Unipol GRUPPO

2021

Integrated Consolidated Financial Statements

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UnipolGruppo

Annual Integrated Report and Consolidated Financial Statements

2021

The official document containing the 2021 Annual Integrated Report and Consolidated Financial Statements, prepared according to the technical requirements of Regulation (EU) 815/2019 (European Single Electronic Reporting Format - ESEF), will be available, within the terms provided by art. 154-ter of Legislative Decree 58/1998, on the company's website (www.unipol.it).
This document in PDF format provides the text of the 2021 Annual Integrated Report and Consolidated Financial Statements for ease of reading.

Translation from the Italian original solely for the convenience of international readers

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LOOK TO THE FUTURE, FORGING INNOVATIVE PATHS

2021 saw the conclusion of our three-year Strategic Plan "Mission Evolve", with the Unipol Group outperforming all the financial, development and capital strength targets it had set.

In these three years we have consolidated strategic intangible assets, such as the brand's reputation which, despite the unpredictability experienced during the pandemic, allowed us to be a point of reference not only for our stakeholders but also for Italy.

We have defined new and important standards in the field of product and service innovation, digitalisation and telematics, as factors in continuous improvement of the quality of life and sustainable development.

Our future is built in the here and now, and today, with a broad vision that encompasses the three major ecosystems of mobility, welfare and property, not only do we seize upon the challenges posed by the market with greater determination, but above all upon the opportunities arising from new needs.

Thanks to all our people and to the quality of everyday commitment, we aim to continue to express our leadership by targeting development that is in harmony with that of all our customers and the community. Casting our vision towards the future and forging increasingly innovative paths.

Company bodies

BOARD OF DIRECTORS	CHAIRMAN	Pierluigi Stefanini	
	VICE CHAIRMAN	Ernesto Dalle Rive	
	CHIEF EXECUTIVE OFFICER GENERAL MANAGER GROUP CEO	Carlo Cimbri	
	DIRECTORS	Gianmaria Balducci	Antonietta Mundo
		Mario Cifiello	Milo Pacchioni
		Roberta Datteri	Maria Antonietta Pasquariello
		Patrizia De Luise	Roberto Pittalis
		Massimo Desiderio	Annamaria Trovò
		Daniele Ferrè	Rossana Zambelli
		Giuseppina Gualtieri	Carlo Zini
		Pier Luigi Morara	
	SECRETARY OF THE BOARD OF DIRECTORS	Fulvia Pirini	
BOARD OF STATUTORY AUDITORS	CHAIRMAN	Mario Civetta	
	STATUTORY AUDITORS	Silvia Bocci	
		Roberto Chiusoli	
	ALTERNATE AUDITORS	Massimo Gatto	
		Rossella Porfido	
MANAGER IN CHARGE OF FINANCIAL REPORTING		Maurizio Castellina	
INDEPENDENT AUDITORS		EY SpA	

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Letter from the Chairman

The 2021 Integrated Report once again provides a snapshot of the numerous activities we have undertaken so as to ensure our processes become increasingly sustainable. 2021 was the final year of the Business Plan launched in 2019 but, for this very reason, also the year in which the strategies were prepared that will be presented in the near future in the new Business Plan.

The commitment to monitoring environmental, social and governance (ESG) risks led to the adoption of additional control and mitigation tools, whilst the creation of shared value was intrinsic to identifying actions that will guide us to development of the new mix of products and services for our customers.

To be better equipped to handle the megatrends expected in this decade, we have worked on the adoption of a climate strategy that scientifically defines our medium-term decarbonisation objectives so that we, too, can achieve the goals of the Paris Agreements. At the same time, we are committed to performing human rights due diligence that identifies key issues and areas of risk to be monitored in order to guarantee suitable living and working conditions for all.

With the information provided in these Financial Statements and in UnipolSai's Sustainability Report, along with the other reporting tools periodically produced, we aim once again to confirm the fundamental role that the companies play in achieving the 2030 Agenda Goals.

Pierluigi Stefanini

Letter from the Chief Executive Officer

Dear financial statement reader, Dear Unipol Gruppo SpA shareholders,

After the pandemic emergency that transformed our lives and indeed the entire world in 2020, 2021 was a year for starting anew and resuming economic activity.

After a 9% decline in 2020, Italian GDP rose by 6.6% in 2021. The manufacturing sector returned to pre-pandemic levels, while a significant gap still remains in several segments of the service sector.

Over the last year, a feeling of optimism towards the future and the desire to start again has spread, not without reason, also thanks to the opportunities offered by the considerable resources deployed by the European Union. This is a singular historic occasion for Italy. Over the next few years, growth may continue thanks to the resumption of public investments and structural reforms that will modernise the public administration. However, in more recent months the climate of optimism has dimmed. Towards the end of 2021, tensions emerged linked to rising energy prices and supply chain disruptions, which drove inflation up considerably worldwide. The Russia-Ukraine conflict is further fuelling the climate of uncertainty surrounding the possibility of rapidly returning to a path of stable recovery. The war is changing the course of history, marking the end of an extended period of peace in Europe and destabilising a global order based on economic cooperation and multilateralism. The new geopolitical risks are holding back investments, consumption and foreign trade, fuelling tensions surrounding energy prices and aggravating global supply chain issues.

With 2021, we close our "Mission Evolve" Strategic Plan having met the goals we set three years ago, despite the incredibly challenging external context, characterised by the worst recession since the end of World War II and tremendous difficulties linked to the health emergency. We achieved a cumulative consolidated net profit of €2.3bn, and for 2021 we are submitting a dividend to the Shareholders' Meeting for approval which is one of the highest in the insurance sector and the entire index of Italian listed companies, which will make it possible to surpass the target of €600m in cumulative dividends. We brought the Solvency Ratio to 214% for Unipol Gruppo and 326% for UnipolSai, values that are at the very highest levels of the insurance sector. The EIOPA Stress Test showed the Group's capacity to meet solvency targets, even within an extremely severe adverse scenario. This result was also achieved thanks to the optimisation of the Group's risk profile and the mitigation of Solvency Ratio volatility, based on targeted investment strategies aiming to reduce exposure to domestic public debt securities and boost investments in infrastructure and assets linked to the real economy.

Although the last two years have been some of the most difficult in our history, we have supported our partners in significant extraordinary transactions. Since Unipol became the largest shareholder of BPER, the bank has more than doubled its asset volume, from €60bn to more than €130bn, and it is destined to surpass €150bn once the acquisition of Banca Carige by BPER, approved last February, is completed. Over the last year, BPER completed the integration of the 620 former UBI Banca branches, resulting in growth of more than 40% across the main asset indicators and more than 50% in terms of customers.

The growth of our banking partners is of strategic importance to strengthen the Unipol Group's positioning in bancassurance, and the results were extremely positive already in 2021, with the former UBI Banca bank branches contributing roughly €800m to new business, out of a total of approximately €1.9bn. This contribution is also destined to increase following the Carige acquisition.

We are determined to move forward with this process of creating shared value with all stakeholders, strengthening our leadership as insurers and institutional investors. At times of greatest vulnerability and uncertainty with respect to the future, the importance of the role of insurers shines through, as, through mutualism, they are able to mitigate the consequences of adverse events and contribute towards resolving pressing issues, often caused by a reduction in social protections and an increase in inequality, a particularly notable phenomenon over the last few years, and not only as a result of the pandemic. We are just as aware of the responsibility that we bear due to the confidence and resources that our customers entrust to us. With assets under management of around €65bn, we are one of Italy's main institutional investors. Our mission is to be a solid point of reference for our customers, our community and our territories, with the capability and the strength to contribute to the sustainable development of our country's economy and infrastructure.

