# GUIDELINES FOR NON-LIFE BUSINESS UNDERWRITING WITH REFERENCE TO ENVIRONMENTAL, SOCIAL AND GOVERNANCE FACTORS

# (“NON-LIFE ESG GUIDELINES”)

June 2026

**GUIDELINES FOR NON-LIFE BUSINESS UNDERWRITING WITH REFERENCE TO ENVIRONMENTAL, SOCIAL AND GOVERNANCE FACTORS**

**(“*NON-LIFE* ESG GUIDELINES”)**

Milan, 25 June 2026

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## 1. Introduction

The Unipol Group (the 'Group') is committed to contributing to sustainable development, as defined by the United Nations 2030 Goals (Sustainable Development Goals or SDGs), by integrating this commitment into its business model. In the insurance sector and in the financial sector generally, there is a growing interest in understanding the consequences of sustainability-related risks on business performance, as well as the impacts of business decisions on the environment, individuals, and society.

In this context, underwriting represents the most direct operational lever through which these commitments are translated into concrete choices. Assessing and integrating environmental, social and corporate governance factors (the so-called "ESG Factors") in the underwriting process means incorporating into the selection of insurance risk environmental, social and governance variables that have demonstrated financial significance and that, if neglected, generate material exposures for the Group. At the same time, underwriting choices produce concrete effects on the environment and society: deciding which risks to take on and which to exclude is an act that guides economic behaviour, and contributes to the transition to a sustainable economy. The integration of ESG Factors into the underwriting process is therefore an integral part of prudent risk management consistent with the Group's business model.

This document defines guidelines for the management of Non-Life business underwriting (the "Guidelines") with reference to:

- Sustainability risks (as defined below), in order to define the approach to identify, assess and manage their potential effects on the risks of loss or adverse change in the value of insurance liabilities, as part of the underwriting processes;
- Adverse sustainability effects (as defined below) that may be generated even indirectly by the decisions of Companies in the underwriting process, with potential impacts also in terms of reputational risk.

The focus on Sustainability risks and adverse sustainability effects in underwriting processes ensures compliance with the Group's values, demonstrating responsibility in decision-making and dialogue with stakeholders.

### 1.1. Document Objectives

The Guidelines govern underwriting and pricing activities in all branches of the Non-Life business by promoting:

- the gradual incorporation of ESG factors into the insurance core business processes and strategies;
- the implementation of a management approach that allows a correct and timely assessment of exposure to sustainability risks, along with the definition of responsibilities and consequent actions;

- the gradual adoption of a due diligence approach that incorporate adverse sustainability effects into assessments related to the underwriting of policies with corporate policyholders operating in the various economic sectors, through a system of identification and monitoring thereof;
- the introduction of tariff flexibility, where applicable, in relation to the Risks associated with the sustainability of its customers.

### 1.2. Approval and revision of the Guidelines

The Guidelines, whose drafting/review engages all relevant company departments to ensure a clear definition and sharing of objectives, roles, and responsibilities, are approved by the Board of Directors of the parent company Unipol (the 'Parent Company'), in the exercise of its management and coordination activities on its subsidiaries and in accordance with the Group's corporate process for the preparation and validation of company policies.

Subsequently, the Boards of Directors of the Companies in scope, as part of their responsibilities in the area of governance, internal control system and risk management, evaluate and approve the Guidelines, to the extent applicable, in accordance with specific industry regulations and their own business model.

The Guidelines shall be reviewed and – if necessary – amended whenever requirements for regulatory updates, interventions by Supervisory Authorities, *business* strategies or changes in the context (major changes in business processes, significant structural reorganisations, important changes in the Group's business sectors, adjustments in the Relevance Analysis) so require and, in any case, at least annually.

The Guidelines are communicated and made available by the Companies in scope to all relevant personnel through appropriate communication channels and posted on their respective websites.

The Group Insurance General Manager drafts and updates the Guidelines and proposes them to the competent bodies for review and approval.

