



**UNEP-FI**

**PRINCIPLES FOR SUSTAINABLE INSURANCE**

**INTESA SANPAOLO VITA INSURANCE GROUP**

**REPORT ON PROGRESS - 2023**

## INTRODUCTION

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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 Form for Insurance Transition (FIT)<sup>1</sup>. The UNEP FI Principles for Sustainable Insurance are based on the follow 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:

1. **Prevention:** This principle emphasizes the importance of preventing or reducing damage to the environment and human health by adopting sustainable practices from the outset of any process or activity.
2. **Sustainable development:** This principle promotes development that meets the needs of the present without compromising the ability of future generations to meet their own needs. It involves a balanced approach that considers social, economic, and environmental benefits in the long term.
3. **Responsibility:** This principle underscores the importance of acting responsibly towards the environment, human health, and social well-being. Those involved in any activity should take responsibility for their actions and their impacts.
4. **Equity:** This principle requires that the benefits and costs resulting from human activities are distributed fairly among all stakeholders, including current and future generations, as well as local and global communities.

These PSI principles provide a clear conceptual basis for adopting sustainable practices in various sectors and contexts, encouraging a holistic and responsible approach to development and innovation.

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 (environmental, social and governance) 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, among others, the UN Global Compact, Equator Principles, Principles for Responsible Investment (PRI) and Principles for Responsible Banking (PRB), to which Intesa Sanpaolo 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). During the 2024, the NZIA was discontinued and the Forum for

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<sup>1</sup> On 25 April 2024 UNEP announced the creation of the Forum for Insurance Transition to Net Zero (FIT), a new UN-led and convened structured dialogue and multistakeholder forum to support the necessary acceleration and scaling up of voluntary climate action by the insurance industry and key stakeholders. Intesa Sanpaolo Vita is one of the Founding FIT Participants. On the same date, the NZIA was discontinued.

Insurance Transition to Net Zero (FIT) announced. Intesa Sanpaolo Vita joined FIT in March 2024, as one of the founding members. By joining these initiatives, 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 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 2023 are summarized below. This is the fourth annual progress report disclosed by the Company. The 2023 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

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

The Insurance Group addressed all 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 2022-2025 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 meetings 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 four<sup>1</sup> companies and the two instrumental 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 Room<sup>2</sup>.

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

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<sup>1</sup> On 1 December 2023, Intesa Sanpaolo Life merged into Intesa Sanpaolo Vita with an extraordinary merger transaction

<sup>2</sup> 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.

During 2023, the Insurance Group continued along the roadmap of ESG objectives that are strategic and compliant with regulations, and the short- and medium-term action plans as defined in the 2022-2025 Business Plan. The working groups maintain engagement with the main structures of the Division and constant coordination with the bank's Parent company and the other divisions of Intesa Sanpaolo (in particular the Private Banking and Asset Management Divisions). As part of the ESG Program, there are monthly ESG progress meetings and quarterly ESG Steering Committee meetings, attended by the top management of the insurance companies, and the CEO of Intesa Sanpaolo Vita.

In terms of ESG related policies, in June 2023 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, Intesa Sanpaolo Insurance Agency - ISIA and InSalute Servizi - ISS). This new version of the policy has the aim of defining sustainability guidelines in order to ensure the incorporation of Environmental, Social and Governance (ESG) factors into business processes; the Policy identifies strategies for the pursuit of sustainable development objectives by contextualizing and summarizing the regulatory drivers and the international standards of reference.

In detail, the Policy defines the principles and guidelines that help achieve a sound, effective and comprehensive management of the Insurance Group's sustainability model and outlines the overall governance, management, control, and disclosure framework on sustainability.

In line with the Intesa Sanpaolo Group's commitments, the Intesa Sanpaolo Vita Insurance Group defines its own guidelines to promote a responsible and sustainable business model.

The Policy, therefore, pursues the following general objectives:

- to support the strategic choices of the Insurance Group, with the aim of concretely incorporating ESG principles within its organisation and in all business areas;
- to support the identification of opportunities and the implementation of concrete actions with the aim of creating sustainable value in both the short and medium to long term;
- to support the governance of risks, opportunities and impacts related to climate and nature, which is operationally implemented within the Policies for specific risk management and other policies governing the Group's main areas of operation;
- to increase the level of knowledge and awareness on rules of conduct and expected results on 'material' issues;
- to communicate its sustainability vision to all stakeholders, including staff, companies, the financial community and institutions;
- to disseminate the culture of sustainability.

