



**GREEN BOND
REPORT
2021**

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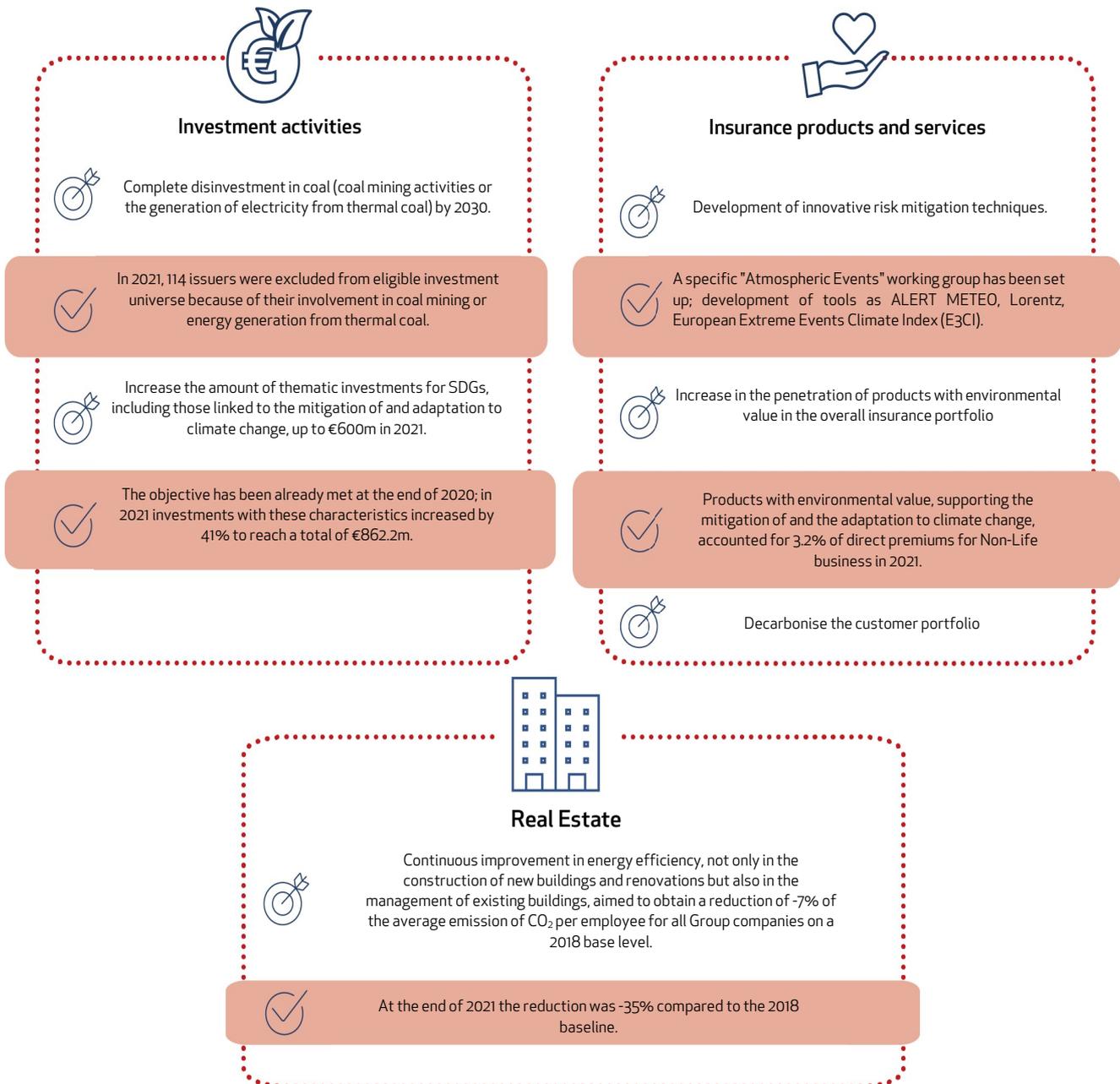
1. Introduction

Unipol (including Unipol Gruppo, UnipolSai Assicurazioni, and its subsidiaries, and referred to 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 a signatory of the UN Global Compact, Principles of Responsible Investment (UN PRI), and Principles for Sustainable Insurance (UNEP FIPSI).

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 a supporter of the Task Force on Climate-related Financial Disclosures (TCFD), published the third edition of its "Unipol and climate change – Reporting climate-related information" report on the year 2021.