## 2. Reference Context

### 2.1. External and internal regulatory references

The Guidelines were drafted in accordance with current legislation and the sector supervisory guidelines set out below.

European legislation:

- Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability reporting in the financial services sector (so-called SFDR);
- Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 establishing a framework to encourage sustainable investment and amending Regulation (EU) 2019/2088 and subsequent amendments;
- Commission Delegated Regulation (EU) 2021/1256 of 21 April 2021 amending Delegated Regulation (EU) 2015/35 as regards the incorporation of sustainability risks into the governance of insurance and reinsurance firms;

- Commission Delegated Regulation (EU) 2021/1257 of 21 April 2021 amending Delegated Regulations (EU) 2017/2358 and (EU) 2017/2359 as regards the incorporation of sustainability factors, sustainability risks and sustainability preferences into the product control and governance requirements for insurance companies and distributors of insurance products, and into the rules applicable to the conduct of business and investment consulting concerning insurance investment products;
- EIOPA *Report on non-life underwriting and pricing in light of climate change* (EIOPA-BoS-21/259);

Italian legislation:

- Legislative Decree No. 209 of 7 September 2005 ("Private Insurance Code");
- IVASS Regulation No. 38/2018 laying down provisions on the corporate governance system et seq.

### 2.2. Scope of application

These Guidelines are adopted by the Group's insurance companies having their registered office in Italy and conducting Non-Life insurance business (the "Companies" or "Companies in scope").

This is without prejudice to the possibility for the Parent Company to identify, on the basis of risk-based assessments and within the limits of compatibility with specific sector regulations, to which other companies should the application of these Guidelines be extended.

With respect to the integration of adverse sustainability effects into the underwriting criteria, these Guidelines apply:

- to contracts to be entered into with **legal entities other than natural persons ("legal entities")**, thus excluding business relationships with individual natural persons as policyholders from the scope of application;
- only to **newly issued policies** and **replacement policies**, meaning contracts that involve a change in the relevant contractual or personal details parameters.

## 2.3. Definitions and terminology

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| Adverse effect (or adverse impact) on sustainability | The effects that a company has or may have on the environment and people, including human rights impacts, as a consequence of its activities or business relationships. Impacts can be actual or potential, negative or positive, short, medium, or long-term, intentional or unintentional, reversible or irreversible. Impacts indicate the company's positive or negative contribution to sustainable development. |
| Sustainability issues, or ESG factors (*Environmental, Social, Governance*) | Environmental, social, human rights, and governance factors, including sustainability factors as defined in Article 2, point 24 of the SFDR. |

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| United Nations Sustainable Development Goals (or "SDGs") | *Sustainable Development Goals* (SDGs) - defined within the scope of the so-called "2030 Agenda for Sustainable Development" plan of action for people, the planet and prosperity, signed in September 2015 by the governments of 193 UN Member States. It contains 17 goals, in turn structured into 169 specific targets to be achieved in the environmental, economic, social and institutional spheres by 2030.<br>Goal 1: end poverty in all its forms everywhere;<br>Goal 2: end hunger, achieve food security and improved nutrition and promote sustainable agriculture;<br>Goal 3: ensure healthy lives and promote well-being for all at all ages;<br>Goal 4: ensure inclusive and equitable quality education and promote lifelong learning opportunities for all;<br>Goal 5: achieve gender equality and empower all women and girls;<br>Goal 6: ensure availability and sustainable management of water and sanitation for all;<br>Goal 7: ensure access to affordable, reliable, sustainable and modern energy for all;<br>Goal 8: promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all;<br>Goal 9: build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation;<br>Goal 10: reduce inequality within and among countries;<br>Goal 11: make cities and human settlements inclusive, safe, resilient and sustainable;<br>Goal 12: ensure sustainable consumption and production patterns;<br>Goal 13: take urgent action to combat climate change and its impacts;<br>Goal 14: conserve and sustainably use the oceans, seas and marine resources for sustainable development;<br>Goal 15: protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss;<br>Goal 16: promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels;<br>Goal 17: strengthen the means of implementation and revitalize the global partnership for sustainable development. |