The Policy of the Insurance Group for the integration of ESG sustainability factors in the investment process is updated annually: in 2023 was strengthened the effectiveness of ex-ante monitoring of the investment strategy and provided for a further extension of the exclusion lists towards critical issuers and those operating in sectors considered not to be socially responsible. In line with the changes to the Policy, the management mandates were also updated to include the new ESG rules and safeguards. The Due Diligence process on third-party investment houses and the process of engagement of the counterparties in the portfolio were also reinforced.

Remuneration and Incentive Policies have also been updated, consistent and in line with the provisions on the integration of sustainability risks pursuant to Regulation (EU) 2019/2088. Also for 2023, following the procedure from the previous year, managers were assigned one KPI, among the strategic action objectives, with a 15% weight called "Environmental, Social and Governance (ESG)". The objectives related to the ESG KPI are based on results at Parent Company 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 keeping with 2018, a KPI for the Key Functions was confirmed for 2023 with a weight of 10% with the name "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.

In June 2023, in compliance with regulatory requirements, the first Statement on the Principal Adverse Impacts of investment decisions with respect to sustainability factors (PAI Statement) was published on the websites of the Life Insurance companies, taking into account all mandatory indicators and two additional indicators contained in Annex I of Delegated Regulation (EU) 2022/1288. In addition, the Policy on Principal Adverse Impacts on Sustainability (PAI) was updated in December 2023, which defines the procedures for considering the principal adverse impacts of investment decisions on the identified sustainability factors, the identification of priority PAIs and a review of the monitoring system. This policy is applicable to all life companies in the Insurance Group. In addition, the Risk Management Framework was updated, with a view to integrating ESG factors into the Insurance Group Risk Map and the Risk Appetite Framework (RAF) and the review of the risk policy framework was also completed.

In this context, the Own Risk and Solvency Assessment (ORSA) Report was also enriched to include prospective analyses of the risks deriving from climate change, both in the field of non-life and life insurance, also through the running of stress tests.

During 2023, the first Opinion on the sustainability risks of the Actuarial Function was also prepared, in compliance with Delegated Regulation (EU) 2015/35, which requires the Actuarial Function to make comments about sustainability risks with respect to the underwriting policy.

Finally, also to meet the requirements of IVASS Regulation no. 38/2018, a training plan was prepared for the Boards of Directors of the Companies in the Insurance Group - in order to guarantee an adequate set of technical skills to perform their role in compliance with the nature, scope and complexity of the tasks assigned - which also envisaged a specific meeting on ESG issues and the impacts they generate in the insurance context. The meeting was entitled "ESG OnLive Event: Sustainable Lending and Investments" and focused on the fundamental role of investments within the "ESG revolution".

In line with the developments in the international regulatory environment, in 2023 activities continued to comply with regulatory requirements with reference to Regulation EU 2019/2088 (SFDR) and Delegated Regulation EU 2022/1288 (SFDR) relating to disclosures on sustainability in the financial services sector, and Regulation EU 2020/852 (Green Taxonomy) which defines a regulatory framework that favors sustainability-conscious investments. In particular, during the year, the periodic reports were improved and the pre-contractual product information sheets for Insurance Based Investment Products (IBIPs) and pension products were updated, also in light of the requirements of the COVIP Circular<sup>1</sup>.

At a project level, the activities planned for the creation of a first data infrastructure and processes to manage new ESG needs were completed during the year, and a specific Dashboard was created to monitor ESG objectives.

The development of the governance system and the offer was accompanied by a continuous evolution of the strategies for integrating ESG factors into investment choices and strengthening the systems for monitoring and controlling them.

The Policy of the Insurance Group for the integration of ESG sustainability factors in the investment process describes the methods for selecting and monitoring financial instruments adopted by the Insurance Group to integrate the analysis of sustainability risks into its investment process.

In particular, in order to integrate ESG factors into its investment choices, the Insurance Group adopts the following criteria:

- exclusion of issuers operating in sectors deemed not to be "socially responsible" to which restrictions or exclusions apply with respect to the Investment Universe of the individual assets under management;

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<sup>1</sup> Italian Supervisory Commission on Pension Funds (COVIP)

- exclusions and restrictions with respect to issuers defined as “critical” i.e. those companies with a higher exposure to environmental, social and corporate governance risks, that is companies with a lower ESG sustainability rating;
- exclusions, for products classified under Articles 8 and 9 pursuant to SFDR, with respect to issuers that do not comply with sound governance practices assessed with reference to the presence of solid management structures, relations with personnel and their remuneration, and compliance with tax obligations.

