation.

In terms of governance, the Insurance Group is committed to maintain and strengthen a comprehensive governance, through the definition and monitoring of processes, procedures, roles and responsibilities. In addition, it is noteworthy to underline that the Board of Directors of the Insurance Group is responsible for:

- approving the sustainability guidelines set out in the Sustainability Policy adopted by the Insurance Group and approving the Sustainability Policy and its subsequent amendments, taking into account activities, risks and stakeholders;
- approving, as part of the process for the definition of the Risk Appetite Framework (RAF), the risk tolerance also with reference to ESG factors, in line with the strategic objectives of the Insurance Group, including in its evaluations all elements that may be relevant in view of a sustainable success;
- assessing the adequacy of the internal control and risk management system, also with regard to ESG factors, in relation to the characteristics of the Insurance Group and the defined risk appetite.

Consistently with Intesa Sanpaolo's 2022-2025 Business Plan, the Insurance Group has defined a 2022-25 ESG strategy and action plan. The ESG strategy was presented to the market (as part of Intesa Sanpaolo' Business Plan) and to all the Insurance Group employees, through several meeting and the commitment of all its top managers.

In March 2022 the Insurance Group launched an ESG Program with the aim to foster the integration of sustainability aspects in the business, to boost the evolution of corporate culture and to monitor the progress of the 2022-25 ESG action plan throughout the Insurance Group's companies.

Coherently with the new regulatory framework and strategy, in March 2022 the Sustainability unit was positioned within the "Life Insurance Business Coordination Area" (i.e. "Area di Coordinamento Società Ramo Vita") reporting directly to the Life Deputy General Manager. The unit operates for all the five companies of the Insurance Group, ensuring consistency in the action and implementation of strategy across the different businesses and in the governance. The Head of Sustainability is also the appointed Sustainability Manager, representing the Insurance Group in the Intesa Sanpaolo Group Control Room¹.

The Sustainability unit coordinates the different operational, regulatory and business ESG projects, and helps managing stakeholders' relationships, and promoting a sustainability culture.

In 2022, as part of the ESG Program, the Insurance Group established monthly ESG progress meetings and quarterly ESG Steering Committee meetings, attended by the top management of the insurance companies, and the CEO.

¹ Active since October 2020, the ESG Control Room supports the Steering Committee (made up of Intesa Sanpaolo's first managerial line) in defining the strategic proposition relating to ESG issues. It assesses the opportunity and solidity of new sustainability related initiatives and coordinates and supervises the implementation of the most relevant ones, also thanks to a dedicated PMO structure. It relies on the participation of representatives from the CFO Area and the Strategic Support Head Office Department, and of the Sustainability Managers who, reporting directly to the respective Area and Division heads, guarantee the overall and integrated supervision of ESG initiatives for the relevant department and contribute to the Group's strategic proposals on these issues.

In terms of ESG related policies, in June 2022, the Sustainability Policy was updated and published on the companies' websites (Intesa Sanpaolo Vita – ISV, Intesa Sanpaolo Assicura – ISA, Fideuram Vita – FV, Intesa Sanpaolo Life – ISL, Intesa Sanpaolo RBM Salute – RBM). This new version of the policy summarizes the values and commitments of the Insurance Group, with the aim of promoting a responsible and sustainable business model and increasingly integrating the sustainability principles into business decisions and processes. The Policy also outlines roles and responsibilities within the organisation for the integration of ESG principles.

Remuneration and Incentive Policies have also been updated, in line with the provisions of Regulation (EU) 2019/2088. As in 2021, managers were also assigned a KPI in 2022 (with a 15% weight) called “Environmental, Social and Governance (ESG)”. The objectives related to the ESG KPI are based on results at Intesa Sanpaolo Group level, recognizing the Group's commitment to sustainability as a whole, and at Insurance Group level, in order to enhance the areas of action of the individual structures. Furthermore, in 2022, a KPI applicable to the company Key Functions was also confirmed, with a weight of 10%, concerning “Risk Culture – Promoting awareness at all levels of the organization regarding emerging risks, with a particular focus on the risks related to climate change and technological innovation, by means of educational, awareness raising and training initiatives”. Summaries of the Remuneration Policies mentioned above are available on the Companies' websites.

Specific induction sessions were designed and delivered to the Board of Directors on ESG/sustainability topics with the support of market experts. Whereas technical training sessions and open mind seminars were organized to foster the ESG culture and competencies among the employees.