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| UNEP-FI *Principles for Sustainable Insurance* (UNEP FI PSI) | A 2012 United Nations initiative aimed at integrating environmental, social, and governance risks and opportunities into the insurance sector, which led to the development of the 4 Principles for Sustainable Insurance. |
| Sustainability / sustainability-related risk | Uncertain environmental, social, or governance-related events or conditions that, if they occur, could negatively impact a company's strategy, business model, or ability to achieve its objectives and create value. Such opportunities may also influence the company's decisions and those of its business partners regarding sustainability issues. |
| Reputational Risk | The risk that an internal or external event will cause a misalignment between the Group's promises and actions and the expectations and perceptions of its main stakeholders and, therefore, may negatively impact their perception of the Group and, consequently, of the expected economic results. |
| Sustainable Success | The objective that guides the actions of the Board of Directors is the creation of long-term value for the benefit of shareholders, taking into account the interests of other stakeholders relevant to the company. |

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| *United Nations Global Compact* (UNGC) | A 2000 United Nations initiative which aims to promote the culture of corporate social responsibility through the sharing, implementation and dissemination of common principles and values. This initiative gave rise to the 10 universal principles structured into 4 areas.<br>**Human Rights**<br>I. Businesses should support and respect the protection of internationally proclaimed human rights within their respective spheres of influence.<br>II. Businesses should make sure they are not complicit in human rights abuses, including indirectly. Human rights are universal and are recognised to all human beings indiscriminately.<br>**Labour**<br>III. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.<br>IV. Businesses should uphold the elimination of all forms of forced and compulsory labour.<br>V. Businesses should uphold the effective abolition of child labour.<br>VI. Businesses should uphold the elimination of discrimination in respect of employment and occupation.<br>**Environment**<br>VII. Businesses should support a precautionary approach to environmental challenges.<br>VIII. Businesses should undertake initiatives to promote greater environmental responsibility.<br>IX. Businesses should encourage the development and diffusion of environmentally friendly technologies.<br>**Anti-corruption**<br>X. Businesses should work against corruption in all its forms, including extortion and bribery. |

## 3. Identification of sustainability risks and adverse sustainability effects for Companies

The Group has established a transparent and systematic approach to the incorporation of ESG factors into the underwriting process.

The importance of integrating ESG factors into the underwriting process is set out, in particular, in two key documents for Group strategy and management, namely the **Sustainability Policy** and the **Risk Management Policy**.

The Sustainability Policy defines the Group's commitments to improve its sustainability performance and to manage and mitigate: (i) preventing, mitigating, and remedying actual and potential negative sustainability impacts arising from its activities or business relationships while enhancing positive impacts; (ii) addressing sustainability-related risks to which it is exposed, in line with the Group's overall risk management system; and (iii) pursuing sustainability-related opportunities. The Sustainability Policy, with specific reference to sustainability risks, refers to specific risk and impact management policies in terms of operational implementation, and especially to the Risk Management Policy, which establishes the guidelines for the identification, assessment, monitoring and mitigation of risks, including environmental, social and governance risks, as well as the definition of operational limits within which to operate, in line with the general risk propensity defined by the Group (i.e. *Risk Appetite*).

The Risk Management Policy explicitly states that, as part of the Group's overall risk management system (so-called ERM – *Enterprise Risk Management* – Framework), environmental, social and governance risks are identified and monitored in relation to their impact on underwriting risks. The impacts that risks related to environmental, social and governance factors may have on the Group's reputation are also identified and monitored. For the purpose of applying the Policy, in addition to the risks related to sustainability (also called 'endured risks'), potential negative impacts related to sustainability (also called 'generated risks') are also considered as falling within this scope of attention.

The identification of sustainability risks and negative effects on sustainability, relevant to the Group, occurs through several integrated processes.