Over the term of the next Strategic Plan, we intend to continue along the path undertaken with the Mission Evolve Plan, by strengthening our leadership in the insurance sector through the development of new digital initiatives and an acceleration of the strategy based on *the Mobility, Welfare and Property ecosystems. The development of activities adjacent to the Group's core business will bring us closer to our customers, meeting new needs in those areas where we have recognised experience and technical excellence.*

The year 2022 marks ten years since the event leading to the creation of our main subsidiary UnipolSai Assicurazioni S.p.A.: the bailout and subsequent merger of the Fondiaria Sai Group.

Over the last decade, the insurance Company has generated total net profits of €6.4bn and distributed €4.2bn in dividends to shareholders, doubling its shareholders' equity - which is now close to €8bn - and building a solid and stable level of solvency in excess of 200%.

The Total Return (stock exchange performance plus dividends distributed) from 1 January 2013 to 31 December 2021 for investors that placed their trust in us was +380% for Unipol shareholders and +363% for UnipolSai shareholders.

Therefore, looking back to our recent history, I believe we can be proud of the work that we have all done together, not only in terms of financial results, but also and especially due to the role that Unipol plays each and every day in supporting our 16 million customers and the communities and areas where we do business. The fact that the "UnipolSai" brand is ranked first in terms of top-of-mind awareness in the insurance sector and that the Unipol Group has for years been positioned at the highest levels in The Rep Track Company's ranking of reputation in the financial sector (Banks and Insurance Companies) bears witness to this.

Therefore, we are beginning 2022 on a solid foundation, determined to overcome the challenges we have ahead of us. The strength of the Unipol Group lies in the professionalism, experience and dedication of everyone who works with us in our Agencies, Settlement Centres and management offices, all over Italy and further afield. Thanks to them, our customers can meet all of their protection needs and make their dreams a reality. They are our soul, and it is by thinking of them, in thanking them for the extraordinary work they have done, that we can look to the future of our Group with confidence and optimism.

Carlo Cimbri

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ANNUAL INTEGRATED REPORT

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INFORMATION ON THE ANNUAL INTEGRATED REPORT

The "Annual Integrated Report", prepared to accompany the Consolidated Financial Statements of Unipol Gruppo, includes and provides a combined view of the financial and non-financial information, thus presenting the set of factors that determines the Group's capacity to generate value, as a result of the widespread commitment to protecting the company's assets and profitability, identifying solutions that meet stakeholder needs and promoting the sustainable development of the communities in which it carries on its business.
The Annual Integrated Report therefore contains the information that must be provided in the Management Report, as envisaged by Art. 100 of Italian Legislative Decree 209/2005 (Private Insurance Code), supplemented by ISVAP Regulation no. 7 of 13 July 2007, and satisfies the requirements of Italian Legislative Decree 254/2016 by including the Consolidated Non-Financial Statement (NFS). The NFS covers environmental and social matters as well as topics relating to personnel, respect for human rights and the fight against corruption, which are relevant taking into account the Group's activities and characteristics, reported to the extent necessary to ensure an understanding of the Group's activities, performance, results and the impact it generates. The relevance of the topics is determined through the materiality analysis process described in the "Material topics" section.
The approaches used as reference in preparing this report, applied in an integrated manner so as to cover the many information requirements of the different stakeholders, are:

- the standards laid out in the International Integrated Reporting Framework issued by the International Integrated Reporting Council (IIRC), as updated in the January 2021 edition;
- the "Sustainability Reporting Standards" issued in 2016 (with subsequent amendments) by the Global Reporting Initiative (GRI), using the "GRI-Referenced" approach. In addition, several indicators of the Financial Services Sector Disclosure belonging to the GRI G4 guidelines were also reported on;
- the Recommendations published in June 2017 by the Task Force on Climate-related Financial Disclosures (TCFD), as well as the European Commission's "Guidelines on reporting climate-related information" (June 2019), as further support in reporting information associated with the issue of climate change.

The scope of reporting of non-financial information, as requested by Italian Legislative Decree 254/2016, coincides with that of the Consolidated Financial Statements, including fully consolidated companies for the financial reporting at 31 December 2021. All scope exceptions are appropriately described in the relative sections of the document. Such exceptions are insignificant in terms of understanding the activities of the Group, its performance, its results and its impact.

The data needed to compile this information were gathered and processed using a dedicated IT system which makes it possible to ensure full traceability of the data collection and consolidation process. The information relating to 2021 was provided with a comparison with that disclosed in the previous year, as required by Italian Legislative Decree 254/16.

To comply with document summary needs, maintaining the depth and breadth of information to the benefit of stakeholders, the document is supplemented by an Appendix ("Appendix - Unipol in numbers") which contains additional data and particularly illustrates the GRI indicators reported on by the Group.

The table below supports the traceability of the non-financial information within the document; said information can subsequently be clearly identified in the Annual Integrated Report by using the following icon, with the goal of further improving use of the information. NFS

The content published in reference to the TCFD recommendations is identified by the following icon, with the goal of further improving use of the information. TCFD

Pursuant to Article 5 of the Consob Regulation dated 18 January 2018, the Unipol Group has appointed the independent auditors EY S.p.A., currently responsible for audit of the consolidated financial statements for the years 2021-2029, for the limited assurance engagement under ISAE3000 in reference to the NFS. Their report is attached to this document.
The following table illustrates the correlations between the reported content and the Sustainable Development Goals of the UN's 2030 Agenda, which the Group is determined to contribute to achieving. In the same way, a special section of the NFS supplements the disclosure on progress in implementing the UN Global Compact initiative.

Issue indicated in Italian Legislative Decree 254/2016	Italian Legislative Decree 254/2016	Page reference in the Annual Integrated Report	SDGs[1]
Material topics	Art. 3, par. 1	Pages 14-15: "Information on the Annual Integrated Report"; Page 38: "Material stakeholder engagement topics and processes"	
Organisation and management model	Art. 3, par. 1a	Page 18: "Activities and sectors"; Pages 20-21: "Group highlights" Pages 48-51: "Human Capital"; Pages 52-56: "Social and Relational Capital"; Pages 64-68: "Support to the realisation of the 2030 Agenda and contribution to combating the climate emergency"; Pages 76-87: "Internal Control and Risk Management System"	
Business policies, results, indicators	Art. 3, par. 1b	Pages 9-11: "Letter from the Chairman and Letter from the Chief Executive Officer" Pages 33-34: "Future orientation in the use of capital" Pages 42-43: "Financial Capital" Pages 52-56: "Social and Relational Capital" Pages 61-73: "Shared value: the impacts generated by the Unipol Group" Pages 74-75: "Corporate Governance" Pages 131-139: "Appendix"	1, 3, 8, 9, 12, 17
Main risks	Art. 3, par. 1c	Pages 33-34: "Future orientation in the use of capital" Pages 36-37: "The Unipol Group's climate strategy" Pages 76-87: "Internal Control and Risk Management System"	13
Energy resources, water resources, emissions	Art. 3, par. 2a Art. 3, par. 2b	Pages 57-60: "Natural Capital" Page 87: "Sanctions" Pages 131-139: "Appendix"	6, 7, 12, 13
Impact on the environment, health and safety	Art. 3, par. 2c	Pages 42-43: "Financial Capital" Pages 52-56: "Social and Relational Capital"	11, 12
Human Resource management and gender balance	Art. 3, par. 2d	Pages 48-51: "Human Capital" Pages 74-75: "Corporate Governance" Pages 89-90: "Remuneration system and incentives" Pages 131-139: "Appendix"	4, 5, 8
Respect for human rights	Art. 3, par. 2e	Pages 16-17: "Unipol Group Vision, Mission and Values" Pages 70-75: "The monitoring of social, environmental and governance risks ("ESG risks") Pages 115-116: "Ethics Report" ; Page 128: "CoP"	8, 12
Fight against corruption	Art. 3, par. 2f	Pages 77-83: "The monitoring of social, environmental and governance risks ("ESG risks")"; Pages 83-84: "Protection of personal data"; Page 86: "Anti-corruption"; Page 87: "Sanctions"; Pages 131-139: "Appendix"	16
Reporting standard adopted	Art. 3, par. 3, 4 and 5	Pages 14-15: "Information on the Annual Integrated Report" Pages 128-129: "Synoptic table with non-financial information"	
Diversity among members of the administration bodies	Art. 10, par. 1a	Pages 74-75: "Corporate Governance" Pages 76-87: "Internal Control and Risk Management System" Pages 89-90: "Remuneration system and incentives"	5

[1] For greater details of the Sustainable Development Goals, reference should be made to the Glossary and to the website http://asvis.it/ for an up-to-date overview of their relationship to the business models of companies in Italy.