As regards environmental protection issues, two mandatory courses are available on the Intesa Sanpaolo Group online platform for employees (including insurance) directly involved in the application of the Environmental and Energy Management. For all other resources an optional course is available with the aim of spreading good environmental practices. The course was also made available to the employees of Intesa Sanpaolo Vita, Intesa Sanpaolo Assicura, Fideuram Vita and Intesa Sanpaolo RBM Salute who occupy the properties that obtained ISO 14001 certification. A series of news items were also published on the Insurance company intranet with the aim of raising employee awareness on the need to reduce energy consumption at both workplace and home and providing useful information in the event of disasters caused also by climate change.

With regard to Risk management, the Insurance Group has strengthened the Risk Assessment with additional details on the “as-is” controls. In addition, with reference to qualitative-quantitative/ ORSA² analyses, the Insurance Group performed a materiality assessment (qualitative-quantitative analysis) of the sustainability risks (with reference to sustainability risks arising from climate change for which specific insights have already been published at regulatory level) and performed scenario analysis in order to quantify the impact of climate change risks with reference to assets and liabilities (e.g. Own Funds impact). In addition, to ensure a specific focus on this topic, a new organizational unit, named “Enterprise Risk”, was created, reporting directly to the Chief Risk Officer.

With regard to underwriting, the Insurance Group integrated its underwriting policies in line with regulatory requirements.

As regards the Net Zero Insurance Alliance (NZIA), in 2022 the Insurance Group actively participated in the alliance meetings during the year and replied to the consultation on the draft protocol published in November 2022. To support the development of new approaches for the measurement of insurance-associated emissions, the Company is also contributing as a lead to the study of the possible contribution of the Life and Health business to the net zero transition.

² Own Risk and Solvency Assessment (ORSA)

With reference to Products and Service development, during 2022, the Intesa Sanpaolo Vita Insurance Group continued to develop its offering for all business lines to meet new customers' and regulatory needs with respect to sustainability issues.

As part of the Life Business, in which the Insurance Group operates with the companies Intesa Sanpaolo Vita, Fideuram Vita and Intesa Sanpaolo Life, the commitment to offer customers a wide range of investment options classified as Articles 8³ and 9⁴ pursuant to Regulation (EU) 2019/2088 (SFDR) continued during 2022, with the launch of several new products:

- Intesa Sanpaolo Vita launched Patrimonio Domani Insurance, a new traditional life investment policy, Patrimonio Stabilità Insurance and Synthesis Business, two hybrid life investment policies
- Intesa Sanpaolo Life launched Patrimonio Pro, a unit linked policy.

At the end of 2022 the product documentation was updated for all life products in line with the SFDR regulatory requirements and the life products' disclosures integrated with the additional information required by EU Reg. 2019/2088. The relevant sections on the Companies' websites were subsequently updated. The Company also performed an analysis to identify the main impacts on product governance processes and customer needs mapping, in line with IDD regulations, EU Reg. 2019/2088 and EU Reg. 2020/852 and aligned its processes and policies as necessary.

With respect to the Non-Life Business, in which the Insurance Group operates with the companies Intesa Sanpaolo Assicura and Intesa Sanpaolo RBM Salute, the Insurance Group evolved its product portfolio by integrating and launching new non-life products/services dedicated to fragile categories, in particular seniors and caregivers.

Additional information on the Life and Non-Life Products of the Insurance Group was included in the 2022 Consolidated Non-Financial Statement of the Banking Parent Company.

With regard to Claims Management, the Customer Satisfaction survey system of the Insurance Group was enriched with a new survey dedicated to assessing Customer Service quality. The new survey involves, on a voluntary basis, all the calls received by the Customer Service of Intesa Sanpaolo Vita and Intesa Sanpaolo Assicura using a 2-question questionnaire to assess the Service. During 2022, the survey addressed to customers achieved good results. This initiative is in addition to the instant customer feed-back systems already active in the Non-Life business, that continued to obtain a significantly high level of satisfaction by customers in 2022.

Moreover, Fideuram Vita launched a survey on customer satisfaction by placing a questionnaire on the Fideuram Vita clients' segregated area, with the aim of measuring the overall satisfaction with the Company and of exploring specific aspects related to products. Customers expressed a significantly high level of satisfaction also to this survey.

With regard to sales and marketing, the Insurance Group continued its training activities for its sales network, in line with 2020 and 2021, focusing on the rules for the enrolment and maintenance in the RUI register (the Italian intermediaries register) and on product disclosure, especially when releasing new products with sustainable characteristics.

With regard to Investment Management, the related framework and policy was enhanced and further strengthened in line with the developments in the international regulatory context⁵.