With regard to sustainability risks, the Observatory of emerging and reputational risks, starting from the anticipation of macro-trends of changes in the external context, classified into four dimensions (social, technological, environmental, and political), identifies and classifies potential risk areas, highlighting which emerging risks have a direct connection with ESG factors, and for the emerging and sustainability risks deemed as priorities, identify the main exposure factors to technical damage risks. Indeed, the Group has developed a framework for assessing the potential exposure of insurance activities to emerging and sustainability risks. This process has made it possible to (i) identify the risk drivers, i.e., the attributes, features, variables, or other determinants related to the risk that influence the risk profile of a system, an entity, or a financial activity; as well as (ii) understanding the transmission channels, that is the causal chains that explain how the manifestation of risk drivers related to sustainability issues generates potential impacts within the different business dimensions comprised in the Enterprise Risk Management system. Indicators of exposure have therefore been defined for each risk category, using quantities commonly measured in the management of the insurance business, assessing the exposure of the main 'traditional' risk categories (including non-life insurance technical risk) to components of sustainability-related risks, and thus constructing a heatmap of emerging and sustainability risks.

The identification of negative effects is supported by internal prerogatives acquired within the different functions and companies of the Group through: the strategic and operational management of sustainability issues, the dialogue within sustainability and/or sectoral networks, the consideration of experiences in engagement, dialogue, and listening to stakeholders, as well as in-depth desk studies on sustainability issues in the different sectors and operational contexts.

## 4. Incorporating sustainability risks into the Non-Life underwriting processes

The Companies are aware of the increasing prominence of Sustainability risks in Non-Life underwriting and pricing.

In general, the Group is committed, through its expertise and the services it has developed, and also with the involvement of the distribution network, to supporting its customers in reducing the sustainability risks to which they are exposed, by developing risk assessment activities, advising on prevention approaches, applying remote services, and thus increasing their access to insurance services.

The area in which the incorporation of sustainability risks is most widely recognised is climate change; this is (i) due to the particularly serious and urgent nature of managing its impacts, (ii) under the stimulus generated by the considerable focus of regulators and supervisors on the issue, and (iii) due to the significant efforts of the scientific and technological community to provide data and analysis to support the identification of related risks.

Companies are aware that acute physical risks from climate change in particular include changes in the frequency of catastrophic events, for which it is difficult to identify trends. The Group is constantly engaged in identifying innovative solutions for the creation of shared value in the management of sustainability risks. With particular reference to climate change, also through the support and co-financing of EU institutions, the Group promotes the development of tools that (i) help raise awareness of climate change risks – both in the public and private sectors and (ii) support the definition of adaptation and prevention measures that help reduce risks, while preserving insurability[1].

### 4.1. Incorporating sustainability risks into the Non-Life pricing processes

As part of the pricing process, the Companies in scope take into account sustainability risks and, in particular, the physical risks arising from climate change, by adopting the following control measures, with the appropriate proportions depending on the assessment of the more or less significant exposure to the risks of the reference lines of business and/or products[2]:

- implementation of a dynamic pricing policy, which allows to act promptly in defining the pricing interventions to be implemented with respect to newly issued policies, even in the face of changes related to the impacts of Sustainability risks;
- constant maintenance of the portfolio, by adjusting, when policies expire, to the latest tariff versions. To this end, it should be noted that the exposure to sustainability risks of the portfolios of the Companies in scope is mitigated by the prevalence of one-year and, to a lesser extent, multi-year contracts. In addition, for policies for which tacit renewal is envisaged, the possibility

[1] See for example the LIFE DERRIS projects http://www.derris.eu/ and LIFE ADA https://www.lifeada.eu/it/, for which Unipol Assicurazioni is the lead partner.