2. Unipol Green Bond

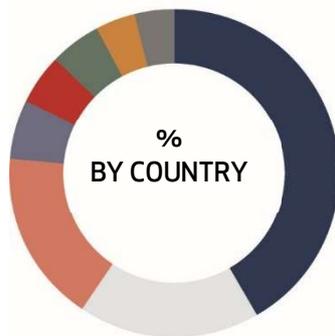
For its inaugural green bond issue, Unipol developed a Green Bond Framework in alignment with the Green Bond Principles published by ICMA (2018 edition).

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

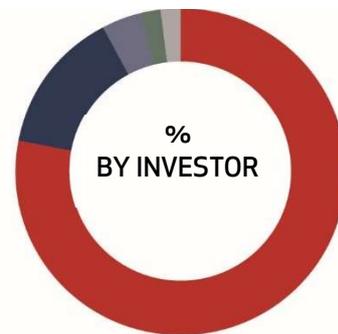
Issuer	Unipol Gruppo S.p.A.
Nominal amount	EURO 1,000 million
Issuance date	23 september 2020 (Euro 750 mln.) 26 november 2020 (Euro 250 mln.)
Maturity date	23 september 2030
Coupon	3.25%

TOTAL ALLOCATED AMOUNT BY COUNTRY



UK/IRELAND	42%	GERMANY /AUSTRIA	5%
ITALY	18%	SPAIN	4%
FRANCE	17%	OTHERS	4%
SWITZERLAND	6%		
NORDICS	5%		

TOTAL ALLOCATED AMOUNT BY INVESTOR TYPE



ASSET MANAGERS	78%	HEDGE FUNDS	2%
BANKS/PRIVATE BANKS	14%	OTHERS	2%
INSURANCE/PF	4%		

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.