The Insurance Group also promotes proactive engagement with issuers by exercising participatory and voting rights, including through Delegated Managers and by engagement with investees, encouraging effective communication with the Management of the companies i.e. “active ownership – engagement”.

As part of the selection and monitoring process of UCITS (so-called Manager Selection Integration) – both promoted and distributed by the Group companies and by third-party fund houses - the Insurance Group, when directly supervising the selection process of the UCITS, includes the financial analysis of the UCITS by analysing the level of integration of SRI and/or ESG factors and the related sustainability risks, through a Due Diligence process.

The Investment Committee, in the quarterly Group Session, oversees and analyses the situation of the portfolio, checks on the application of limits and rules under the Policy of the Insurance Group for the integration of ESG sustainability factors in the investment process, the performance of engagement activities and the results of the checks and monitoring conducted by the Risk Management Function. The Investment Committee also plays an informative and advisory role in defining the proposals to be submitted to the Board of Directors of Intesa Sanpaolo Vita as part of its remit for the Insurance Group regarding sustainable and responsible investment issues aimed at ensuring the innovation of adopted methods and processes, the monitoring of compliance with ESG indicators and of the procedures used to take account of these indicators for the different products and services offered to customers.

Thanks to cross-cutting working groups that also involved the Intesa Sanpaolo's asset management companies, a constant focus was maintained on the evolution of the external context, available data and methods and the possible areas for further development.

The Intesa Sanpaolo Vita Insurance Group signed up to the Net Zero alliances in December 2021. In particular, as required by the Net-Zero Asset Owner Alliance (NZAOA), it undertook to reduce greenhouse gas emissions to net zero within the investment portfolio of the Group's companies by 2050 through the definition of specific intermediate objectives on the investment portfolio (for example, carbon intensity), engagement activities with the main counterparties to develop and promote pathways to transition and incentives for the financing of climate transition and new green technologies. In October 2022, the Insurance Group published its first interim climate targets for the investment portfolio. All the results achieved, and the activities fulfilled in 2023 by the Insurance Group in the Net-Zero field are disclosed in the 2023 Climate Report of the Intesa Sanpaolo Group<sup>1</sup>.

The Intesa Sanpaolo Vita Group's assets under management relating to investment options pursuant to Articles 8 and 9 of the SFDR, regarding IBIPs and Pension Fund products, amounted to 60.6 billion euro as at 31 December 2023 (equal to 34% of the total assets under management), showing an increase compared to 41.7 billion euro at the end of 2022.

With reference to Products and Service development, in 2023, the Life and Non-Life offer was the subject of various changes aimed at developing it in a more ESG style.

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<sup>1</sup> <https://group.intesasanpaolo.com/en/sustainability/sustainability-reporting/climate-report>

As part of the Life Business, in which the Insurance Group operates with the companies Intesa Sanpaolo Vita, Fideuram Vita and, until the end of November 2023, Intesa Sanpaolo Life<sup>1</sup>, there was continued commitment towards offering customers an increasingly wide range of investment options under Articles 8 and 9 of Regulation (EU) 2019/2088 (SFDR).

Life Business products include sustainability aspects in the following areas:

- “Savings and Investment” (insurance investment solutions)
- “Supplementary Pensions” (products that use savings to build a supplementary pension in addition to the state pension).

In the “Savings and Investment” category, the enrichment in terms of sustainability covered all types of products (Unit-Linked, multi-class, Class I). For Unit-Linked and multi-class categories, at the Insurance Group level, the percentage of investment options classified under Articles 8 and 9 over the total investment options available in products open to new subscriptions increased from 72% at the end of 2022 to approximately 80% at the end of 2023.

More specifically, Intesa Sanpaolo Vita launched on the market a new Multi-class product (“Patrimonio Profilo”, placed by the Banca dei Territori network) with Article 8 investment options and enriched the Multi-class Synthesis, placed by the Intesa Sanpaolo Private Banking network, with new external and internal funds classified as Article 8.

Fideuram Vita expanded its investment options underlying the Unit Linked products (Fideuram Vita Futura and Fideuram Vita Insieme family products) and Multi-class products (Fideuram Vita Sintonia and Fideuram Vita Gemini), through the inclusion of a wide selection of internal and external funds classified by the respective management companies as Articles 8 and 9. These interventions made it possible to reclassify as Article 8 all the products of the Fideuram Vita Insieme family, the multi-class products and the various internal funds.