[2] These are less significant for tailor-made products: such products are in fact the subject of individual negotiations with the policyholder, during which case-by-case evaluations are carried out, based on a freer and more dynamic pricing process. Similarly, the pricing of suretyship policies is normally carried out by means of precise assessments, since these are guarantees with often diverse/limited contents that can be standardised, where the essential characteristics and main elements of the contracts are not determined autonomously by the Company, but derive from regulatory provisions and agreements between the parties (Policyholder and Beneficiary).

exists to adjust rates so as to take account of changed conditions related to sustainability risks, in consistency with the terms of the contract;

- periodic review of the technical provisions (e.g. deductibles, limits of insurance) relating to the guarantees associated with natural events, as well as the insurance cover offered in the case of changes in risk;
- active management of the portfolio, through specific reform actions targeting older positions, aimed at adjusting the offer to customers, through the proposal of newer products that allow prices that are more accurate and responsive to changes in riskiness.

To support tariff definition, particularly with regard to guarantees relating to natural catastrophes, the Group also makes use of the results of dedicated models recognised in the insurance industry, which, depending on the risk in question, also allow predictive analyses to be carried out, as well as, more generally, to use calculation models that rely on historical data on the frequency and average cost of claims. In each case, the Companies in scope monitor the ways in which climate change is evolving with respect to findings from historical data, as well as its possible impact on future trends and prospects.

## 5. Incorporating adverse sustainability effects into the Non-Life underwriting processes

The Group acknowledges the strategic role of the insurance sector as an enabler of economic and social resilience: through risk transfer, insurance supports business continuity, protects communities and contributes to the transition to a sustainable economy. In this context, the incorporation of ESG factors into underwriting processes is a lever for strengthening long-term competitiveness.

The Group's commitment in this area is aimed, first and foremost, at supporting its customers in increasing their awareness of the current or potential adverse effects on ESG Factors generated by their own behaviour and, where possible, to make its know-how available to them (in the form of information, guidelines, tools, services) to support the prevention or reduction of such adverse effects.

Furthermore, the Unipol Group, by identifying the negative effects on sustainability produced or producible by potential contracting legal entities (taking into account the sector in which they operate and the management methods of their activities), contributes to a more informed appraisal of their correctness, soundness, and transparency. To this end, the Group is committed to progressively structuring and extending a due diligence approach to integrate the identification, assessment and monitoring of adverse sustainability effects related to its business relationships into the underwriting process. This approach also makes it possible to identify any adverse effects on the reputation of the Group and the companies with respect to their stakeholders.

### 5.1. Definition, assessment and management of adverse sustainability effects

The Group adopts a process to define, assess and manage actual or potential adverse sustainability effects related to its customers and the assets subject to underwriting.

*Definition of adverse sustainability effects*

The definition of potential adverse sustainability effects generated by its customers takes into account (i) the economic sector in which the customer operates, (ii) the sectors it serves, (iii) the geographical areas of operation (in the case of multinational companies or where there is international trade) and (iv) the approach adopted by the customer in managing sustainability issues.

The definition of actual or potential adverse sustainability effects is based on two types of instruments:

- a **map of potential adverse effects related to different economic sectors**, which provides to give a general indication of the potential of each economic sector to generate adverse sustainability effects;
- a **set of indicators** measuring phenomena related to the management of the company, the sector in which it operates and the territory in which the potential customer is located, aimed at monitoring the potential to generate adverse sustainability effects. The methodological framework adopted is based on the analysis and application of a range of authoritative external and internal sources[3].

*Assessment of adverse sustainability effects*

The assessment aims to investigate the adverse effects that have been identified in order to determine their relevance and compatibility with the Group's sustainability approach and risk management objectives.

The assessment is integrated into the underwriting process through **processes and tools** that are gradually being implemented, at all levels and in all Group Companies, in a manner and timing proportionate to the size and relevance of the entities involved and the contractual transactions.

*Management of adverse sustainability effects*

Based on the results of the assessment, the Group adopts appropriate measures, where applicable, to manage the adverse sustainability effects in the processes and strategies of its core Non-Life insurance business. The main measures in this regard are:

- the implementation of a **data-driven approach**, capable of integrating into the engagement process a summary assessment of the ESG performance of each customer, on the basis of which the compatibility or otherwise of the adverse effects (actual or potential) arising from the business relationship with the Group's sustainability approach and risk management objectives is defined; in the event of non-compatibility, the contractual relationship will not be entered into or continued;
- the promotion of training and awareness-raising activities aimed at both internal structures and intermediaries, to support the application of these Guidelines and strengthen awareness of the role of adverse sustainability effects.