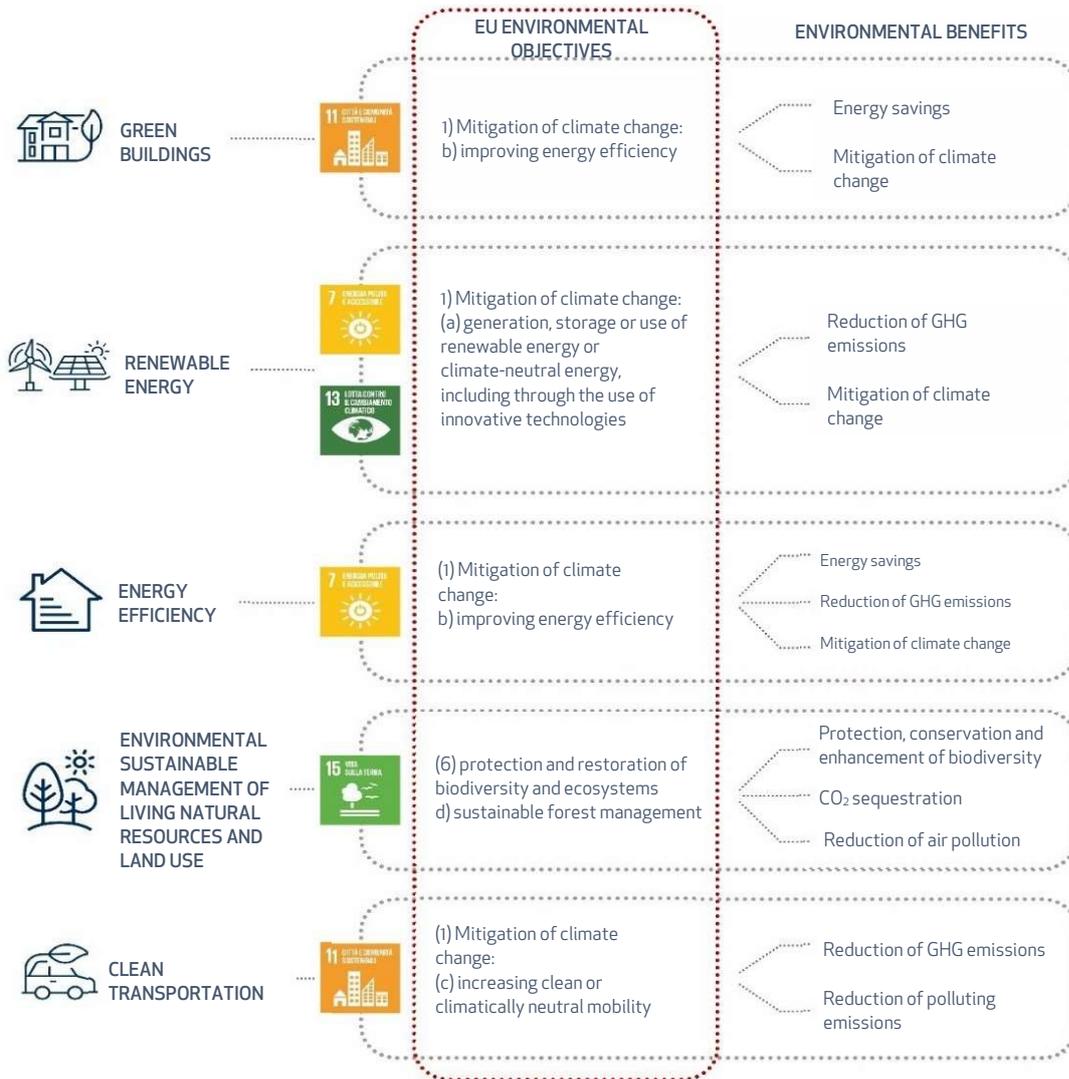
Financial Eligibility Criteria

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 the 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 met on February 1st, 2021, to evaluate the allocation of proceeds for the period September 23rd – December 31st 2020; on November 22nd, 2021, to verify and confirm the existing pool and evaluate a proposed pool of assets; on February 7th, 2022 to ensure the allocation of proceeds for FY2021.

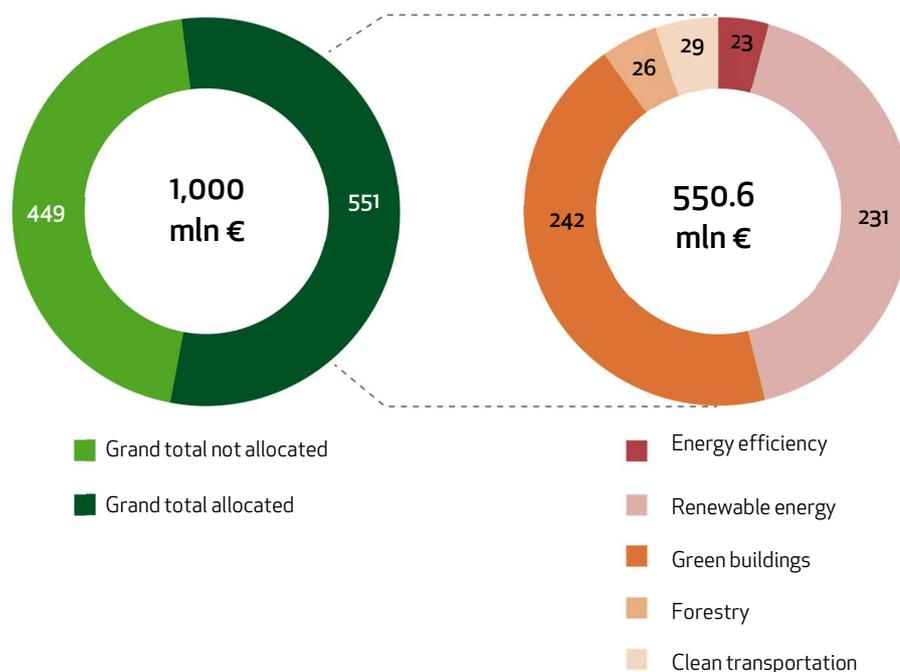
The Green Bond Working Group submits the proposals to the Group Investment Committee / UnipolSai Investment Committee / UnipolSai Real Estate Committee for the approval of their financing with Green Bond proceeds.

3. Allocation reporting

Of the €1,000 million proceeds raised from the September and November 2020 Green Bond issuance, €550.6 million was allocated to green projects as of December 31st, 2021, representing a rate of allocated proceeds¹ of 55.1%.

The percentage of net proceeds used for refinancing² is 64.72%, while 35.28% represents new financing.

Green Bond issue and allocation by Category



In 2021, the Group further diversified allocation Categories and projects.

Green Buildings

An important role was played by interventions to improve the environmental performance of the buildings belonging both to Unipol and to Unipol's customers for which the Group has acquired the tax credits.

Concerning Unipol Group's real estate assets, the proceeds of the Green Bond were allocated to assets that, due to renovations, have received a BREEAM-In-Use Certification level "Excellent".

