

GREEN BOND REPORT

SEPTEMBER 2021



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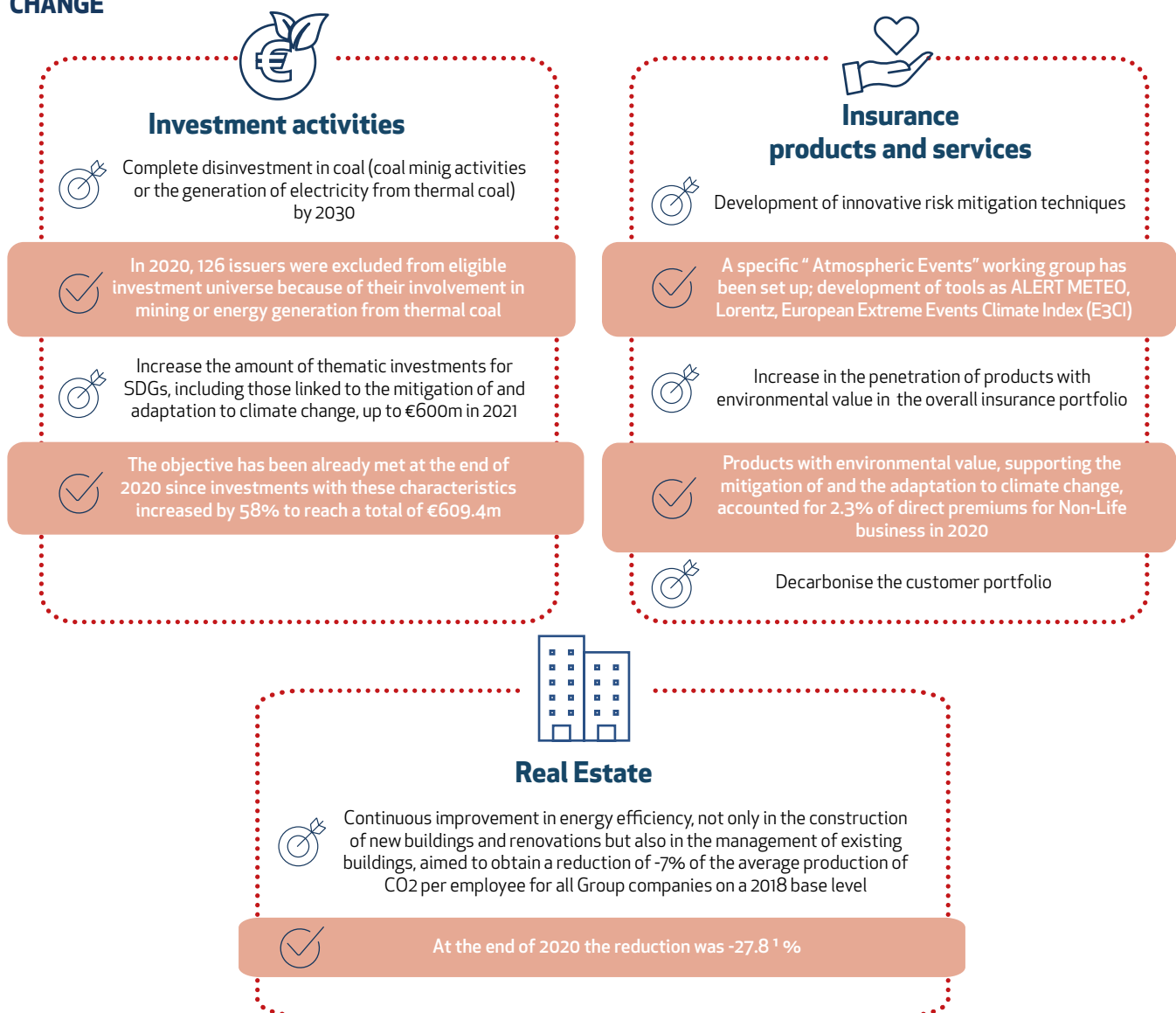
1. Introduction

Unipol (including Unipol Gruppo, UnipolSai Assicurazioni and its subsidiaries, and referred together as “Unipol”, “Group”, or “we”) is a leading Italian insurance group, first in terms of premiums in the Non-Life business, and among the top ten in Europe. It is listed on the Italian Stock Exchange “Borsa Italiana” and included in the FTSE MIB.

Unipol is committed to creating shared, sustainable value from the economic, social and environmental perspective and is signatory of UN Global Compact, Principles of Responsible Investment – PRI and Principles for Sustainable Insurance – PSI.