[3] These include, by way of example, authoritative international sources such as the United Nations Global Compact (UN GC), United Nations Environment Programme Finance Initiative (UNEP FI), United Nations Principles for Sustainable Insurance (UN PSI); the methodologies and reports of rating agencies specialising in ESG performance; internal sources such as the Group's Emerging and Reputational Risk framework, and sector analyses.

On the basis of the definition and assessment of adverse sustainability effects adopted as described above, the Group adopts a prudent and responsible approach, limiting the assumption of risks in certain economic sectors and in relation to certain cases as indicated below.

### *5.1.1. Excluded economic activities (turnover criteria) and sensitive sectors*

The Group applies exclusion or limitation criteria to companies that operate exclusively or derive a significant proportion of their turnover from activities or sectors considered sensitive or not aligned with the Group's Sustainability Policy.

The exclusions as set out below do not apply in the case of underwriting products that **(i) protect the employees of contracting legal entities in the event of illness and accident**, in view of the social role that these covers play with respect to individuals, and (ii) in the field of **environmental responsibility**, in view of the mitigation of environmental impacts that this type of cover provides. With regard to these products there are therefore no *a priori* exclusions in relation to the contracting company's field of operation.[4]

This is without prejudice to the underwriting of Non-Life insurance proposals where there is a regulatory obligation for the Companies to take out insurance.

#### *Excluded sectors*

The following sectors should be regarded as excluded from Non-Life insurance underwriting[5]:

*Coal*

- companies that draw 30% or more of their revenue from coal mining or power generation from thermal coal, and fail to demonstrate sufficient ambition in transitioning their business towards a low-carbon economy;

*Unconventional mining activities*

- companies that adopt unconventional extraction practices (such as mountaintop removal, hydraulic fracturing, or fracking, tar sands, deep water drilling, shale gas and arctic drilling), and fail to demonstrate sufficient ambition in transitioning their business towards a low-carbon economy;

*Defence*

- companies that produce weapons prohibited by international conventions such as chemical weapons and biological weapons, anti-personnel mines, cluster munitions and submunitions of any nature or composition;

[4] Without prejudice to exclusions arising from regulatory requirements.

[5] With regard to the Credit and Surety lines, please refer to the guidelines contained in the Credit Policy.

*Sensitive sectors*

Sensitive sectors are considered to be given special attention in the ESG performance assessment process:

- **WASTE MANAGEMENT AND REMEDIATION ACTIVITIES**

  The waste management sector (including the scrapping of end-of-life vehicles) is a highly sensitive area, given the current and potential negative impacts it has on sustainability. The Group supports companies operating in the sector in a compliant manner and with a view to mitigating adverse effects on climate and nature (with particular reference to the pollution of terrestrial and marine ecosystems).

- **THE GAMING SECTOR**

  The sector is subject to particular attention due to its significant social and governance implications, which include health risks related to pathological gambling addiction (compulsive gambling), the economic impact on vulnerable individuals and exposure to illicit activities such as money laundering, usury and infiltration by organised crime. Due to the particular sensitivity of this area, the sector is subject to a strategy of gradual reduction of the Group's overall exposure[6].

- **CONSTRUCTIONS**

  The construction sector is notable for the importance of ESG Factors, both in terms of the risks to which companies are exposed and the impacts their activities generate on the environment and society. From an environmental point of view, the main critical issues concern the use and pollution of soil and water resources and exposure to physical risks associated with climate change. From a social perspective, working conditions and safety on construction sites are key issues; from a governance perspective, irregularities in the supply chain and the risk of criminal infiltration are of concern. These characteristics apply to large groups as well as small and micro-enterprises.