Location	Destination	Operation	Floor Area	Allocated proceeds
Milan Via Gustavo Fara 41 "Torre Galfa"	Tourist/ receptive	Complete renovation of the structure, facades, installations, internal finishes, and external works.	17.168 mq ²	53.4 M
Milan Corso di Porta Romana 19	Office Management	Complete renovation of the structure, facades, installations, and interior finishes.	6.130 mq ²	9.8 M
Milan Via de Castilia 23	Office Management	Complete renovation of the structure, facades, installations, internal finishes, and external works.	16.181 mq ²	35.3 M

Concerning properties owned by third parties, the Group has structured an offer that facilitates beneficiaries' use of measures defined by the Italian Decree Law 34/2020 (so-called "Decreto Rilancio") and aimed to promote energy efficiency improvements in privately owned buildings, providing for a tax credit equal to 110% of eligible expenses.

¹ Consequently, balance of unallocated proceeds is equal to 44.9%.

² As a conservative approach, since the report refers to different issue dates, we have considered all disbursements made before 01/01/2021 as refinanced.

The proceeds were allocated to finance individual renovation interventions carried out by residents, condominiums, and companies taking advantage of the facilities provided by the Relaunch Decree for renovation works; in particular, the proceeds were allocated to acquiring credits related to the "Ecobonus" measure. The tax credit generated can be attributed to the tax liabilities of the relevant property owner or can be traded ("cessione del credito") by entitled property owners, effectively by selling it to third parties, usually financial institutions such as Unipol Group.

To allocate Green Bond proceeds, renovations credits were considered that involve an energy saving of at least 30% compared to the energy performance of the building before the renovation, verified through the analysis of the Energy Performance Certificate (in Italian "Attestato di Prestazione Energetica" or APE) issued at the end of the renovation.

In allocating the proceeds, the Group considered an amount equal to 100% of the loan's value, corresponding to the investment effectively made to improve environmental performance.

Renewable energies

For renewable energy, Unipol identifies four subcategories:

- Wind – the majority of the proceeds are allocated to wind projects, offshore and onshore facilities;
- Solar – mainly 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.

Clean Transportation

The proceeds are allocated to the refinancing and financing of investments made to purchase electric vehicles and hybrid vehicles (with a CO₂ emission threshold of <50gCO₂/km) by Unipol*Rental*, the group company specialising in the long-term car rental³.

Unipol*Rental* (formerly Car Service) became part of the Unipol Group in September 2019. All vehicles with the indicated characteristics purchased within the look-back period provided for by the Green Bond Framework and still managed by Unipol*Rental* were considered for the allocation of proceeds.

Environmental sustainable management of living natural resources and land use

The proceeds have been allocated to twelve sustainable forestry projects. Almost all of them 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 activity undertaken is the ecological restoration of areas featuring native woodland and peatland.

Energy efficiency

Investments in products and systems that reduce energy consumption or mitigate greenhouse gas (GHG) emissions; most 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)⁴;
- Lighting – mainly for town halls and public roads.