THE UNIPOL GROUP

Unipol Group Vision, Mission and Values

NFS

The creation of shared, sustainable value from the economic, social and environmental perspective has always characterised the Group's actions. Unipol aims to guarantee people more security and confidence in the future, through its capacity to offer integrated solutions capable of fully meeting everyone's complex needs, with support from the active presence of local networks and responsible development of emerging technological opportunities.

VISION

"We strive to be a great Italian group proud of its history, which knows how to be close to people and their needs, a market leader capable of offering and receiving trust and of working competently, simply and quickly, while creating value for all stakeholders".

MISSION

"We are responsible for improving the quality of life of our customers by proposing solutions for the protection, support and realisation of their projects. We pursue efficient, profitable and sustainable business management over time, based on the contribution and enhancement of our people".

OUR CORE VALUES

The Group's Core Values, identified through a shared process, are expressed in our **Charter of Values** and outlined in the **Code of Ethics** as behavioural principles towards the various stakeholders.

Accessibility | Farsightedness | Respect | Solidarity | Responsibility

The commitments accepted in the Code of Ethics are firmly expressed in the **Sustainability Policy**, which outlines risk management strategies and objectives in terms of ESG (Environmental, Social and Governance) impact considered material to the Group, in accordance with that defined in the materiality matrix. The identification of guidelines for the monitoring of ESG risks, in the Policy in question, is in practical terms adopted in all the business policies in order to guarantee complete monitoring and a suitable degree of integration (see paragraph "The monitoring of environmental, social and governance risks ("ESG risks")".

The Sustainability Policy, inspired by the Sustainable Development Goals and the UN Global Compact principles, commits the company with respect to:

- Protection of human and labour rights
- Equal opportunities
- Environmental protection and combating climate change
- Fairness and transparency for consumers
- Financial inclusion and education
- Fair business practices, particularly as regards lobbying and tax strategy practices

This Policy is reviewed each year, and amended if necessary. One of the main developments in 2021 was the definition of a specific commitment to the governance of risks, opportunities and impacts associated with terrestrial, marine and freshwater ecosystems (loss of **biodiversity** and **nature-related risk**).

For further details on the Unipol Group's Sustainability Policy, please refer to the Sustainability governance section of the Unipol Group's website.

NFS

Activities and sectors

Unipol Gruppo SpA ("Unipol") is a holding company at the top of the Unipol Group (hereinafter also "the Group"), with a preeminent position in the Italian insurance market and present in various market sectors other than insurance. Unipol is listed on the Milan Stock Exchange and in the FTSE MIB and MIB® ESG indexes. It manages and coordinates all the subsidiaries.
The Group's activities are divided into the following lines of business.

Insurance

The Group offers the market the entire range of risk cover solutions: in mobility (vehicles, sportscraft and travel), for the home and condominiums, for work (products dedicated to businesses, traders, professionals and legal protection), for personal protection (particularly accident and health protection policies), and for investments and welfare. **UnipolSai Assicurazioni SpA** is the main Insurance Company, supported by specialist companies: **UniSalute**, specialising in the Healthcare segment; **Linear**, a company specialising in direct sales, online and via call centres, of MV products; **SIAT**, operating in the Transport business, with corporate customers primarily reached through brokers.
Outside Italy, the Group operates in Serbia, through the subsidiary **DDOR Novi Sad** and the dedicated captive reinsurance company **Ddor Re**, and in Ireland with **UnipolRe**, a professional reinsurance company with AM Best A- rating, which provides reinsurance services to insurance businesses and groups in the EMEA region.

Bancassurance

The Group is active in the bancassurance channel through agreements with the BPER Banca Group and Banca Popolare di Sondrio for the distribution of **Arca Assicurazioni** and **Arca Vita** products, with Banca Intermobiliare for the sale of **BIM Vita** products and with the UniCredit Group which markets Fire and Credit Protection products in the Non-Life business and products with **Incontra Assicurazioni** healthcare coverage.

Real Estate and Other Businesses

The Group is one of the leading real estate operators in Italy in terms of assets and is also active in the following sectors:

- hotel sector through **UNA Group**, which manages 38 facilities (hotels, residences and resorts through leases, franchises and management) in some of the main cities and most renowned tourist destinations in Italy;
- agricultural sector through **Tenute del Cerro**, owner of around 4,300 hectares of land in Tuscany and Umbria, of which 300 hectares of vineyards among the most sought-after for high quality wine production;
- healthcare sector through the **Villa Donatello and Centro Florence care homes** and the **Dyadea multi-specialist centres**;
- harbour facilities through **Marina di Loano**, centrally located in western Liguria and able to moor over 900 craft with lengths from 6 to 80 metres.

Through **UnipolSai Investimenti SGR**, the Unipol Group manages real estate investment funds and through **UnipolReC**, a financial intermediary registered pursuant to Art. 106 of the Consolidated Law on Banking, it offers impaired loan management and collection.