- **TRANSPORT AND STORAGE**

  The transport sector (air, land, sea), with its central role in ensuring the mobility of goods and people, has a high exposure to ESG issues, with particular reference to environmental matters, due to the sector's significant impact on overall emissions, and social matters, with reference to working conditions.

- **AGRICULTURE, ANIMAL FARMING, FORESTRY AND FISHING**

  The agricultural sector is of fundamental importance to society and the Group is committed to supporting and assisting it in the challenges it faces also in social and

[6] The sector includes a wide variety of segments, both physical and remote (online), including: lotteries (instant and deferred), betting on sports or horse racing events, Bingo, and gaming machines such as new slots and video lotteries.

environmental terms, starting with those related to climate change as well as to the preservation of biodiversity and the protection of terrestrial and aquatic ecosystems.

- **TEXTILE AND LEATHER ACTIVITIES**

  The textile and leather sector are exposed to environmental risks (with particular reference to adverse effects on water resources), animal welfare risks, and risks related to the protection of workers' rights and safety.

#### *5.1.2 Involvement in significant ESG disputes*

The Group also seeks to avoid entering into contractual relationships with parties that operate in a condition of:

- violation of human rights and fundamental workers' rights, including those relating to forced labour, child labour and systemic discrimination;
- violations of environmental legislation;
- involvement in criminal or administrative proceedings, or detailed reports from reliable institutional sources, relating to offences against the public administration, market manipulation, corruption, fraud, money laundering, or other offences that compromise integrity in the conduct of business.

#### *5.1.3 Application of restrictions*

In the event of cases which, on the basis of the information provided by the control systems adopted, require further investigation or prove to be incompatible with the restrictions outlined in the Guidelines, specific assessment procedures may be initiated, starting with the possibility of requesting additional information from the broker, the intermediary or directly from the customer for an in-depth assessment of the case, with particular regard to the effectiveness of the measures adopted by the customer to manage its Sustainability Risks and Impacts.

These processes may result in a decision to proceed with underwriting, provided that it is explicitly justified, documented and traceable, and that the justification is based on solid and verifiable grounds; specific mitigation measures may also be provided for in the policy conditions. In cases where the critical issues prove insurmountable or incompatible with the Group's Sustainability Policy, the assessment results in a decision not to underwrite the risk. If the Departments involved deem it necessary, these cases may be submitted to the Group Risk Committee, which, in this context, is responsible for determining and assessing the concrete implications of ESG Factors in underwriting activities and defining choices consistent with the corporate vision in regard with the cases presented.

## 6. Roles and responsibilities of the players involved

In order to achieve an effective control of risks and impacts relevant to Non-Life business underwriting with reference to ESG Factors, it is necessary that, at the Parent Company and the other Companies in scope, the relevant governance process is clearly and consistently established. The tasks and responsibilities of the corporate bodies and functions of the Parent Company and the other Companies in scope are defined below.

### 6.1. Board of Directors

The Board of Directors of the Parent Company, also in the exercise of its management and coordination activities with respect to the other companies within the scope, approves – following review by the Parent Company's Control and Risk Committee, the Parent Company's Sustainability Committee, and the Group Risk Committee – these Guidelines, which define the framework for defining, assessing, monitoring, and managing sustainability risks and adverse sustainability impacts related to underwriting decisions, as well as any subsequent amendments thereto.

The Boards of Directors of the other Companies in scope, perform, for the aspects applicable thereto, in accordance with the specific industry regulations and business model and within the area of their responsibilities, the same activities as those performed by the Board of Directors of the Parent Company.

### 6.2. Control and Risk Committee of the Parent Company

The Parent Company's Control and Risk Committee[7] provides support, towards its Boards of Directors, in defining the guidelines of the internal control and risk management system in order to contribute to a sustainable success, so that the main business risks are correctly identified, as well as adequately measured, managed and monitored, in consistency with the Group's strategies.