With regard to Intesa Sanpaolo Life, the offer distributed throughout Italy includes, as of March 2023, all the products on the market classified as Article 8.

In October, the products placed in Spain also underwent some changes that allowed them to be reclassified as Article 8.

With regard to its Class I products, Intesa Sanpaolo Vita placed three products connected to a newly established Separate Management, Base Performance, already in line with the ESG investment policy and therefore classified as Article 8.

Also in the “Savings and Investment” area, some proposals were made targeting specific customer segments:

- “Tu Dopo di Noi” (You After Us) from Intesa Sanpaolo Vita, an insurance product targeted for the members of a disabled person’s family who want to protect their loved one with a secure capital for the future or with a certain income in the event of the death of the signatory;
- “Base Sicura Tutelati” (Secure Base for the Protected), an insurance product dedicated exclusively to protected persons such as minors and/or incapacitated persons who wish to invest a capital sum, while protecting it with a typical Class I guarantee and who require the prior authorisation of a Guardianship Judge;
- “Polizza Riservata” (Confidential Policy), a Class I insurance product dedicated to the world of the “third sector”.

With regard to the scope of “Complementary Pension Fund” products, the following are worth of note:

- “Il Mio Domani” (“My Tomorrow” - an open pension fund from Intesa Sanpaolo Vita with individual membership) which presents, among others, three lines of investment with ESG benchmarks, classified as Article 8, and a lifecycle investment profile that provides for the allocation of the most compliant starting subfund for the investor, based on the time horizon before reaching one’s retirement date;
- “Fondo Pensione Fideuram” (a pension fund open to individual members of Fideuram Vita), classified as Article 8, which provides, in the investment policy, for the maintenance of a minimum

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<sup>1</sup> On 1 December 2023, Intesa Sanpaolo Life merged into Intesa Sanpaolo Vita with an extraordinary merger transaction

level of ESG ratings and certain exclusion criteria (issuers operating in sectors not considered socially responsible, issuers that do not comply with good governance practices).

With respect to the Non-Life Business, the Insurance Group is active with the companies Intesa Sanpaolo Assicura, Intesa Sanpaolo RBM Salute, with products covering Mobility (cars and motorcycles), the Home (theft, fire, etc.), Health (accidents, illness) and SME/Corporate sectors. The Motor insurance product called “ViaggiaConMe” (TravelWithMe) is a usage-based solution which encourages policyholders to use their vehicles responsibly, reducing their premiums if they lower their mileage (monitored using a device installed in the car). It also provides for the protection of the vehicle in the event of natural disasters such as tornadoes, hurricanes, floods, storm surges, landslides, landslips, hail or snow and earthquakes. The car-window guarantee during 2023 was extended to cover damage from natural events.

The “XME Protezione” (Protection for Me) product is a policy with a range of insurance covers in the areas of Health, Home and Family that the customer can purchase, also at different times, customising protection according to their needs. In addition to the traditional cover dedicated to the home, XME Protezione includes the possibility of protecting the home in the event of natural disasters such as earthquakes and floods, providing compensation of up to 80% of the reconstruction value.

In line with the objective of the 2022-2025 Business Plan to strengthen its position in non-life insurance excluding motor, Intesa Sanpaolo Assicura increased its exposure to Earthquake and Flood coverage reaching 35 billion euro at the end of 2023 (33.5 billion euro at the end of 2022).

The XME Protezione product also provides coverage for the payment or reimbursement of medical expenses in the event of an accident or illness, which includes events such as hospitalisation or surgery, but also specialist visits, instrumental diagnostics, physiotherapy or ophthalmology, and built-in prevention programmes aimed at protecting customers' health prior to the emergence of the most common diseases. The XME Protezione health offer also includes coverage dedicated to senior customers (aged over 65) who, as a result of certain events, find themselves in temporary difficulty. The attention paid to the senior segment is also confirmed through extending the age for coverage to 90 years for the hospital admittance and operation module. As regards the modules offered as part of XME Protezione, it is also worth mentioning the Caregiver module dedicated to covering risks deriving from unforeseen events (illness, accident or inability to return home from a trip) that prevent a Caregiver from providing his/her non-professional assistance in favor of their over-65 loved ones. In such cases, the Company makes health and social care workers available who assist the Insured to ensure the continuity of services.

For small and medium-sized enterprises, in the current “Tutela Business” offer with policies for Traders, Manufacturing, Agriculture, Offices and Professional Firms, there is coverage dedicated to climate risks to protect against non-catastrophic natural events (weather events guarantee) and civil liability for damage to property resulting from air, water and soil pollution.