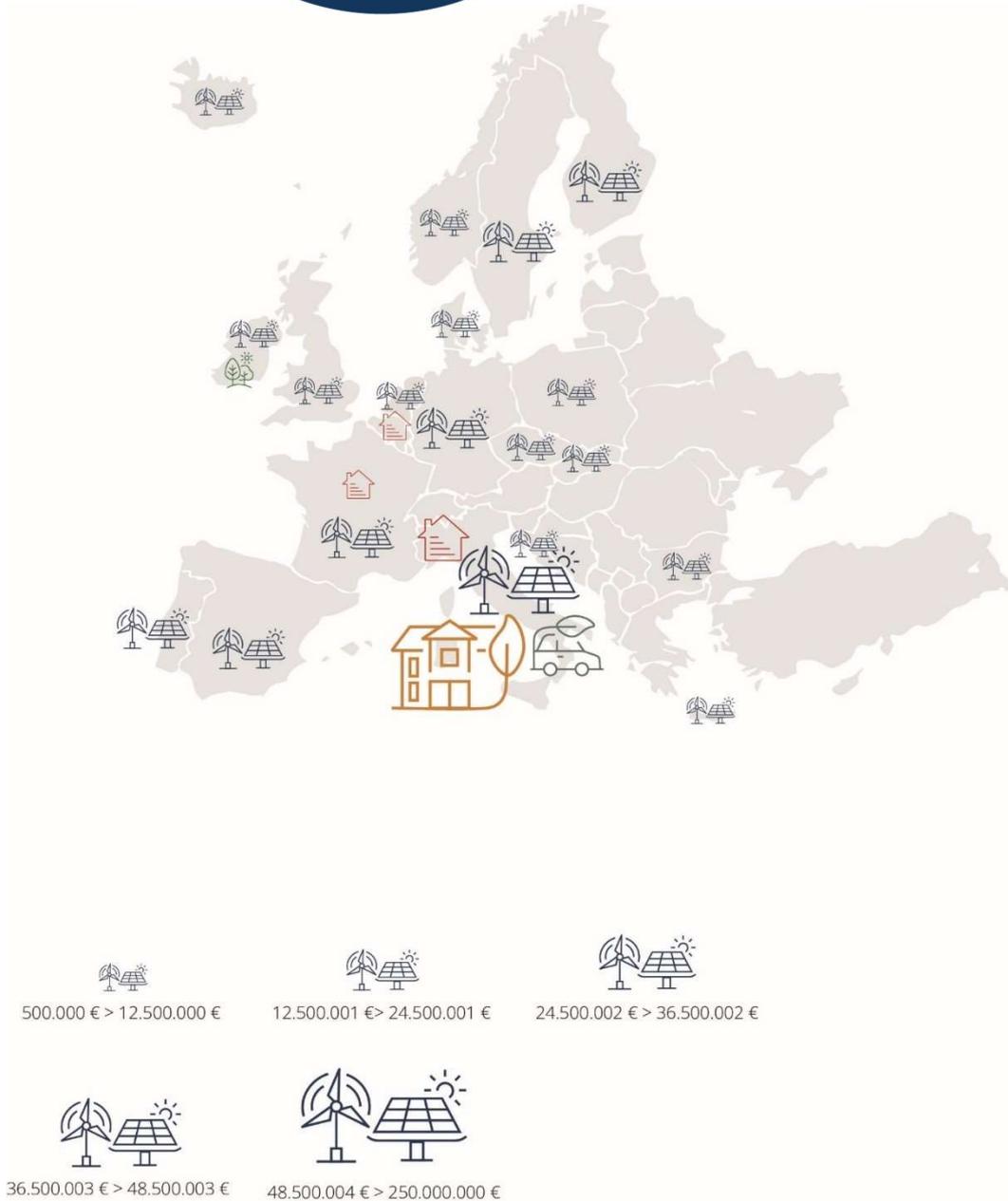
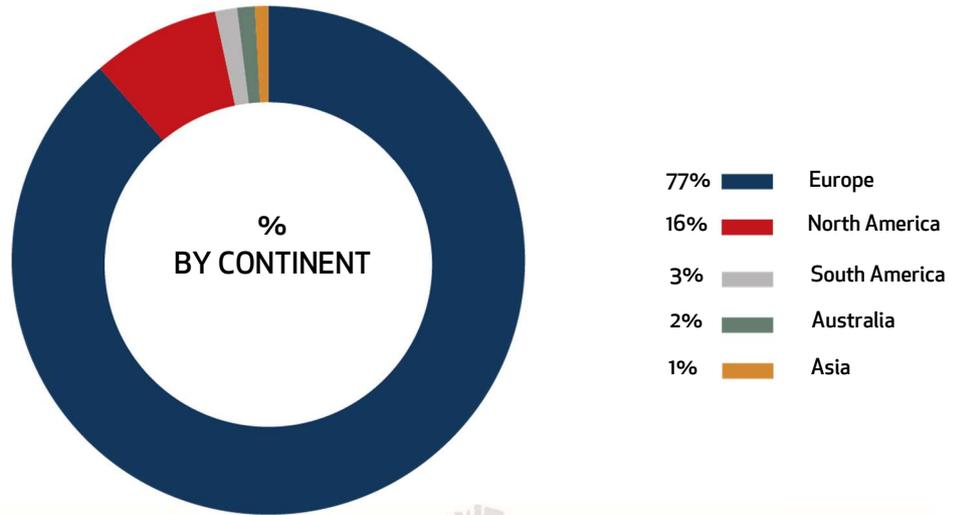
³ Unipol*Rental* (formerly Car Service) became part of the Unipol Group in September 2019.