The above-mentioned Control and Risk Committee of the Parent Company:

- supports the Board of Directors in defining the framework for defining, assessing and managing sustainability risks and adverse sustainability effects related to underwriting decisions;
- reviews proposals for these Guidelines, which contain said framework, and their subsequent amendments;

reviews reports on the evolution of sustainability risks and adverse sustainability effects at least once a year.

The Control and Risk Committee of the Parent Company informs the administrative body of the results of the activities listed above.

### 6.3. Group Risk Committee

The Group Risk Committee reviews the contents of these Guidelines, including the framework for defining, assessing, monitoring and managing Sustainability risks and adverse sustainability effects related to underwriting decisions defined therein, and their subsequent substantial amendments.

[7] Pursuant to IVASS Regulation no. 38 of 3 July 2018, the Parent Company's Control and Risk Committee also acts on behalf of Group Companies featuring an 'enhanced' and 'ordinary' corporate governance.

### 6.4. Sustainability Committee of the Parent Company

The Parent Company's Sustainability Committee provides proposals, advice, research, and support to the relevant administrative bodies on, amongst other things, ESG issues, coordinating – for the aspects within its areas of competence – the guidelines, processes, initiatives, and activities aimed at overseeing and promoting the commitment of the company, and generally of the Group, in pursuit of Sustainable Success. The aforementioned Sustainability Committee, within its respective areas of competence, (i) reviews in advance the contents of these Guidelines, including the framework for defining, assessing, monitoring and managing sustainability risks and adverse sustainability effects related to underwriting decisions as defined therein, and (ii) any substantial subsequent amendments thereto, if they have not already been the subject of another resolution by their respective governing bodies; (iii) analyses, at least once a year, the reports on the evolution of sustainability risks and adverse sustainability effects. Non-Life Business departments

The Non-Life Business departments of the Companies within scope ensure the proper implementation of these Guidelines in their underwriting and pricing activities and review annual alerts on the evolution of adverse sustainability effects.

### 6.5. *Corporate Social Responsibility* department of the Parent Company

The Parent Company's *Corporate Social Responsibility* department plays a role in overseeing sustainability regulations, including in relation to issues concerning the general Non-Life underwriting activities, and, together with the Non-Life Business departments, proposes and prepares amendments to the Guidelines. The Parent Company's Corporate Social Responsibility department provides support to all parties involved in the underwriting process to ensure the Guidelines are correctly applied.

In the cases referred to in paragraph 5.1.3. of these Guidelines, the *Corporate Social Responsibility* department is involved in advance by the Non-Life Business departments of the Companies to express its opinion.

In such cases, with the possible involvement of the Risk Area, the Corporate Social Responsibility department supports the Non-Life Business departments in the necessary investigations, with the aim of proposing a solution consistent with the broader joint approach to mapping and assessing processes, risks and controls on ESG Factors adopted within the Group.

### 6.6. Risk Area of the Parent Company

The Parent Company's Risk Area, in conjunction with the Corporate Social Responsibility department of the Parent Company, proposes, applies and updates the framework defined by the Guidelines with reference to the definition, assessment, monitoring, and management of sustainability risks and adverse sustainability effects (generated ESG risks).

### 6.7. Actuarial Function

The Actuarial Function includes Sustainability Risk considerations in its annual global underwriting policy opinion.

## 7. Reporting

The Parent Company's Sustainability Function monitors the implementation of the Guidelines with reference to the control of adverse sustainability effects in the underwriting process, and shares once a year a summary report of the results with the Non-Life Business Functions. Every year the Sustainability Committee and the Risk and Control Committee of the Parent Company receive a report prepared by the Parent Company's Corporate Social Responsibility department on the monitoring of adverse effects in the underwriting processes and on any prevention and mitigation actions undertaken. The Parent Company's Sustainability Committee and Control and Risk Committee inform the administrative body of the results of these activities.

**Unipol S.p.A.**
Registered Office
Via Stalingrado, 45
40128 Bologna

unipol.com
unipol.it