Unipol has always focused greatly on protecting the environment and combating climate change. The Group is fully aware of the role that insurance may play in mitigating the impacts of climate change and facilitating the transition to a low-carbon economy through the development of insurance and investment products that promote mitigation and adaptation.

2019-2021 STRATEGIC PLAN: OUR COMMITMENTS TO PROTECT THE ENVIRONMENT AND TACKLE CLIMATE CHANGE



Unipol Group, which in November 2020 became supporter of the Task Force on Climate-related Financial Disclosures (TCFD), published the second edition of its “Unipol and climate change – Reporting climate-related information” report on the year 2020.

¹ Change attributable to the gradual closure of all operating offices following the deterioration of the COVID-19 health emergency and the resulting reduction of Scope 1 and Scope 2 emissions subject to calculation

2. Unipol Green Bond

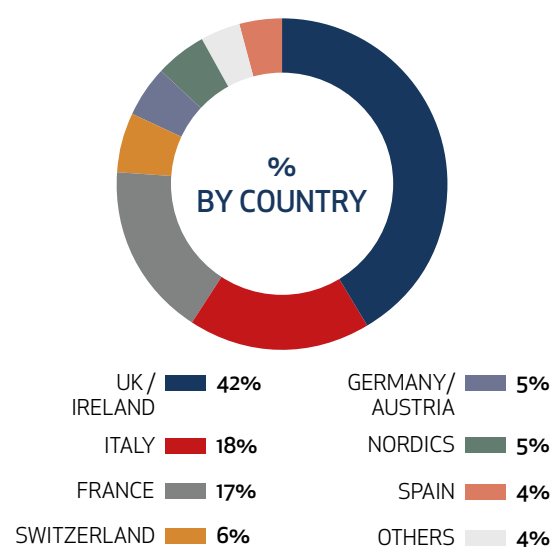
For its inaugural green bond issue, Unipol developed a Green Bond Framework in alignment with the Green Bond Principles published by ICMA (2018 edition).

The Unipol Green Bond Framework was reviewed by Sustainalytics, which issued a Second-Party Opinion and confirmed its alignment with Green Bond Principles.

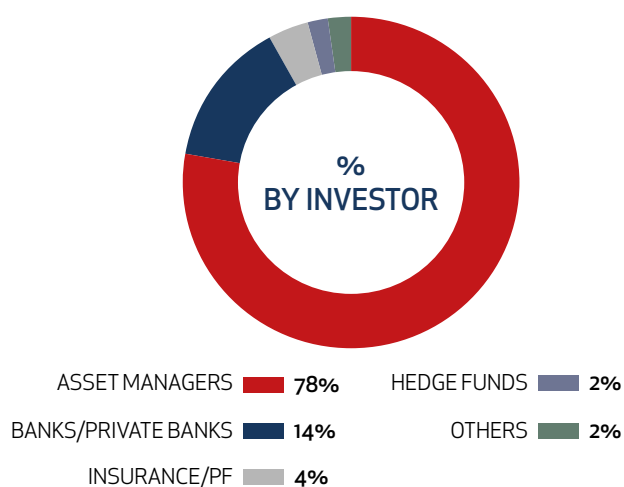
UNIPOL GREEN BOND - MAIN FEATURES

Issuer	Unipol Gruppo S.p.A.
Nominal amount	Euro 1,000 million
Issuance date	23 september 2020 (Euro 750 mln.) 26 november 2020 (Euro 250 mln.)
Maturity date	23 september 2030
Coupon	3.25%

TOTAL ALLOCATED AMOUNT BY COUNTRY ²



TOTAL ALLOCATED AMOUNT BY INVESTOR TYPE ³



² Percentage on total nominal value of € 1,000 million

³ Percentage on total nominal value of € 1,000 million

As soon as practically possible, and no later than the maturity of the bond, Unipol intends to allocate an amount at least equivalent to the net proceeds from the issuance of any Green Bond to finance and/or refinance, in whole or in part, new or existing, Eligible Green Assets – mainly held by UnipolSai – that meet the Eligibility Criteria as defined below.