Consequently, in November 2022, the Board of Directors of the Insurance Group's Parent Company approved the update of the "Policy for the integration of ESG (Environmental, Social and Governance) factors into the investment process", that integrated new ESG indicators and strengthened the positive and negative screening criteria for Sustainable and Responsible

³ Article 8 SFDR: it is a financial product that promotes, among other characteristics, environmental or social characteristics, or a combination of those characteristics, provided that the companies in which the investments are made follow good governance practices.

⁴ Article 9 SFDR: it is a financial product that has a sustainable investment as its objective and an index has been designated as a reference benchmark.

⁵ Regulation (EU) 2019/2088 (SFDR) and Delegated Regulation (EU) 2022/1288 (SFDR) relating to sustainability reporting in the financial services sector, and Regulation (EU) 2020/852 (Green Taxonomy).

Investment (SRI) of the Intesa Sanpaolo Vita Insurance Group. The document also defines the roles of Company structures and of the delegated managers, the investment guidelines, the elements for defining critical issuers and excluded sectors, in line with the Intesa Sanpaolo Group's strategy. In addition, and in compliance with regulatory requirements, the Policy on the Principal Adverse Impacts (PAI) was updated; this Policy presents the methods adopted by the Insurance Group for managing risk mitigation of potentially negative impacts on sustainability related to investments and applies to all the Companies in the Insurance Group; a summary thereof is available on the Companies' websites.

- In October 2022 the Insurance Group disclosed its 2030 Intermediate NZAOA Targets for its Investment Portfolio, committing to the following areas of action: Sub-Portfolio: cutting the emissions of "Direct Investments" - for the Listed Equity and Publicly Traded Corporate Bond asset classes - equal to 50% of the Carbon Intensity by EVIC by 2030, considering 2021 as the baseline year. At 31 December 2021, AUM of €19.6 billion are subject to the target
- Engagement: two-way discussions with the top 20 emitters, which account for about 70% of the emissions in the Insurance Group's In-Scope Portfolio - with the end aim of evaluating, discussing and enabling their respective decarbonisation pathways and strategies. The Group will also cooperate with the NZAOA by sharing input for collaborative position papers on related topics.
- Financing the Transition: commitment to report annually to the NZAOA on the amount of investments supporting the green transition (Climate Solution Reporting). At 31 December 2021, the investments supporting the transition accounted for roughly 5% of the Group's In-Scope Portfolio (Direct and Indirect Investments). Additionally, the Group will contribute to one of the Financing the Transition working groups to promote the development and awareness of new green investment solutions, reporting standards and possible new methodologies for similar issues. The Insurance Group will report annually on its progress towards "Net Zero" to NZAOA.

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 the center of the Insurance Group strategy and commitments. In 2022 the Insurance Group continued to invest in innovation and digitalization, and in its employees' digital skills, as a mean to improve its customers' experience and increasingly respond to their needs. The Intesa Sanpaolo Vita Insurance Group also continued its commitment to promote a positive insurance culture and increase people awareness and literacy to help them manage their savings and protect their families and goods.

Specifically, the Insurance Group continued the activities started in the previous years to foster a life and protection literacy and culture. One of the initiatives in this area is "Proteggere ad Arte", the first digital contest dedicated to young artists who were asked to interpret the world of insurance protection using their own means of expression, which was launched in 2021 and then continued in 2022. The initiative was disseminated and advertised with the support of an ambassador and curators dedicated to the art forms involved. Thanks to the mix of communication channels used, at the end of the year the initiative had achieved important results: over 13,000 users and 92,000 votes, 882 collected works (videos, photos and figurative arts) and about 1,400 artists registered on the web platform; 43 million impressions (equal to the number of times the contents of the project were displayed on activated channels). This initiative culminated in an exhibition that opened in Turin (at Area X) and Milan (at the offices of Intesa Sanpaolo Vita) to give visibility to the winning art crafts. During 2022, Area X (the first experiential space linked to the world of insurance protection, created in Turin) organized several in person and live-streaming events with leading figures from the sports world and initiatives to promote, in an inclusive way, the topic of Protection.

Additionally, at the end of November 2022, a new initiative to foster a positive insurance culture was launched: "La Sfida" (The Challenge).

"La Sfida" is a digital game which features the Trio Medusa, a comedian trio, as its testimonial and aims to engage young people and contribute to increase their awareness in life choices concerning protection and saving with an eye to the construction of a sustainable future for themselves and for others. "La Sfida" is one of the initiatives that attests the constant commitment of the Insurance Group to bring younger generations closer to the insurance sector through an inclusive and sustainable approach, listening to their needs and creating mechanisms to engage them.