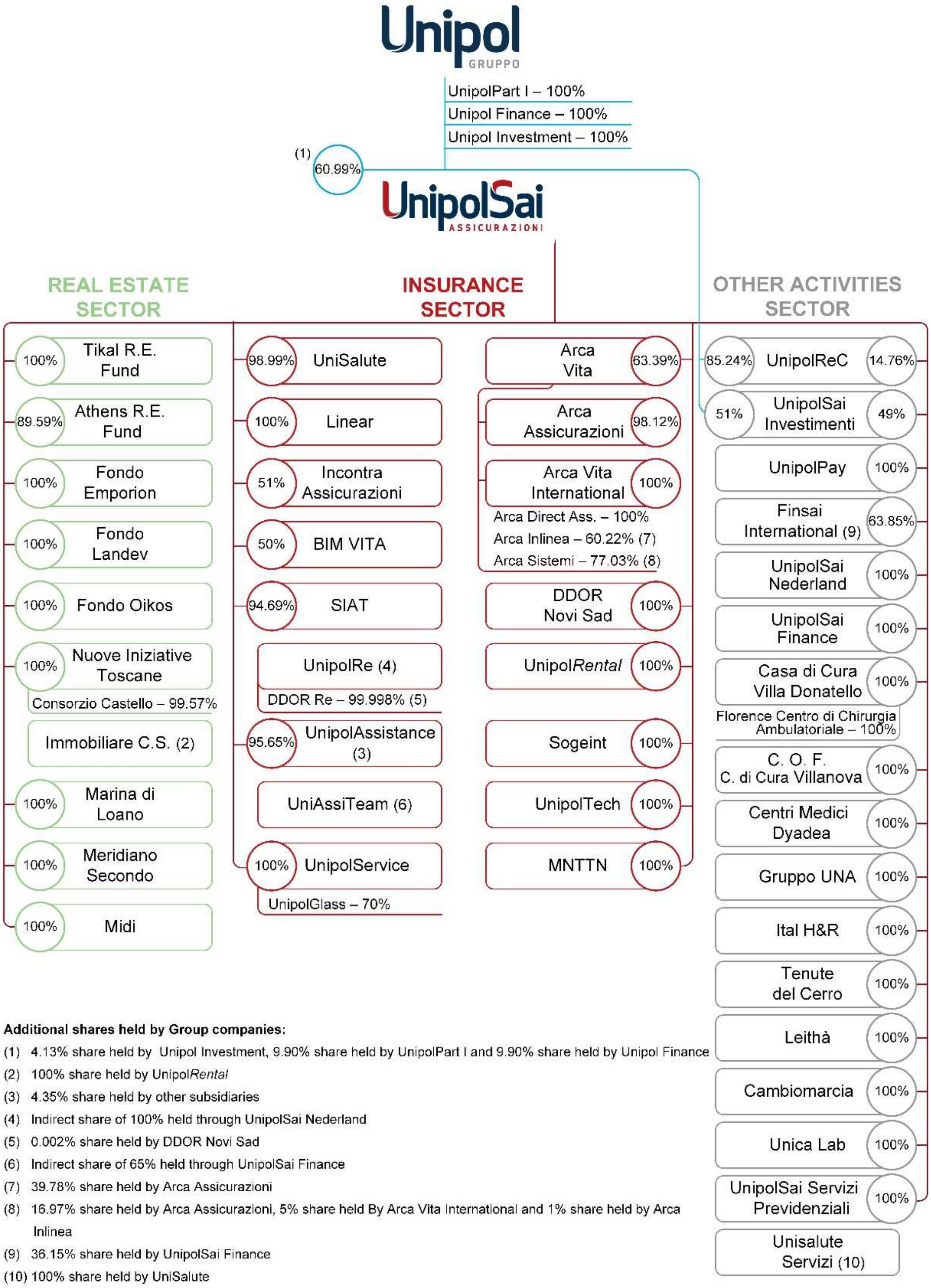
Commercial Services and New Projects

The Group has developed commercial initiatives to support insurance activities in the mobility ecosystem, as regards vehicle and glass repairs, black box management and long-term vehicle rental.
The service companies instrumental to the insurance business characterise and make Unipol's insurance offer distinctive with the direct and integrated governance of service processes:

- **UnipolService,** a network of repair shops located throughout the country and offering MV policyholders certified repairs with no cash advance;
- **UnipolGlass**, for glass repair and replacement services;
- **Unipol Assistance**, a multi-service company specialising in the response to requests for assistance for all vehicle categories, individuals, the home and business activities;
- **Unipol*Rental*** for the management of company fleets and long-term car rental;
- **UnipolTech,** the telematics provider of UnipolSai and other Group companies, and the service provider for electronic motorway toll payments;

Leithà is the company specifically dedicated to innovation.
UnipolPay, an e-money institute (IMEL) authorised to provide payment and e-money services in Italy;
Cambiomarcia, operating as a company specialised in used car sales and the marketing of Cambiobike e-bikes.
Unipolis is the business foundation of the Unipol Group, of which it is one of the most important tools for implementing social responsibility initiatives, within the framework of the more comprehensive sustainability strategy.

The performance of the various business areas in which the Group operates is reported in the Unipol Group Performance section



Additional shares held by Group companies:

(1) 4.13% share held by Unipol Investment, 9.90% share held by UnipolPart I and 9.90% share held by Unipol Finance
(2) 100% share held by Unipol*Rental*
(3) 4.35% share held by other subsidiaries
(4) Indirect share of 100% held through UnipolSai Nederland
(5) 0.002% share held by DDOR Novi Sad
(6) Indirect share of 65% held through UnipolSai Finance
(7) 39.78% share held by Arca Assicurazioni
(8) 16.97% share held by Arca Assicurazioni, 5% share held By Arca Vita International and 1% share held by Arca Inlinea
(9) 36.15% share held by UnipolSai Finance
(10) 100% share held by UniSalute

Highlights

1 Employees

6,479 5,467

11,946

2 Operating Network

Agencies	2,442
Sub-agencies	5,392
Bancassurance	5,312

9 Competitiveness in the Market

RELIABILITY

REPUTATION

8 Solvency Ratio

214%*

-2 b.p.

vs 2020

7 Group Shareholders' Equity

7,780 €m

+2.2%

vs 2020

3 Customers and Policyholders

INDIVIDUALS
14.6 million

LEGAL ENTITIES
0.9 million

4 Performance

	€m	Var. vs 2020
PREMIUMS		
Non-Life direct insurance	7,943	+0.8%
Life direct insurance	5,386	+24.4%
- of which Life investment products	*1,272*	*+123.4%*
Direct insurance premiums	**13,329**	**+9.2%**

RATIOS	**2021**	**2020**
Non-Life Loss Ratio - net of reins.	67.1%	58.8%
Non-Life Expense Ratio - net of reins.	27.9%	28.2%
Non-Life Combined Ratio - net of reins.	95.0%	87.0%
Group pro-rata APE (€m)	465	397
Life Expense Ratio - net of reins.	5.0%	5.0%

	€m	Var. vs 2020
Investments and cash and cash equivalents	**71,692**	**+0.6%**
Technical provisions	**57,128**	**-1.0%**
•Non-Life	14,715	+2.3%
•Life	42,413	-2.1%
Financial liabilities	**10,771**	**+10.7%**

5 Consolidated profit (loss)

+796 €m

6 Value for Shareholders

ROE	9.52%
EPS	0.87 **
BVPS	10.84 **

(*) Value calculated on the basis of the information available as of today. The definitive results will be reported to the Supervisory Authority with the timing required by regulations in force.
(**) Calculated on the total number of shares.

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Significant events in 2021 and after 31 December 2021

NFS

COVID-19 - Impacts and initiatives of the Group

The spread of the COVID-19 pandemic, which began at the end of February 2020, also affected 2021 though with a lower impact on Group operations compared to the previous year.

In particular, the first part of 2021 saw the continuation of certain travel restrictions for individuals through selective lockdowns, mainly on a regional scale, which gradually eased with the arrival of summer and improvement in the pandemic situation. In the second part of the year, despite rising infections, the growing success of the vaccination campaign meant that severe travel restrictions on individuals were no longer necessary and allowed businesses to reopen, for example the winter tourism industry, after a long halt.

In operating terms for the insurance sector, the MV TPL class was, as already mentioned, still affected by a limited claims frequency, though up on the previous year, and this strongly boosted competition as regards rates, which continued to decline. An effect on UnipolSai also came from continuation of the #UnMesePerTe initiative, which from April 2020 and throughout 2021, for customers who had not already made use of it on first renewal of the policy, offered its customers a 1/12 discount (one month) in the premium previously paid.
In the Non-Life insurance business other than MV TPL, on the other hand, the strong economic recovery during the year and the action of our production networks allowed a considerable recovery in production with a level of 2021 premiums that, overall, exceeded the pre-pandemic values.

In a context still influenced by the effects of the pandemic, albeit much improved by the vaccines, the Group maintained strong prudential criteria for its year-end valuations of Non-Life technical provisions as shock absorbers against any future repercussions, not yet known, on the global insurance guarantees provided by the Group.

The performances of premiums and volumes managed were highly positive in the Life sector, where they were favourably impacted by financial market trends which in 2021, aided by the economic recovery, recorded no particular turbulence despite the succession of waves of the pandemic.

With reference to other businesses of the Group in 2021, as in 2020, the only significant repercussions were on the company Gruppo UNA, active in the hotel sector, on which the COVID-19 pandemic had a very significant impact. In order to limit the economic effects, the company kept the majority of its hotels closed also in the first part of 2021, concentrated in major Italian cities and in some tourist areas, and made recourse to the Salary Integrity Fund for employees of the hotels closed.
The other Group companies, active in other types of businesses and moreover with sizes that are not particularly relevant within the Group, saw no significant impacts on the Income Statement for the period.