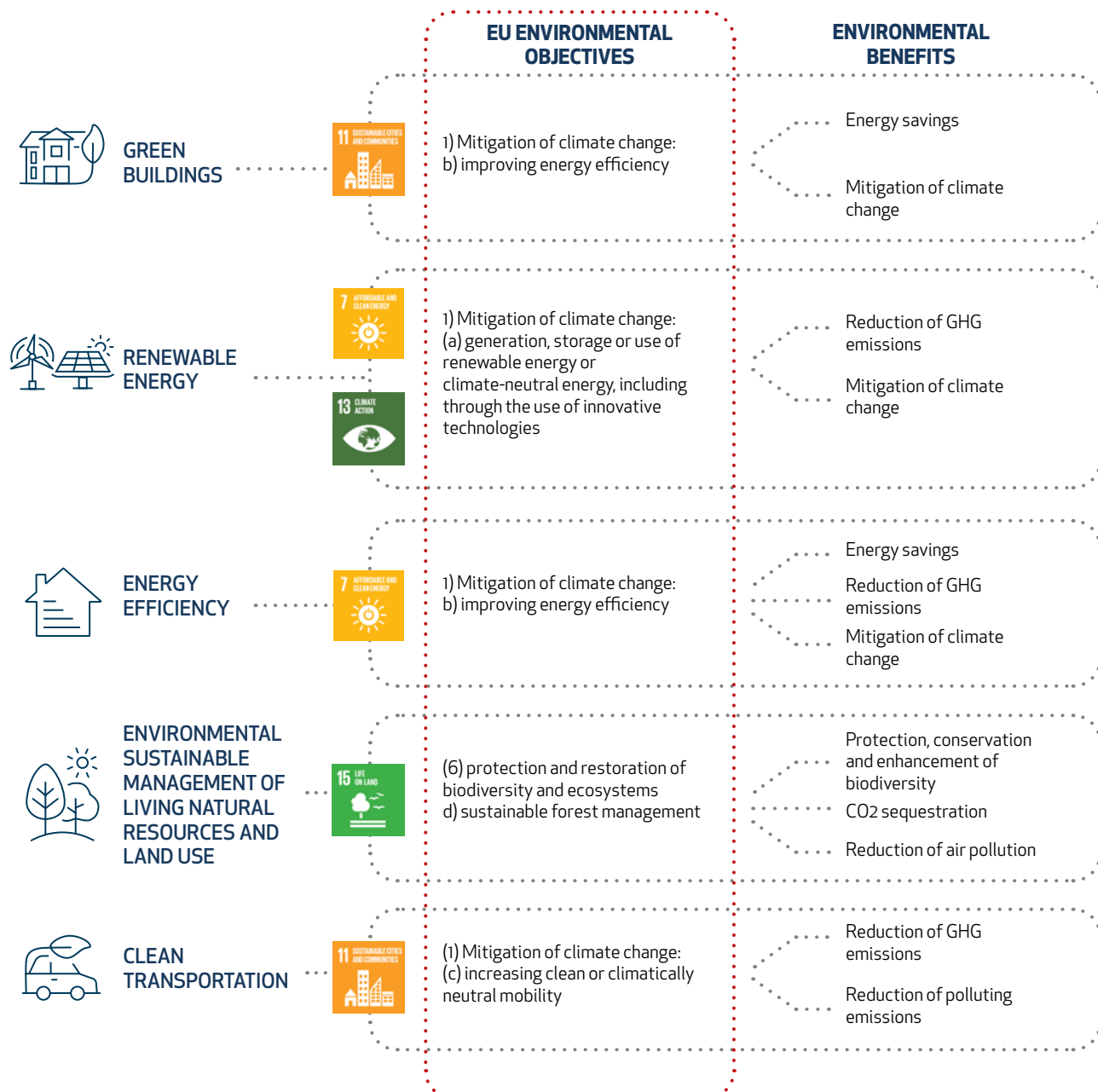
Financial Eligibility Criteria

Assets are considered Eligible if the related disbursement has occurred no more than 36 months prior to the year of issuance of the Green Bond or if they have been acquired post-issuance of the Green Bond.

Green Eligibility Criteria

Projects (re)financed using the proceeds from Green Bond issuance (“green assets”) must fall within one of the following categories described in the Unipol Group Green Bond Framework.

GREEN BOND FRAMEWORK – ADMISSIBLE ASSET CATEGORIES AND EXPECTED ENVIRONMENTAL BENEFITS



The evaluation and selection process is fully integrated and coherent with the investment process as defined in the Group's Investment Policy, guaranteeing the same control in terms of overall risk management and integration of ESG factors.

A special body, the Green Bond Working Group, is responsible for evaluating the alignment of existing and proposed pool of Eligible Green Assets with the Categories and the Criteria defined in the Green Bond Framework (section "Use of proceeds"). The Working Group held its first meeting on 1st of February 2021 in order to evaluate the allocation of proceeds for the period 23rd September – 31st December 2020.