Moreover, in 2022, the Insurance Group launched "In Action ESG Climate" and "In Action ESG NEET". "In Action ESG Climate" is an initiative promoted by the Insurance Group with the support of Intesa Sanpaolo Innovation Center, to foster the development of new solutions to face climate change and support ecological transition through technological innovation and the development of new business models. The initiative was concluded with a public event where the three best projects were awarded with a total contribution of 500,000 euro.

The "In Action ESG NEET" initiative is dedicated to promoting the inclusion in the labour market of young people living in situations of social, economic and family hardship and, at the same time, to respond to the increased demand for operators active in the caring field. In particular, the Insurance Group supported the training of three classes of young NEETs (NEETs means Not in Education, Employment, or Training). The courses, which were completely free of charge for participants, aim to offer training in caring and help find job opportunities. The courses are promoted by the collaboration between the Insurance Group and Dynamo Academy, which is specialized in promoting sustainability in the social field and supporting community development. The chosen area of training was that of Socio-educational activities coordinator, aimed at training professionals capable of designing and running socio-educational, recreational, and cultural activities for the development of relationships and inclusion.

Moreover, following the success of the first and second edition of the Level II Master's Degree in Insurance Innovation (run in partnership with the University of Turin, the Turin Polytechnic and Collegio Carlo Alberto), the Insurance Group launched a new edition dedicated to recent graduates and professionals interested in acquiring the next frontier skills to work in insurance.

The Insurance Group also renewed its support to various initiatives promoted, among others, by the United Nations, which encourage the adoption of sustainable principles, which the Company is committed to sharing and implementing as part of its business activities.

Moreover, the Insurance Group promotes the adoption of the PSI and supports the inclusion of ESG issues in professional education and ethical standards in the insurance industry, through the attendance of ANIA⁶ and IVASS⁷ working tables on regulatory evolution and reporting topics, e.g., for the purpose of the Consolidated Non-Financial Statement.

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

⁶ ANIA - Associazione Nazionale fra le Imprese Assicuratrici (i.e. National Association of Insurance Companies)

⁷ IVASS - Istituto per la Vigilanza sulle Assicurazioni (i.e. Institute for the Supervision of Insurance)

ESG regulatory frameworks and trends from Intesa Sanpaolo's Brussels headquarters. Moreover, the Insurance Group joined voluntary initiatives supported, among others, by the United Nations, which encourage the adoption of sustainable principles with the commitment to sharing and implementing these principles as part of their business activities. A non-exhaustive list of examples includes PSI, and UN Global Compact. In addition, the Company holds regular talks with legislators and the European institutions to maintain a constructive working relationship, sharing and updating the information necessary for the proper interpretation of new regulations and to contribute to public consultation (e.g. application of the criteria of the Green Taxonomy and its Delegated Regulations). As requested, in 2022 the Insurance Group replied to the IVASS request for information about climate and environmental risks (e.g. IVASS Letter of the 27/07/2022).

The Insurance Group also collaborates in the submission of information for market surveys in order to provide feedbacks at Insurance Group level. The Insurance Group is member of ANIA and regularly participates to the association activities for the evolution of sustainability within the insurance sector. In addition, it maintains strict relations with the academia and the scientific community to foster research and educational programs on ESG issues in the context of the insurance business mainly through the promotion of initiatives / donations to support foundations, local communities and the scientific research (e.g. in the Covid-19 area with a research grant) and by developing initiatives to support fragile categories (e.g. disabled children, orphans).

PRINCIPLE 4

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

To assess, measure and monitor the Insurance Group's progress in managing ESG issues and to disclose this information publicly proactively and regularly, the Insurance Group monitors regularly the sustainability performance and discloses half-yearly and yearly the contribution to the Consolidated Non-Financial Statement of the Banking Parent Company with information about the Insurance Group's performance. In 2022 the Insurance Group also contributed to the Intesa Sanpaolo TCFD and PRB disclosure.

Moreover, the Insurance Group managers contribute to foster a sustainability culture, as key notes in national and international conferences/events on sustainability topics (e.g. CETIF, EFMA, IKN, ...). Furthermore, the Insurance Group engages in the dialogue with stakeholders by raising awareness on the importance of adhering to the Principles for Sustainable Insurance and by specifically referencing PSI in its corporate sustainability policies, which are made available to the public on the Insurance Group companies' website (e.g., Insurance Group Sustainability Policy, Insurance Group Charter of Values, Insurance Group ESG Investment Management Policy, ...).