As in 2020, in drafting the Consolidated Financial Statements at 31 December 2021, appropriate analyses were again conducted to carefully consider the consequences of COVID-19, particularly with regard to the measurement of assets pursuant to IAS 36 and the identification of any impact, as regards COVID-19-related risks and uncertainties, on the going concern assumption and on strategic planning.
In particular, the financial statement measurements to determine the recoverable amount of goodwill as part of the impairment testing procedure are based on long-term economic and financial projections developed to take into account the Budget approved by the Board of Directors for 2022, strategic actions defined also for subsequent years and the related market scenario impacted by the COVID-19 pandemic.

On the basis of the long-term economic and financial projections prepared on information currently available, taking into account the nature and characteristics of the Group's businesses, it is not considered that the effects of COVID-19 can compromise the going concern.
Please refer to paragraph 5.13 "Criteria to determine the value of goodwill with an indefinite useful life (impairment test)" in the notes to the financial statements regarding the calculation method used, the economic and financial assumptions and the sensitivity analysis.

Main initiatives of the Group in response to the health emergency in 2021

At operating level, the Group continued with its actions and initiatives already undertaken in the course of 2020, adapting and adding to them over time as the health emergency and related regulatory measures developed.
In particular, initiatives supporting customers and the agency network activated in the course of 2020 continued, as did the Group's careful and constant monitoring of the liquidity and solvency situation, with a view to allowing for the prompt activation of any risk profile optimisation actions.

In this context, with the aim of accelerating the national COVID-19 vaccination campaign and in coordination with the relevant national and regional institutions, the Unipol Group prepared a vaccination programme for all its employees, their family members, agents and agency personnel, as well as Groups and companies in the main Italian production industries, confirming Unipol's role as a central player in the process of integrating public and private healthcare.
This was the first vaccination programme developed by a company operating anywhere in Italy, with over 200 approved vaccination sites, 4 specialist hubs and over 11 thousand vaccines administered during the year in 8 regions.

For **employees**, the Group extended the strongly precautionary initiatives already implemented in 2020 to contain the risk of infection and guarantee business continuity with maximum protection for personnel. For example, restrictions on travel and all gatherings, intensification of office disinfection activities, expansion of flexible entry and exit times and the protection of people in vulnerable situations were all extended.
Remote working was also envisaged for most of the year, as well as daily monitoring by the internally established Task Force and centralised management of office access authorisations. With a view to restoring normal working lives, from 4 November, in line with the recovery of all business and social activities in Italy, the Group organised a return to in-office activities. After significantly expanding the scope of protections envisaged by law and having agreed to requests for remote working from all personnel considered "vulnerable" (vulnerable health conditions, beneficiaries of protection under Article 3, Law 104/92 or Law 68/99, exempt from the vaccination campaign, pregnant workers or with children up to 1 year of age, and the over-sixties), the return to in-office work involved around 70% of personnel.

In relation to the return to office working, numerous preliminary and control activities were carried out, such as:

- updating of the company COVID-19 Protocol consistent with legal changes and government protocol recommendations, also updating all training and education material and arranging its dissemination to all employees and external suppliers with access to company premises;
- activation of the Green Pass control system, differentiating methods according to the size and characteristics of the offices (automatic readers in offices with turnstiles, through appointed personnel at other offices), as well as verification and monitoring at all offices of the correct application and compliance with the COVID-19 Protocol with the involvement of internal and external personnel;
- prompt and widespread distribution of Personal Protection Equipment based on the plan for return to in-office working;
- management of health supervision consistent with ministerial indications, giving priority to close control requirements, prior to recruitments and returns after long absences;
- specific site inspections of all canteen premises, though managed by external suppliers, and company catering areas.

Aside from the prevention and management actions intended to limit the health emergency, the decision was made to provide a remote counselling service, due to the continuation of the pandemic, called "Parliamone" ("Let's Talk About It"), to support people in managing critical issues in their personal lives, which the extensive pandemic period may have caused to emerge or accentuated.
To support the national health service's management of positive cases, and with the aim of activating suitable preventive measures, a **medical support phone service** was established - managed by UniSalute - available to Group employees.

Other significant events

JAN

On **20 January 2021**, the **MF Insurance Awards** were live-streamed and numerous awards were given to UnipolSai, which came top in the *Insurance Elite* and *Insurance Companies of Value* categories.

FEB

The sale of **Torre Velasca**, the property in Piazza Velasca, Milan, was finalised in **February 2021**.

On **10 February 2021**, UnipolSai confirmed its partnership that for the fifth consecutive year saw the company as the official sponsor of Ducati Corse in the **MotoGP 2021 World Championship**. The partnership with the Ducati Team entailed the UnipolSai brand appearing on the tail of the two red sport bikes of Borgo Panigale and on the team uniforms.

On **22 February 2021**, the associate BPER's acquisition of a business unit comprising banking branches of UBI Banca, a transaction finalised under pre-existing arrangements with the Intesa Sanpaolo Group, became legally effective.

On **25 February 2021**, at the **Financial Innovation - Italian Awards 2021**, **Incontra Assicurazioni** was awarded first and second prize in the Insurance category, for the comprehensiveness of its offer and proximity to its customers, even in an exceptional situation like the current health emergency (thanks to the two initiatives carried out in the second half of 2020 in partnership with UniSalute, Videoconsulting service and a new version of the UniCredit My Care Salute policy) and for the Tutela Sisma policy.

MAR

In **March 2021**, with reference to the corporate liability action against several former directors and statutory auditors, approved by the Shareholders' Meetings of Fondiaria-SAI and Milano Assicurazioni in the year 2013 and the relative pending legal cases, UnipolSai signed a settlement agreement with all defendants which fully defines the two liability actions. For further information in this respect, please refer to the paragraph "Unipol Group Performance".

On **15 March 2021**, UnipolSai fully repaid the subordinated loan (ISIN XS0130717134) with a nominal value of €300m, the contractual maturity of which was in June 2021. For further information in this respect, please refer to the paragraph "Unipol Group Performance".

On **18 March 2021** at the Milan Marketing Festival, the **Dyadea** network of medical centres was recognised for its innovation, with a particular focus on the digital and design, as a result of the high quality of its services dedicated to medicine and therapeutic treatment. Dyadea was confirmed as the point of reference for the entire community, where medical excellence is a valuable cure always at the service of every citizen.

The Financial Observatory, a research institute in the field of banks and financial companies, awarded first place to the **UnipolSai app** as best complete insurance app, for the second consecutive year.

APR

On **28 April 2021**, UnipolSai fully repaid the subordinated loan (ISIN XS0173649798) with a residual nominal value of €262m and maturing July 2023. For further information in this respect, please refer to the paragraph "Unipol Group Performance".

MAY

At the **European Swimming Championships** held in **May 2021** in **Budapest**, UnipolSai accompanied the entire Italian swimming team with its brand on the team kits, more precisely on 44 podiums in this edition, where Italy finished in third place on the medals list but was classified first in the total number on the podiums and in the country rankings.

JUN

On **10 June 2021**, the **Fitch Ratings** rating agency increased the Insurer Financial Strength Rating (IFSR) of UnipolSai Assicurazioni SpA from "BBB" to "BBB+", or two notches above Italy's rating (BBB-/Stable outlook). As a result, the Long-Term Issuer Default Rating (IDR) assigned to Unipol Gruppo S.p.A. also went from "BBB-" to "BBB" and the ratings of the Unipol Group's debt issues all improved by 1 notch. For further information in this respect, please refer to the paragraph "Unipol Group Performance".

UnipolSai has taken advantage of the option set forth in Article 110, paragraph 8-bis of Decree Law 104/2020, which makes it possible to realign the values recognised for tax purposes of goodwill and other assets already recognised in the financial statements at 31 December 2019, to the values of such assets as set forth in the financial statements at 31 December 2020, against payment of a substitute tax of 3% of the higher value recognised for tax purposes. On **30 June 2021** it paid the first of the three annual instalments by the legal deadline. For further information in this respect, please refer to the paragraph "Unipol Group Performance".