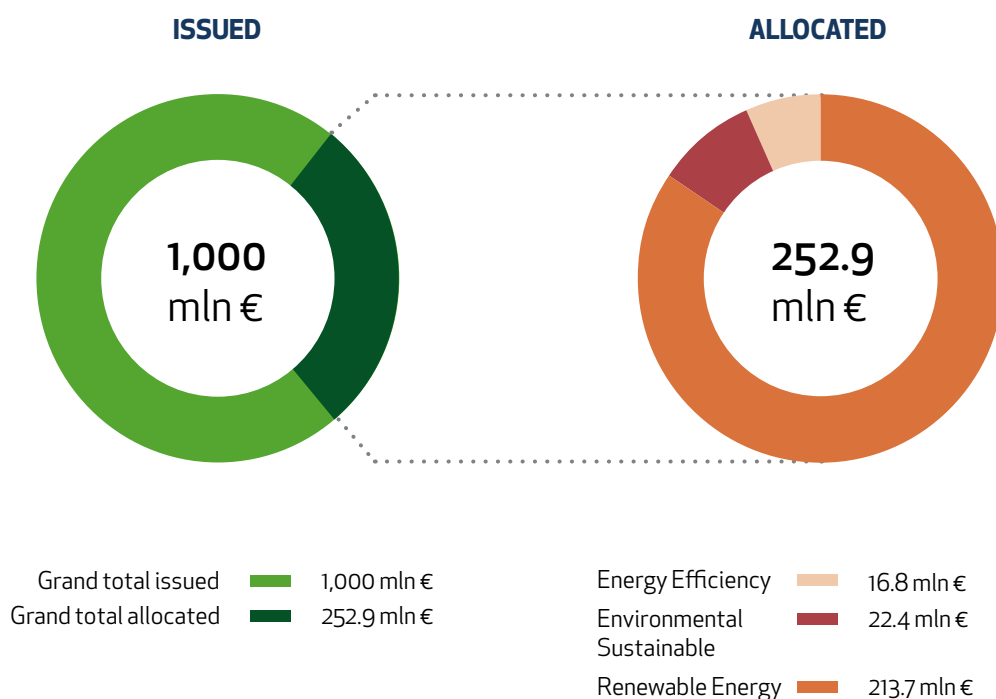
The Green Bond Working Group submits the proposals to the Group Investment Committee / UnipolSai Investment Committee / UnipolSai Real Estate Committee for the approval of their financing with Green Bond proceeds.

3. Allocation reporting

Of the €1,000 million proceeds raised from the September and November 2020 Green Bond issuance, €252.9 million was allocated to green projects as of 31 December 2020, representing a rate of allocated proceeds⁴ of 25.3%.

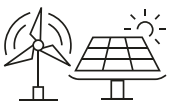


Allocated proceeds were entirely used for refinancing investments made in funds held in the UnipolSai portfolio (refinancing rate is therefore equal to 100%).

GREEN BOND ISSUE AND ALLOCATION BY CATEGORY

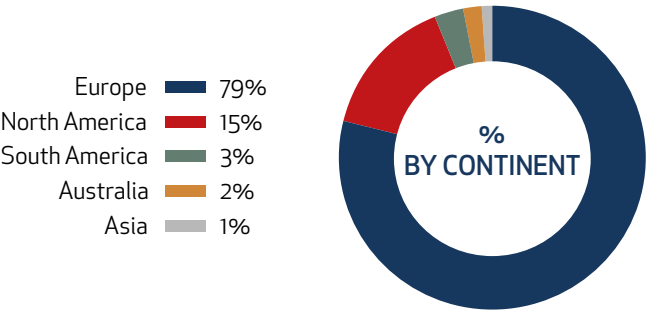


⁴ Consequently, balance of unallocated proceeds is equal to 74.7%

PROCEEDS ALLOCATED TO GREEN PROJECTS

	SUBCATEGORY	GREEN BOND ASSET PORTFOLIO AMOUNT (M€)
 RENEWABLE ENERGY	Wind	115.1
	Solar	65.9
	Hydropower	28.2
	Geothermal	4.5
	Subtotal	213.7
 ENERGY EFFICIENCY	Heating	7.9
	Lighting	7.6
	Mix	1.3
	Subtotal	16.8
 ENVIRONMENTAL SUSTAINABLE MANAGEMENT OF LIVING NATURAL RESOURCES AND LAND USE	Sustainable forestry	22.4
TOTAL		252.9