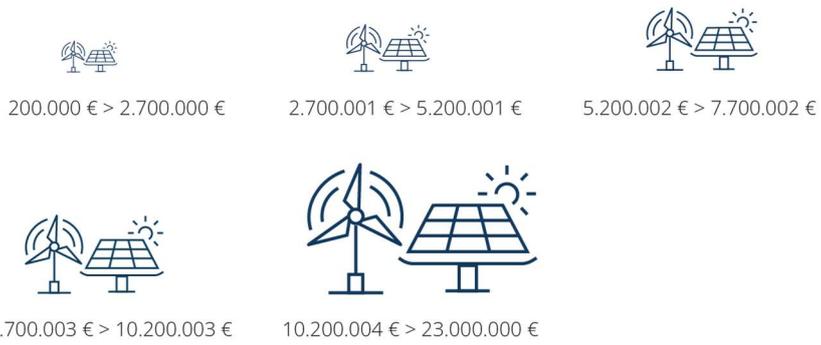
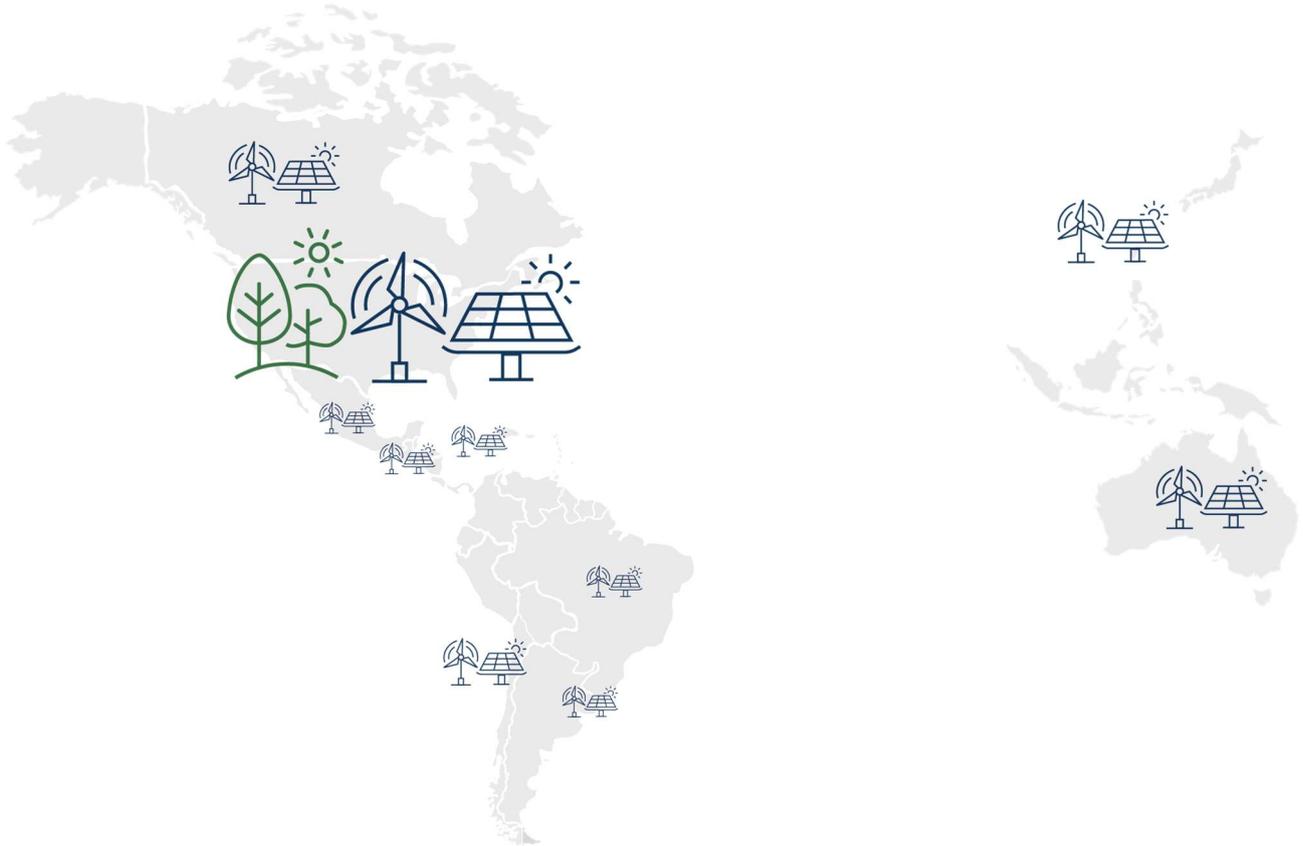
⁴ Among the refinanced HVACR projects, some generate environmental benefits only in terms of avoided GHG emissions by switching from high-Global Warming Potential (GWP) refrigerants to low-GWP substitutes.