In the first half of 2021, partly through a reverse accelerated book-building procedure (RABB) and partly through market purchases, UnipolSai purchased 40,289,500 ordinary Banca Popolare di Sondrio SpA shares, equal to 8.89% of BPS share capital, in June 2021 increasing its equity investment to 43,126,000 BPS shares (9.51% of BPS share capital), taking into account the investment previously held. The transaction falls within the scope of UnipolSai's strategy to contribute to the development plans of the Bank, a business partner of the Unipol Group since 2010 within the Non-Life and Life bancassurance segment.

In June 2021, excellent reviews by TripAdvisor users resulted in the prestigious Travellers' Choice 2021 recognition for 20 Gruppo UNA hotels and resorts, demonstrating the constant efforts made to guarantee comfort, attention to detail and safety to guests, which have always been the points of pride in its offering.

UnipolSai implemented a promotion project for businesses demonstrating success even during COVID-19 and have continued to invest, plan and programme. With this project UnipolSai aimed to strengthen relations with the world of Italian businesses, going beyond the broadly recognised role of insurance player to become an entity capable of accompanying companies on a path to growth and economic enhancement.

JUL

During July 2021, Unipol launched a major long-term partnership with Cagliari Calcio, a sponsorship that envisages the acquisition of stadium naming rights, contributing to the development of the important urban, sports and social project represented by the new stadium, enhancing the area's heritage and resources, fostering economic and cultural growth, projecting the context of Sardinian entertainment and sport in a national and international dimension.

SEP

In September 2021, the iconic urban design hotel Milano Verticale - UNA Esperienze won the "Best business hotel for business travellers" award at the eighth edition of the Italian Mission Awards, an event dedicated to leading operators in the business travel sector at national and international level.

In September 2021 the Serie A basketball championship began and, for the second season in its three-season sponsorship agreement with the Serie A Basketball League that started in 2020/21, UnipolSai was its Title Sponsor. UnipolSai was also awarded the Presenting Sponsorship for the Final Eight of the Italian Cup and the Supercup. Furthermore, it was also title sponsor for the 2021 LBA Awards presented by UnipolSai.

OCT

On 18 October 2021, the Milan Stock Exchange launched the MIB® ESG index, which selects the best Milan-listed companies in terms of environmental, social and governance commitment through the use of 38 sustainability indicators. Both Unipol and UnipolSai feature among the 40 companies in this index.

A 100% digital edition of the Milan Insurance Companies Festival 2021 was held in the period 20-22 October 2021, one of the three days dedicated to the promotion of insurance and organised ethics values. On the evening of 21 October, Unipol won the MF Innovazione Award 2021 in the Mobility category for its Unibox Safe product.

NOV

On 10 November, Arca Assicurazioni, Arca Vita and Incontra Assicurazioni were winners at the Future Bancassurance Awards, an annual EMFgroup event dedicated to celebrating bancassurance excellence.

At the Health & Medmal Insurance Awards on 23 November, the annual event rewarding Italian excellence among private healthcare operators, UniSalute received the award for constant support to its policyholders during the pandemic through the COVID-19 Programme.

At the Insurance Connect Awards evening in Milan on 30 November last year, UnipolSai received the following awards: *Innovation Award*, *Leadership Award*, Non-MV *Claims Management Award* and *Communication Award*.

DEC

On 13 December 2021, the Fitch Ratings rating agency increased the Insurer Financial Strength Rating (IFSR) of UnipolSai Assicurazioni SpA from "BBB+" to "A-", after the upgrade to Italy's rating (BBB/Stable outlook) on 3 December. As a result, the Long-Term Issuer Default Rating (IDR) assigned to Unipol Gruppo S.p.A. also went from "BBB" to "BBB+" and the ratings of the Unipol Group's debt issues all improved by 1 notch. For further information in this respect, please refer to the paragraph "Unipol Group Performance".

2022

On 13 January 2022, UnipolSai acquired 100% of I.Car Srl share capital at the price of €60m and 100% of Muriana Manuela Srl share capital for €3m. The acquisition of these two companies, operating respectively in the motor vehicle anti-theft and insurance brokerage sectors, is consistent with development of the Mobility Ecosystem undertaken by the Group in recent years. The I.Car price could later be integrated with the payment of two variable tranches of around €10m each, which will be determined after approval of the I.Car financial statements for 2021 and 2022 in accordance with the criteria envisaged in the purchase agreement.

10 February 2022 saw the conclusion of the jointly-agreed termination of the agreement signed on 17 February 2020 between UnipolSai and Intesa Sanpaolo in the broader context of Intesa Sanpaolo's launch of a public exchange offer on 100% of UBI Banca shares and the related acquisition of business units referring to one or more insurance company investees of UBI Banca. This termination was the result of the assessment, agreed between the parties, of the transaction no longer being convenient and of mutual interest, taking into account the implementation costs and complexities.

At the insurance excellence awards night on 24 February 2022, UnipolSai, Unisalute and Arca Vita received several recognitions in the "Companies of Value" category. Added to these was the Special ESG Insurance Elite Award for the best Standard Ethics sustainability rating for an Italian insurance company which went to UnipolSai.

In February 2022, UnipolSai and Linear announced the launch of the roadside assistance service as part of the Pedius app, which integrates functions for the hearing impaired and all individuals who cannot, temporarily or permanently, communicate verbally, transforming into a voice message any text entered and thereby removing communication barriers through the use of voice recognition and synthesis technologies.

On 1 March 2022, exercising the contractually-envisaged right to early repayment, Unipol arranged full repayment of the €300m loan disbursed by UnipolSai on 1 March 2019, granted as part of Unipol's disposal of the shareholding in Unipol Banca.

8 March 2022 saw the renewal, for the sixth consecutive year, of the partnership between UnipolSai and the Borgo Panigale team for the 2022 MotoGP World Championship.

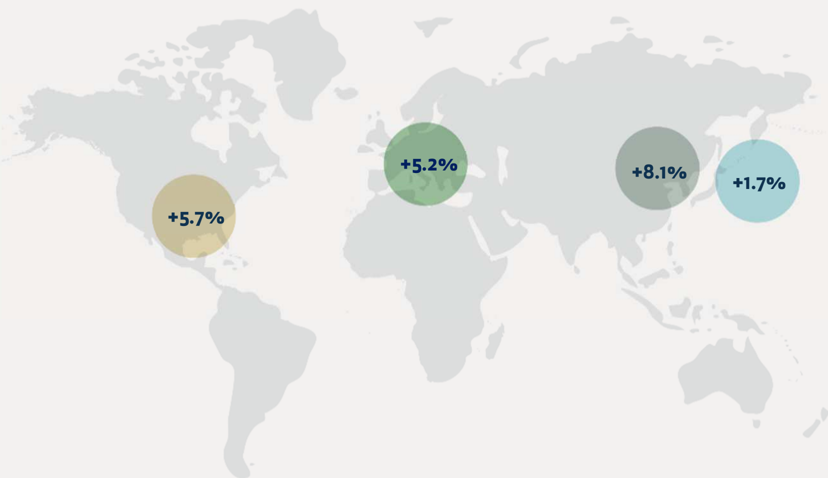
RISKS, OPPORTUNITIES AND STRATEGY

Macroeconomic background and market performance

Macroeconomic background

Globally, 2021 was characterised as a year of economic recovery, with **global GDP** forecast to rise by **5.9%** (after falling by 3.5% in 2020). The economic recovery was particularly strong in the second quarter of the year, due to the removal of widescale restrictions and gradual expansion of the vaccination campaigns. In the third and fourth quarter, however, growth slowed as a result of increasing downside risks due to the spread of new variants of COVID-19 and the emergence of increasing inflationary risks arising in particular from procurement difficulties and the increase in commodity and energy prices.