BREAKDOWN ALLOCATED BY CONTINENT



GEOGRAPHICAL BREAKDOWN: EUROPE

Key



Forestry



Renewable Energy



Energy Efficiency

Proportion of icons on allocated



340,000 € > 8,840,000 €



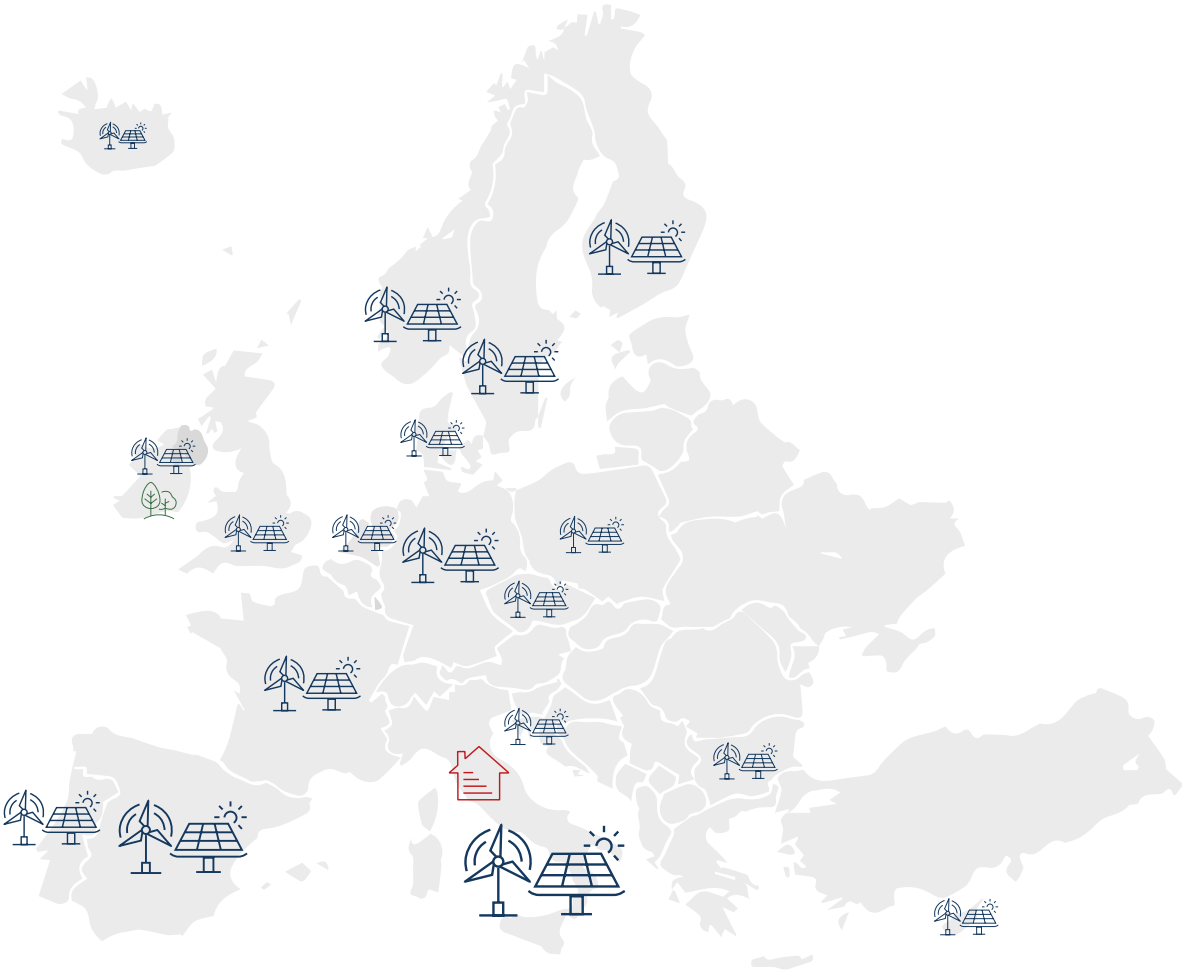
8,840,001 € > 17,340,000 €



17,340,001 € > 25,840,000 €



25,840,001 € > 51,600,000 €



GEOGRAPHICAL BREAKDOWN: REST OF THE WORLD

Key



Forestry



Renewable Energy



Energy Efficiency

Proportion of icons on allocated



620,000 € > 2,120,000 €



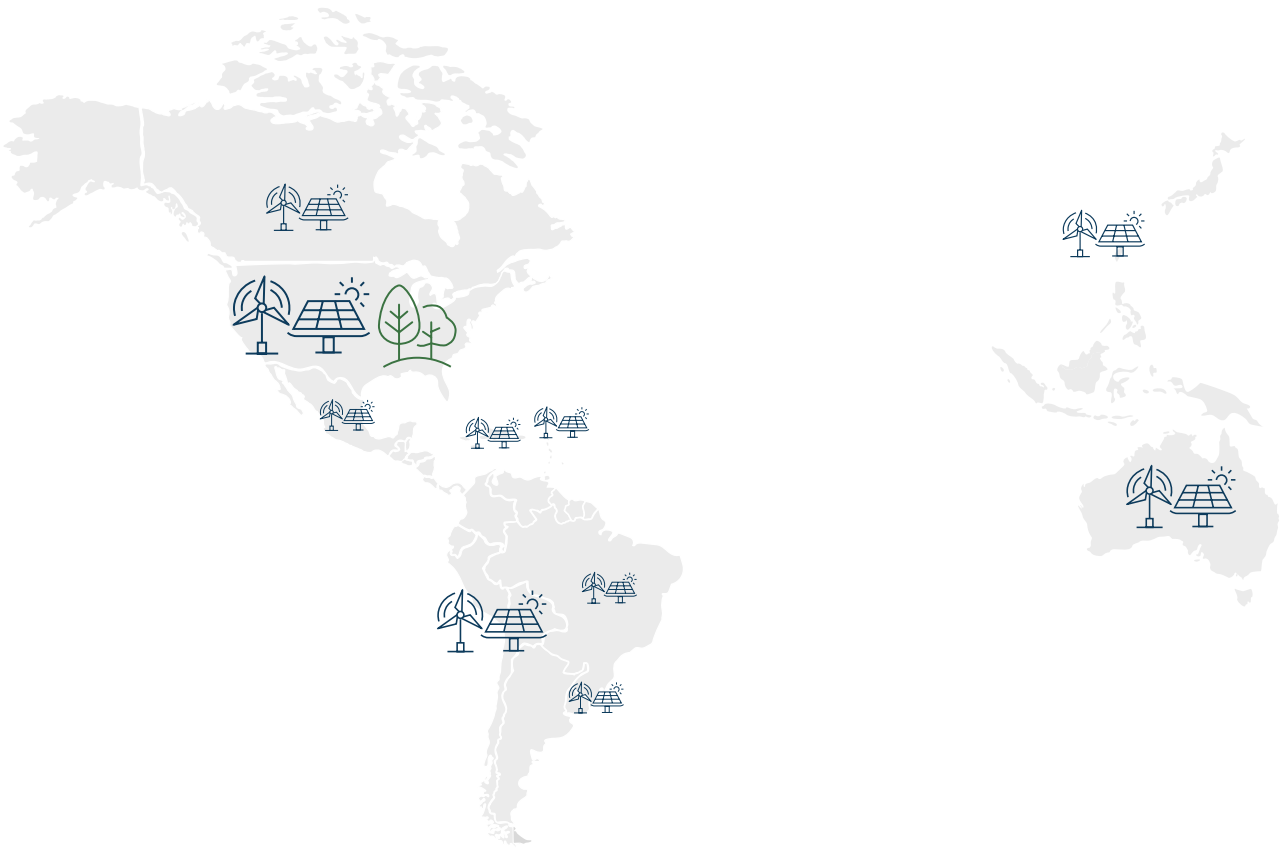
2,120,001 € > 3,620,000 €



3,620,001 € > 5,120,000 €



5,120,001 € > 20,120,000 €



Temporarily unallocated proceeds have been invested on a temporary basis in accordance with Unipol's liquidity management activities and the relevant internal policies.


4. Impact reporting

Impact reporting aims at providing investors with information on the environmental impacts and benefits associated with the Green Assets refinanced through the Green Bond issuance. In line with the Green Bond Framework, environmental impact data is provided at a Category level, subject to the availability of information. Further details on the methods for calculating environmental impacts are available in the “Methodological Note” section.

Renewable energy

For renewable energy, Unipol identifies four subcategories:

- Wind – the majority of the proceeds are allocated to wind projects, offshore and onshore facilities. The lion's share of the total environmental benefits is connected to wind projects;