PROCEEDS ALLOCATED TO GREEN PROJECTS

	Sub-Category	Funds allocated to each Eligible Category (m€)
 GREEN BUILDINGS	"Ecobonus" tax credits	143.7
	Unipol Real Estate	98.5
	Subtotal	242.2
 RENEWABLE ENERGY	Wind	128.7
	Solar	69.5
	Hydropower	28.4
	Geothermal	4.2
	Subtotal	230.8
 ENERGY EFFICIENCY	Heating	10.6
	Lighting	10.7
	Mix	2.1
	Subtotal	23.4
 ENVIORNMENTAL SUSTAINABLE MANAGEMENT OF LIVING NATURAL RESOURCES AND LAND USE	Sustainable Forestry	25.7
 CLEAN TRANSPORTATION	Electric/Hybrid	28.5
Total		550.6

BREAKDOWN ALLOCATED BY CONTINENT





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.

Green Buildings

The following impacts are related only to properties owned by third parties involved in the "Ecobonus" renovation interventions. Only⁵ buildings where renovation works were fully completed at the end of 2021 have been considered for the impact assessment. Regarding the Group-owned buildings, Unipol decided not to report impact data for the following methodological reason. The three buildings were not in use prior to the renovation works, so there is no baseline of energy consumption to refer post-works performance to. In 2021, however, the buildings had, due to the pandemic situation, a significantly reduced use compared to what should be their fully operational use. Any impact assessment would have been of little significance in this situation. Unipol, therefore, intends to evaluate and report the impact data in future Green Bond Reports.

	Subcategory	Green Bond Asset Portfolio amount [M€]	Projects refinanced [number]	Annual energy savings [MWh]	Attributable Annual GHG emissions reduced/avoided [tCO ₂]
 Green Buildings	Ecobonus	143.7	768	4,020	1,435
	Unipol Real Estate	98.5	3	n/a	n/a
	Total	242.2	771	4.020	1.435

Renewable energy

The impact data in the following table refer to operational projects.

Estimates can be disclosed, in line with the ICMA framework; total impact, including ongoing projects, are available in footnotes⁶ for completeness of the information.

	Subcategory	Green Bond Asset Portfolio amount [M€]	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	128.7	100	1,091	1,668,628	487,998
	Solar	69.5	60	528	350,170	113,388
	Hydropower	28.4	6	33	75,343	62,883
	Geothermal	4.2	1	7	50,207	3
	Total	230.8	167	1,660	2,144,349	644,272

⁵As the impact data for real estate has not been realised (empty buildings, COVID baseline period), we commit ourselves to report the impact data in future reports.

⁶ Attributable Capacity of renewable energy plant(s) constructed or rehabilitated [MW] = 1,660 MW

Attributable Annual renewable energy generation in [MWh] (electricity) = 3,808,363 MWh

Attributable Annual GHG emissions reduced/avoided [tCO₂eq.] = 1,669,260 tCO₂

Clean Transportation

	Subcategory	Green Bond Asset Portfolio amount [M€]	Number Vehicles Purchased	Number of km of clean transportation	Attributable Annual GHG emissions reduced/avoided [tCO ₂ eq.]
 Clean Transportation	Unipol Rental	28.5	921	8,243,699	1,259
	Total	28.5	921	8,243,699	1,259

Environmental sustainable management of living natural resources and land use

	SubCategory	Green Bond Asset Portfolio amount [M€]	Projects refinanced [number]	Area [ha]	Total Carbon Sequestered [tCO ₂]
 Forestry	Environmental sustainable management of living natural resources and land use	25.7	12	8.877	95.287
	Total	25.7	12	8.877	95.287

Energy efficiency

	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	10.6	4	8,747	2,038
	Lighting	10.7	3	21,966	7,205
	Mix	2.1	1	n/a	17,272
	Total	23.4	8	30.713	26,515

5. Project 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).



Green Buildings

Country: Italy
Field: Green Buildings / Unipol Real Estate

Torre Galfa is a skyscraper in Milan, Italy, located north of the city center in the Centro Direzionale di Milano neighborhood. Melchiorre Bega designed it in 1956 and it was completed in 1959. Torre Galfa joined Unipol's real estate portfolio in 2012 following the acquisition of Fondiaria Sai insurance company, owner of the building since 2006. Redevelopment work began in 2016 the refurbished building will contain a mix of residential, hotel and commercial functions.



Clean Transportation

Country: Italy
Field: Clean Transportation / Unipol Rental

Unipol rental's GB-eligible fleet consists of 38% electric cars and 62% hybrid cars. The car fleet includes both commercial vehicles such as delivery vans and trucks as well as vehicles for private use. The total KM driven by the fleet, estimated through the unipol boxes installed in the vehicles, correspond to almost 5 thousand trips Rome-Paris.