Global economic growth
+5.9%



- In the **Euro Area**, GDP **rose** by **5.2%** in 2021 (after the 6.5% decline of 2020). After a negative first quarter, the economic recovery gained strength, marking 2.2% growth in the second and 2.3% in the third quarter.

  As a consequence of a new wave of the pandemic, growth slowed in the fourth quarter to 0.3% compared to the previous quarter. The average **unemployment rate** in 2021 was **7.7%**, with the December 2021 rate at 7.0%.

  In this context, **monetary policy** maintained an **expansionary** tone throughout the year, with the ECB's main refinancing rate and the rate on deposits remaining unchanged (at 0.0% and -0.5%, respectively) and the implementation of the bond purchase programmes announced during the pandemic emergency (PEPP and APP). These measures allowed a recovery of the **inflation rate**, which in 2021 averaged **2.6%**.

- In the **United States**, GDP **increased** by **5.7%** in 2021 (-3.4% in 2020). The recovery was particularly strong in the first and second quarter, and then continued in the third and fourth quarter. Economic growth was supported especially by an increase in consumption and private investments, and allowed for an improvement in the job market, with the **unemployment rate** falling from an average of 8.1% in 2020 to **5.4%** in 2021. **Monetary policy** remained **expansionary**, helping to bring about an increase in the **inflation rate**, which in 2021 reached an average of **4.7%**, up by 1.2% on 2020.
- After a 9.1% decline in 2020, **Italian GDP rose** by **6.6%** in 2021. After a weak first quarter (+0.3% over the previous quarter), growth strengthened during the year, buoyed by the recovery of industry and services, reaching 2.7% and 2.5% in the second and third quarter, to then close the final quarter of the year with 0.6% growth over the previous quarter. In this context, the average **unemployment rate** was **9.5%**, with the December 2021 rate at 9.0%. The annual **inflation rate** was **1.9%** (-0.1% in 2020).
- In **China**, GDP **increased** by **8.1%** in 2021 (+2.2% in 2020). Chinese growth was especially driven by robust expansion in industrial production, which offset less brilliant growth in domestic demand. In this context, the **unemployment rate** averaged **5.1%** in 2021, while the annual average **inflation rate** was **0.9%**.
- Also in this phase, the Chinese economy drove the growth of the emerging countries bloc, which was forecast at 6.9% in 2021, compared to the 1.6% decline in 2020.
- In **Japan**, average estimated GDP **growth** for 2021 was **1.7%**. Japanese growth was negatively affected (especially in the first and third quarter) by uncertain epidemic trends and particular procurement difficulties due to strong integration within global value chains. In this context, the **unemployment rate** remained steady at an annual average of **2.8%**. Despite the very accommodative monetary policy (the policy rate was an average -0.03%), the **inflation rate** was negative on average compared to 2020, recording **deflation of 0.2%**.

Financial markets

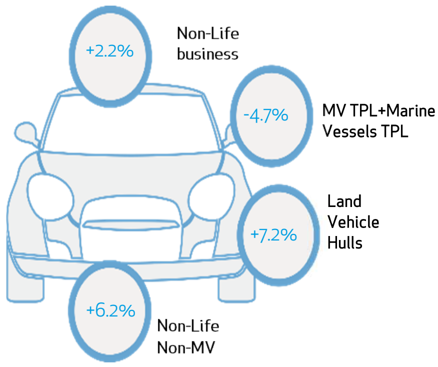
The **ECB**'s announcements in December regarding suspension of the PEPP from March 2022 and expectations of a more austere monetary policy drove a partial upturn in all the European interest rate curves, especially for the longer maturities. The **3-month Euribor** rate closed 2021 at a stable **-0.57%**, only 3 basis points down on the figures at the end of 2020, while the **10-year Swap** rate increased in the same period by 56 basis points, closing 2021 at **0.30%**.
The gradual return to normal of the expansionary monetary policies also contributed to forcing up government interest rates in the main Euro Area countries. In Germany, the **10-year Bund** closed 2021 at **-0.16%**, up 39 basis points on the values at the end of 2020, whilst in Italy the **10-year BTP** closed 2021 at **1.19%**, up 66 basis points. The **10-year spread** between Italian and German rates was therefore **133 basis points** at the end of 2021, up by 24 basis points compared to the end of 2020.

The **EUR-USD exchange rate** at 31 December 2021 reached **1.14**, with the US dollar appreciating by 7.06% compared to the 2020 year-end value.

Eurostoxx 50: **+21%**	s&P 500: **+26.9%**
Ftse Mib: **+14.3%**	Nikkei: **+4.9%**
DAX **+15.8%**	MSCI EM **+4.6%**

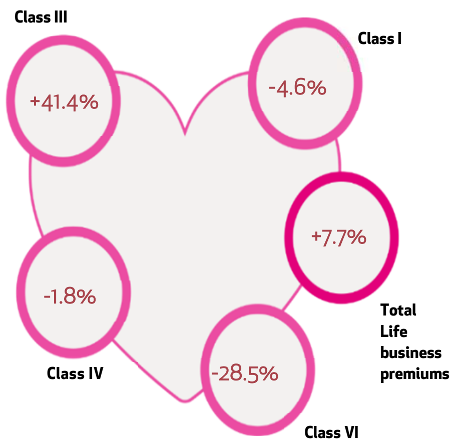
Insurance Sector

In the third quarter of 2021, premiums for the Italian insurance market should reach €143.4bn, up by 6.3% compared to 2020. Total premiums of the Italian direct portfolio in the Non-Life business (only direct business) are expected to rise by 2.2% compared to 2020.
In the MV sector, consisting of MV TPL, Marine Vessels TPL and Land Vehicle Hulls, premiums should be down compared to 2020 (-2.3%). In the same period, total premiums in the MV TPL + Marine Vessels TPL business should decline by 4.7%, while Land Vehicle Hulls should be up by 7.2%. According to ANIA data, in 2021 the average premium in the MV TPL business saw a decrease of 4.0% compared to 2020, to €322. The ISTAT index of the MV TPL prices, the value of which reflects the price lists and not those actually applied by companies, instead recorded a 1.5% decline in 2021.
Non-MV Non-Life premiums should increase by 6.2% in 2021 compared to 2020. The Healthcare segment should record an increase of 5.7% (+7.4% Health, +4.1% Accident).
In the MV sector, the negative trend for the agency channel should continue in 2021, with premiums down by 2.6% compared to 2020 and an overall weight of 82.5% on total premiums, against a strong increase in premiums in the banking channel (+22.4%), a decline in the Brokers channel (-15.5%) and essential stability in the Direct channel.
Non-MV premiums in the agency channel should increase by 4.2%, in the banking channel and Direct channel they should rise by 22.7% and 15.8% respectively, while premiums from Brokers are expected to decrease by 3.2%.



Premiums in the **Life segment** (only direct business) are forecast to increase by **7.7%** in 2021 compared to 2020, mainly as a result of the strong growth in **Class III** premiums (**+41.4%**). On the other hand, growth is expected to be down for **Class I** (**-4.6%**), **Class IV** (**-1.8%**), **Class V** (**-19.2%**) and **Class VI** (**-28.5%**).

In 2021, the **agency channel** in the Life segment should be up by **3.1%**, with an overall weight of 14.0% on total premiums. The **Consultants** and **Banks** channels should also be up, by **31.1%** and **5.2%**, respectively, compared to 2020, accounting for 74.4% of total premiums, whilst the **Direct** and **Brokers** channels are expected to decline by **0.6%**.