- Solar – of the 51 refinanced projects, the most relevant infrastructures in terms of environmental benefits are photovoltaic plants located in Italy and Spain;
- Hydropower – the refinanced hydropower projects are large-scale and located in North America and Europe (Norway and Portugal);
- Geothermal – the only geothermal project is located in Iceland.

Category	Subcategory ⁵	Green Bond Asset Portfolio amount(€)	Projects refinanced (number)	Attributable Capacity of renewable energy plant(s) constructed or rehabilitated [MW]	Attributable Annual renewable energy generation in [MWh] (electricity)	Attributable Annual GHG emissions reduced/avoided [tCO ₂ eq.]
 Renewable Energy	Wind	115.1 M	78	613 MW	1,621,238 MWh	615,881 tCO ₂ eq
	Solar	65.9 M	51	244 MW	101,862 MWh	42,433 tCO ₂ eq
	Hydropower	28.2 M	8	186 MW	86,342 MWh	32,491 tCO ₂ eq
	Geothermal	4.5 M	1	7 MW	57,000 MWh	4 tCO ₂ eq
	Total	213.7 M	138	1,050 MW	1,866,441 MWh⁶	690,809 tCO₂eq⁷

Energy efficiency

Investments in products and systems that reduce energy consumption or mitigate greenhouse gas (GHG) emissions; the vast majority of the refinanced energy efficiency projects are located in Italy, except for a Europe-wide project currently underway. Fully operational projects in Italy are:


- Heating / cooling – industrial and civil energy efficiency projects and air conditioning and refrigeration (HVACR)⁸;
- Lighting – mainly for town halls and public roads.