6. Methodological note

Unipol reports the estimated impact of the assets refinanced by the Green Bonds at an aggregate level for each of the five 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 project/portfolio, in line with ICMA's Harmonised Framework for Impact Reporting.

The calculations and the data request to the funds were made for the time period 1.1.2021 to 31.12.2021.

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:

Green Buildings

- Annual energy savings (MWh)

The "Attestato di Prestazione Energetica" (APE) is the document that outlines the energy characteristics of a building, a house or a flat. It is a control tool that summarises the energy performance of buildings⁷ on a scale from A4 to G (10-letter scale). For estimation purposes, we have taken into account 3 indicators present in the APEs:

- Non-renewable energy performance index EP_{gl,nren} kWh/m² year
- Renewable energy performance index EP_{gl,ren} kWh/m² year
- CO₂ emissions Kg/m² year

We calculate actual impact data by comparing the APE before and after the works.

Where the APE is not available, Annual energy savings is estimated considering the initial energy class and the energy class reached at the end of the works, taking into account the average energy consumption for each energy class as revealed on the SIAPE⁸ website which records and analyses more than 2 million APEs issued.

- Annual GHG emissions reduced/avoided (tCO₂)

The APE (APE - Attestato di Prestazione Energetica) is the document that outlines the energy characteristics of a building, a house or a flat. APE is a control tool that summarises the energy performance of buildings on a scale from A4 to G (10-letter scale). For estimation purposes, we have taken into account 3 indicators present in the APEs:

- Non-renewable energy performance index EP_{gl,nren} kWh/m² year
- Renewable energy performance index EP_{gl,ren} kWh/m² year
- CO₂ emissions Kg/m² year

We calculate actual impact data by comparing the APE before and after the works.

Where the APE is not available, Annual GHG emissions reduced/avoided is estimated considering the initial energy class and the energy class reached at the end of the works, taking into account the average CO₂ improvement for each energy class as revealed on the SIAPE⁹ website which records and analyses more than 2 million APEs issued.

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). The capacity factors are estimated using the IRENA¹⁰ methodology.

- GHG Emissions avoided (tCO₂eq.)

Avoided emissions are calculated by comparing the GHG emissions attributable to the renewable energy project (0 tCO₂eq.) with the average emissions of electricity mix of the host Country/Region. GHG emissions avoided (in tCO₂eq.) = Electricity generated by the asset (GWh) x specific emissions factor of the electric mix of the country/region (tCO₂eq./GWh). Unipol relies on actual GHG emissions avoided figures provided by Company's project. However, Unipol estimates emissions through IEA¹¹ standards if no independent estimation is provided.

⁷ Legislative Decree 48/2020 implementing Directive (EU) 2018/844

⁸ <https://siape.enea.it/indici-prestazione-emissioni>

⁹ <https://siape.enea.it/indici-prestazione-emissioni>

¹⁰ <https://www.irena.org/Statistics>

¹¹ <https://www.bilans-ges.ademe.fr/docutheque/docs/Documentation%20g%C3%A9n%C3%A9rale%20anglaise%20v18.1.pdf>

Energy Efficiency

- GHG Emissions avoided (tCO₂eq.)
The following coefficients were used to calculate avoided emissions: CO₂eq. emissions and emission factors for heat production by fuel type ISPRA; Standard parameters, fuels/materials ISPRA; EU Regulation FS-Gas.

Forestry

- Total Carbon Sequestered (tCO₂)
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.

Clean Transportation

- Attributable Annual GHG emissions reduced/avoided (tCO₂eq.)
Avoided emissions have been estimated by the stated emission factor in the car registration document, comparing it with an average benchmark of the global Italian car fleet calculated using ACI¹² and DEFRA¹³ data.

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://opv.aci.it/WEBDMCircolante/>

¹³ <https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2021> - CO₂eq. emission factors were considered to build the baseline for avoided emissions

Independent auditors' report on the Green Bond Report 2021

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 2021 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 2021.

Management's responsibility

The Management is responsible for the preparation of the Green Bond Report 2021 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 2021 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 2021 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 2021 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 2021, inspection of documents, recalculation, agreeing or reconciling with underlying records and other evidence-gathering procedures that are appropriate in the circumstances.

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 2021;
2. in particular, regarding the significant information contained in the Green Bond Report 2021, 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 2021 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 2021 and in line with the Group Green Bond Framework.

Milan, April 26, 2022

EY S.p.A.

Paolo Ancona
(Auditor)



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