In November 2023, the two products “Tutela Business Manifattura e Commercio” (Business Trade and Manufacturing Protection) were significantly revised, and the possibility of extending fire and other material events cover was offered through the purchase of the catastrophic events cover that provides for the ever-present earthquake guarantee and the additional flood, inundation, and flooding guarantee. The insured has the right to choose between two different compensation limits of the insured sum: 80% or 50%. One element that characterizes these products is the “Anticipo indennizzo” (Compensation Advanced Payment): 30 days after filing a claim, the Insured may request an advance of 50% of the presumed compensation if the damage ascertained by the Company is greater than 15,000 euro and if there are no disputes about the claim. The Company will pay the compensation advance within 30 days of receipt of the request.

The sale of the “RC Ambientale” (Environmental Civil Liability) product launched at the end of 2022 continued in 2023 with more than 1,700 policies sold. The policy provides cover for civil liability arising from damage to the environment that the company may cause in relation to its business activities, in particular in the event of damage to the environment or an imminent threat thereof. The signatory undertakes to comply with basic technical requirements that represent best practices in the management of risks of damage to the environment. With this in mind, companies are encouraged to improve the management of their risks.

In the context of health protection to support companies and their corporate welfare, Intesa Sanpaolo Assicura offers the "Collettiva Infortuni" (Collective Accident) Policy that protects one or more categories of workers in the event of an accident while performing professional and extra-professional activities. Traditionally uninsurable categories of workers such as interns, trainees and co-workers with a contract of collaboration are also covered. The range of protection in this area is completed by two insurance solutions offered by Intesa Sanpaolo RBM Salute reserved for companies and aimed at protecting workers and their families: one to cover the risks associated with serious illnesses, and the other takes the form of a health plan which reimburses medical expenses.

During the year 2023, Intesa Sanpaolo Assicura reviewed its claims processes with a view to greater environmental awareness, favoring less use of paper during the phase of filing a claim (via the Insurance APP, emails and call centre) and its management (the file can be viewed fully on screen). Alternative damage quantification tools (remote video appraisal) have been introduced, reducing environmental impacts. Whenever possible, appraisers use electric vehicles in large urban centres when moving from place to place to carry out damage assessments. Finally, the bodywork-repair networks were the subject of a programme of raising awareness about preferring damage repairs rather than replacing components and on the use of green materials.

## PRINCIPLE 2

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**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 Insurance Group continued its constant commitment to social and environmental sustainability issues with the aim of producing a concrete and positive impact on society, implementing initiatives to support ecological transition and categories of individuals in conditions of economic or social hardship in collaboration with partners, foundations and specialized, locally active organisations.

The commitment to promote and disseminate the insurance culture also continued in 2023, with the implementation of initiatives aimed at filling the "protection gap" of Italian Millennials and promoting increasingly responsible and sustainable behaviours, with the aim of disseminating among them a conscious and reasoned approach to risk management and an understanding of the consequent value for the individual and the family unit.

The initiatives were carried out through the In Action ESG programme, divided into three sections: In Action ESG NEET, In Action ESG CLIMATE, In Action ESG POOL.

Through In Action ESG NEET, in collaboration with the Dynamo Foundation, professional-training programmes were offered dedicated to the promotion and inclusion in the world of work of young people living in situations of social, economic or family hardship, with a focus on certain regions in Italy. More specifically, through professional qualification activities relating to professional roles in the field of caring, care and support for the frail, the initiative allows NEETs to resume training and be introduced into the world of work through training placements and job assistance. At the end of the year 2023, the programme saw the start of 8 classes in Tuscany, Campania and Lazio that involved a total of 112 people. According to the first available data, 77% of NEETs find a job and/or resume a course of study within a few months from completing the programme.

"In Action ESG CLIMATE", on the other hand, is a programme in collaboration with Intesa Sanpaolo Innovation Center S.p.A. started in 2022 in the form of a call for ideas and re-proposed in 2023, which aims to promote the development of new concrete solutions to combat climate change and support ecological transition through assistance to Italian entrepreneurship (e.g. young companies, SMEs, etc.). The programme provides for the allocation of a total financial contribution of 500 thousand euro to the best projects and solutions selected on the basis of the positive impact they may have on ecological transition: candidates must submit a plan outlining the solid detailed use of the awarded resources which is then monitored over the following twelve months. The 2023 edition had a great response with about 140 projects and, given the quality and potential of the solutions analysed, in addition to the 1st and 2nd prizes, two 3rd prizes were awarded ex aequo, raising the total contribution from the original sum of 500,000 to 600,000 euro and divided up as follows:

- 1st prize 250,000 euro
- 2nd prize 150,000 euro
- 3rd prize ex aequo 100,000 euro each.