⁵ Some project are mix of wind and solar. For ease of comprehension, the category has been assigned according to the dominant part

⁶ For more information, please consult the methodological note

⁷ For more information, please consult the methodological note


⁸ Among the refinanced HVACR projects, some generate environmental benefits only in terms of avoided GHG emissions by switching from high-Global Warming Potential (GWP) refrigerants to low-GWP substitutes

	Subcategory	Green Bond Asset Portfolio amount(€M)	Projects refinanced (number)	Annual energy savings (MWh)	Attributable Annual GHG emissions reduced/avoided [tCO ₂ eq.]
 Energy Efficiency	Heating / cooling	7.9 M	4	7,585 MWh	12,594 tCO ₂ eq
	Lighting	7.6 M	3	18,825 MWh	6,175 tCO ₂ eq
	Mix	1.3 M ⁹	1	-	-
	Total	16.8 M	8	26,410 MWh	18,769 tCO₂eq¹⁰

Environmental sustainable management of living natural resources and land use

Almost all forestry projects are in the USA. There are two types of trees under maintenance: Loblolly Pine trees and Slash Pine Trees, certified by the Sustainable Forestry Initiative (**SFI**).

The European project is located in Ireland, and the certification is provided by Forest Stewardship Council (**FSC**). The type of activity undertaken is ecological restoration of areas featuring native woodland and peatland.

	Region	Green Bond Asset Portfolio amount(€M)	Projects refinanced (number)	Area (ha)	Total Carbon Sequestered [tCO ₂ eq.]
 Forestry	Europe	2.4 M	1	162 ha	2,685 tCO ₂ eq
	North America	20.1 M	10	7,569 ha	88,855 tCO ₂ eq
	Total	22.5 M	11	7,731 ha	91,540 tCO₂eq¹¹

⁹ Impact data is not available at the moment for the related project. The Project is currently underway and the impact data will be reported as soon as available.

¹⁰ For more information, please consult the methodological note

¹¹ For more information, please consult the methodological note

5. Projects examples



Renewable energy

Country: Germany
Field: Renewable energy/Wind

The project is a 345.5MW offshore wind farm in the German North Sea with 55 wind turbines. The project benefits from a feed-in tariff until 2026 with a floor price thereafter until 2036. Located approximately 45km off the coast of Germany, the two wind farms generate an emission-free power equivalent to the consumption of 600,000 households.



Energy Efficiency

Country: Italy
Field: Energy efficiency/Lighting

The main objective of this project is to compete for public and private contracts, either directly or in temporary groups with other entities, for the integrated management of the public lighting service and related energy efficiency measures. The project offers technical and operational solutions for energy saving in public lighting and tunnels, as well as the management of related services, for some of the main Italian cities.



Forestry

Country: USA
Field: Forestry

The property consists of numerous tracts that are spread across several countries within approximately 60 miles of the southwestern edge of Atlanta, Georgia. The property is well stocked with both natural and planted pine as well as natural hardwoods. There also are 19 different wood processing facilities in its wood basket, ranging from lumber, chip, oriented strand board (OSB) and pellet mills to pulp, paper, plywood and veneer plants. The area of influence extends for a total of 4,917.66 hectares 100% certified by the SFI (Sustainable Forestry Initiative).

Methodological note

Unipol reports the estimated impact of the assets refinanced by the Green Bonds at an aggregate level for each of the three categories. To compute the attributable impact associated with the allocated proceeds of Unipol Green Bond, the Group adopted the “pro-rated share approach” by applying a percentage of our share of the total financing to the environmental impacts associated with each projects/ portfolio, in line with ICMA's Harmonised Framework for Impact Reporting.

Projects that do not qualify (or the fund does not qualify them) as Eligible Green Bond Assets are excluded from the calculation.

The calculations and the data request to the funds were made for the time period 1.1.2020 to 31.12.2020.

The report is based on genuine data provided by the fund to the extent that it is available. If such information was not available, Unipol relied upon estimates.

In particular, for the following impact metrics:

Renewable Energy

- **Energy generated (MWh)**
Impact measurement metrics for renewable energy were calculated using project reported yearly energy generation data (MWh) or, where not available, capacity factors provided multiplied by the total size (MW) of the project bearing in mind the period of its operation (COD, Commercial Operation Date).
- **GHG Emissions avoided (tCO₂eq)**
Avoided emissions are calculated by comparing the GHG emissions attributable to the renewable energy project (0 tCO₂e) with the average emissions of electricity mix of the host Country/Region. GHG emissions avoided (in tCO₂e) = Electricity generated by the asset (GWh) x specific emissions factor of the electric mix of the country/region (tCO₂e/GWh).
Unipol relies on actual GHG emissions avoided figures provided by Company's project. However, if no independent estimation is provided, Unipol estimates emissions through IEA standards¹².

Energy Efficiency

- **GHG Emissions avoided (tCO₂eq)**
The following coefficients were used to calculate avoided emissions: CO₂ emissions and emission factors for heat production by fuel type ISPRA; Standard parameters, fuels/materials ISPRA; EU Regulation FS-Gas.

Forestry

- **Total Carbon Sequestered (tCO₂eq)**
The sequestered emissions are reported by calculating the forest carbon stored in the trees (whole trees, including below ground roots) multiplied by conversion rates to obtain the cubic tons.

Moreover, in a few limited cases, precise information on the project was not provided (e.g., because the information was provided by aggregating data or because of the cross-border nature of the project);

For ease of comprehension, allocated amounts and associated impacts were assigned proportionally to the different categories or regional areas.

¹² <https://www.bilans-ges.ademe.fr/docutheque/docs/Documentation%20g%C3%A9n%C3%A9rale%20anglaise%20v18.1.pdf>



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Independent auditors' report on the Green Bond Report 2020

To the Board of Directors of
Unipol Gruppo S.p.A.

We have been engaged to perform a limited assurance engagement on the accompanying Green Bond Report 2020 of Unipol Gruppo S.p.A. (hereinafter "Unipol Group" or "Group"), prepared to comply with the reference principles established in the Group Green Bond Framework and in accordance with the criteria provided by the "Methodological note" section of the Green Bond Report 2020.

Management's responsibility

The Management is responsible for the preparation of the Green Bond Report 2020 in accordance with the criteria provided by the "Methodological note" prepared in line with the Group Green Bond Framework, and for the internal controls as management determines is necessary to enable the preparation of the Green Bond Report 2020 that is free from material misstatement, whether due to fraud or error.

Independence and quality control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies International Standard on Quality Control 1 (ISQC Italia 1) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditors' responsibility

Our responsibility is to express a conclusion on the Green Bond Report 2020 based on our limited assurance engagement. We conducted our limited assurance engagement in accordance with the provisions of the standard "International Standard on Assurance Engagements 3000 – Assurance Engagements other than Audits or Reviews of Historical Financial Information" ("ISAE 3000 revised") issued by the International Auditing and Assurance Standards Board. This standard requires that we plan and perform our procedures to obtain limited assurance whether the Green Bond Report 2020 is free from material misstatement.

The procedures we performed were based on our professional judgment and included inquiries, primarily of persons responsible for the preparation of the Green Bond Report 2020, inspection of documents, recalculation, agreeing or reconciling with underlying records and other evidence-gathering procedures that are appropriate in the circumstances.

EY S.p.A.
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Capitale Sociale Euro 2.525.000,00 i.v.
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A member firm of Ernst & Young Global Limited



Our limited assurance engagement also includes:

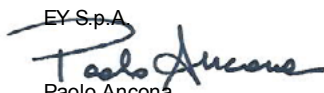
1. assessing, through virtual interviews with the personnel of Unipol Group, the procedures followed to collect, aggregate and report allocation and impact indicators included in the Green Bond Report 2020;
2. in particular, regarding the significant information contained in the Green Bond Report 2020, with reference to quantitative data, we have conducted both limited documentary evidences and analytical procedures, in order to collect information about the processes and procedures that support the collection, elaboration, processing and transmission of indicators;
3. with reference to qualitative information, we have collected supporting documentation to verify consistency with the available evidence.

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement conducted in accordance with ISAE 3000 revised and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement.

Conclusion

Based on the procedures we have performed, nothing has come to our attention that causes us to believe that the Green Bond Report 2020 of Unipol Gruppo S.p.A. is not prepared, in all material respects, in accordance with the criteria provided by the "Methodological note" section of the Green Bond Report 2020 and in line with the Group Green Bond Framework.

Milan, October 8, 2021

EY S.p.A.

Paolo Ancona
(Auditor)



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