The monitoring activities, carried out by the Insurance Group in relation to the awarded contributions and, in particular, with reference to the prize-winners in the 2022 edition (who have completed their projects), have highlighted the concrete and tangible effect of the awards on the winning companies' projects, in particular with regard to the growth of their turnover, workforce and research

and development. These award-winning companies also enjoyed significant improvements in growth and appreciation among institutional investors and industrial partners.

Finally, an initiative called “La Sfida” (The Challenge) was launched at the beginning of 2023, as a contest aimed to disseminate the value of protection and the insurance culture and make it clear that insurance and welfare tools can be valuable allies of the new generations. “La Sfida” took the form of ten comic episodes, from January to March 2023, about situations in daily life providing useful suggestions on the insurance world. The game provided an opportunity to understand in an innovative and fun way the importance of certain virtuous behaviours in insurance protection choices.

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 ANIA<sup>1</sup> and IVASS<sup>2</sup> working tables on regulatory evolution and reporting topics, e.g., for the purpose of the Consolidated Non-Financial Statement.

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

<sup>2</sup> IVASS - Istituto per la Vigilanza sulle Assicurazioni (i.e. Institute for the Supervision of Insurance)

## PRINCIPLE 3

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### **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 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 the 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 2023 the Insurance Group replied to the IVASS request for information about "Insights into ESG products e the application of the legislation relating to sustainability disclosures in the sector financial services and sustainable investments" and subsequent integrations.

The Intesa Sanpaolo Vita Insurance Group played a pivotal role in several working groups in the NZAOA, such as co-leading the NZAOA "Emission Attribution" working group, which aimed to develop and disseminate innovative methodologies for emissions attribution analysis in net-zero investment portfolios. This group's efforts culminated in the publication of the position paper "Understanding the Drivers of Investment Portfolios" in December 2023.

Additionally, the Insurance Group actively participates in the "Sovereign Debt" working group, which is utilizing the recently released ASCOR database to develop a scorecard for monitoring countries' progress towards decarbonization. "Assessing Sovereign Climate-related Opportunities and Risks" (ASCOR) is an investor-led project to create a free, publicly available, independent database that evaluates countries' climate change performance.

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 and by developing initiatives to support fragile categories, as indicated in the previous paragraphs.

## PRINCIPLE 4

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### **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 the contribution to the Consolidated Non-Financial Statement of the Banking Parent Company with information about the Insurance Group's performance. In 2023 the Insurance Group also contributed to the Intesa Sanpaolo Climate Report disclosure.

During the year Intesa Sanpaolo Vita increased the recent website implementations aimed at promoting greater visibility on ESG (Environmental, Social, Governance) issues and the importance of engagement. These initiatives reflect our commitment to enhancing awareness and understanding of these critical matters both internally and externally.

Specifically, in the Sustainability Disclosure section<sup>1</sup>, the following documents are published:

- The Sustainability Policy,
- The summary of Policy of integration of ESG Factors into the investment process,
- The Summary of Policy for Principle Adverse Impact,
- The Summary of Remuneration Policies,

and the Annual Statement on Principal Adverse Impact in investment decisions on sustainability factors.

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 ESG Investment Management Policy, ...).

In response to the entry into force of new regulations<sup>2</sup>, impact analyses were carried out and, where necessary, some new projects were started. Following the introduction of Directive (EU) 2022/2464 Corporate Sustainability Reporting Directive (CSRD), during the second half of 2023 the Insurance Group launched a series of preparatory activities for the preparation of sustainability reporting by undertaking a first double relevant analysis exercise to identify the impacts, risks and opportunities applicable to the Insurance Group.

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<sup>1</sup> <https://www.intesasanpaolovita.it/en/chi-siamo/sostenibilita/sostenibilita>

<sup>2</sup> Note: the entry into force of Delegated Regulation (EU) 2023/2485 which defines the additional economic activities that contribute substantially to the mitigation and adaptation of climate change, making amendments to some pre-existing activities; the publication of Delegated Regulation EU 2023/2486 (Environmental Delegated Act), which outlines the technical screening criteria for the remaining four environmental objectives set out in the Taxonomy. The latter modifies some rules for calculating the KPIs in the Taxonomy and updates the reporting templates.