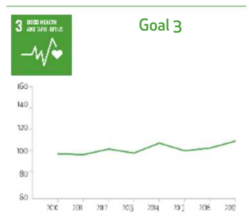
Real Estate market

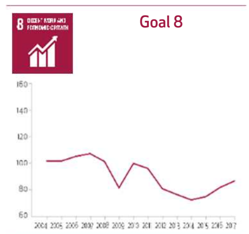
According to the Real Estate Market Observatory of the Tax Authorities, after the 7.7% decline recorded in 2020, in 2021 **home sales in the residential sector rose** by **29.5%**, exceeding 2019 levels by a wide margin (+19.6%).
The strong expansion in housing investments was also reflected in home prices for the 13 major cities, which in 2021 saw a 1.0% increase compared to 2020, confirming the expansionary phase that began in the second half of 2020.
In the major cities, residential **rent** also increased over 2020 (+0.9%), although at a rate lower than the prices of existing homes (+1.0%) and with a stable cap rate. As for prices, the increase in rent involved nearly all of the major cities, except for Venice (-1.8%) and Rome (-0.8%), with Milan marking the best performance (+1.8%).
After the 13.3% decrease recorded in 2020, in 2021 **sales in the non-residential sector** were **up** by **37.9%** on 2020, significantly exceeding 2019 levels, similar to the trend for homes. The growth was more marked for offices (+53.5%) and stores (+38.8%), but more modest for the production sector (+20.5%). As observed for homes, the recovery also had positive impacts on **non-residential property prices**, although the decline in prices for stores and offices, which has now persisted over 28 half-years, continued in 2021, albeit at lower rates than those observed in 2020.

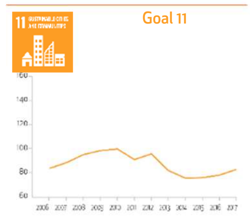
Residential Segment Transactions

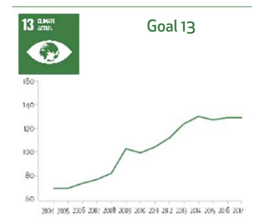
Social and environmental scenario[2]

Italy's performances as regards UN 2030 Agenda Goals are unsatisfactory: many goals appear even further from being reached than they were last year. The 2021 ASviS Report suggests signs of improvement, between 2019 and 2020, for only three Goals (7, 13 and 16), with another three (2, 6 and 9) remaining essentially stable. However, the indicators for nine Goals deteriorated: 1, 3, 4, 5, 8, 10, 11, 15 and 17. For Goals 12 and 14, the 2020 performances were not calculated due to the absence of available information. If there is no decisive change in pace, Italy will not achieve the Sustainable Development Goals by the deadlines agreed with the UN.
The pandemic has had an overall negative impact on **Goal 3 (Ensure healthy lives and promote well-being for all at all ages)**. Life expectancy has fallen and indicators relating to alcohol consumption and smoking are deteriorating. However, a net improvement was seen in flu vaccination coverage in the over-65s and there was also a strong decrease in the number of deaths and injuries in road accidents due to limited travel options during the lockdown.
Goal 8 (Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all) has suffered considerably from the pandemic. In particular, there are negative signals from the job market (employment rate) and the NEET quota. It is only more recently, as a result of easing of restrictions and the effects of the European economic and monetary stimulus, that we begin to see positive signs at macroeconomic level, though these are not sufficient to recover the ground already lost.
For **Goal 11 (Make cities and human settlements inclusive, safe, resilient, and sustainable)**, 2020 recorded a decline in the PM_{10} indicator, confirming that the lockdown was not sufficient to offset less favourable weather conditions against the dispersion of pollutants.
As a result of production activity interruptions during the lockdown, greenhouse gas emissions per capita fell by 7.0%, leading to a strong improvement in **Goal 13 (Take urgent action to combat climate change and its impacts)**, which in any event is not the result of a paradigm shift. The trend recorded in recent years has not been in line anyhow with the European goal of reducing greenhouse gas emissions by 55% by the end of 2030.









[2] Source: 2021 ASviS Report (Italian Alliance for Sustainable Development), "Italy and the Sustainable Development Goals"

Main regulatory developments

In 2021, the reference regulatory framework for the sectors in which the Group carries on business saw numerous actions from the policy makers.

Relevant regulations for the insurance sector

As regards prudential insurance regulations, on 23 September 2021, the European Commission published a **proposal (COM/2021/581) to amend the Solvency II Directive** (Directive 2009/138/EC). The changes of most interest to the Italian insurance market regard the functioning of the **Volatility Adjustment**, the new formulation of which should guarantee a stronger potential for mitigation of excess financial market volatility at EU and domestic levels. In addition, the Commission proposes a significant review of **group supervision** rules, both in reference to identification of the "group" scope and as regards the group solvency calculation and corporate governance requirements at group level. In the proposal, in order to mitigate the spread of systemic risk, the assignment of **new macroprudential supervisory powers** to the competent authorities is also envisaged. These include the option of forbidding dividend distributions and freezing policy surrender rights of contracting parties for a limited period of time and in exceptional crisis situations. Furthermore, the Authorities can ask insurance companies to adopt systemic risk management plans as well as an enhanced system for monitoring liquidity risk.

Other significant changes will be contained in the **Solvency II Delegated Acts**, for which the Commission, even if the legislative text has not yet been presented, has clarified its political guidelines. Particularly important among these is the proposal to ease the eligibility requirements for **long-term equity** investments, which could benefit from more favourable prudential treatment, and the proposal to correct the function of the **Risk Margin** which, according to the Commission, will allow an aggregate level reduction in capital requirements of more than €50bn.

In addition, on 23 September 2021, the European Commission presented a **proposal for an Insurance Recovery and Resolution Directive (IRRD)** (COM/2021/582) which follows the same lines as for banking sector regulations (BRRD) but without introducing additional capital requirements similar to those envisaged for banks ("Minimum Requirement for own funds and Eligible Liabilities" - MREL). The Commission's proposal envisages the obligation for insurance companies to prepare a "Pre-emptive recovery plan" (in effect similar to the "Pre-emptive recovery plan" already envisaged in Italian regulations) and the obligation for Resolution Authorities to prepare a "Resolution plan" (it envisages that at least 80% and 70%, respectively, of the insurance market in each Member State will be subject to recovery planning and resolution planning). In the preparation and updating phases of the "Resolution plan", the Resolution Authority will need to assess "resolvability" of the insurance company and, if significant impediments are found to the resolution option (and it considers action proposed by the company to remove the impediments to be insufficient), it can ask the insurance company to adopt highly incisive alternative measures, such as the closure of certain lines of business, limitations on intercompany loans and a reorganisation of operations.

Lastly, note that 22 December 2021 saw the entry into force of Directive (EU) 2021/2018, **amending the Motor Insurance Directive** (Directive 2009/103/EC), which must be adopted by Member States by 23 December 2023. The purpose of the Directive is to encourage alternative and sustainable mobility and strengthen the protection of injured parties in respect of damage resulting from accidents. The Directive amends the definition of "vehicle" and, consequently, extends civil liability policy obligations to include any motor vehicle propelled exclusively by mechanical power on land (but not running on rails), with: i) a maximum design speed of more than 25 km/h, regardless of net weight and their trailers; ii) a maximum design speed of more than 14 km/h and a maximum net weight of more than 25 kg. The new definition therefore excludes most electric scooters, segways and e-bikes in circulation. In addition, the activities of the Compensation Bodies is expanded, envisaging their involvement also if an insurance company defaults due to insolvency (i.e. the insurance company is subject to collective insolvency proceedings or to winding-up proceedings pursuant to Art. 268, letter d) of the Solvency II Directive). This latter situation guarantees the injured party in the event of a cross-border accident involving a foreign vehicle, the insurance company of which is no longer solvent. The onus upon Member States to guarantee that the Bodies reach compensation agreements, up to now mainly devolved to bilateral negotiation, is also extended, thereby facilitating recourse to the Compensation Bodies in all cases of cross-border claims. Furthermore, the Directive introduces the "claims-history statement" for policyholders to guarantee EU residents from all forms of contractual discrimination based on their nationality or based on their previous home Member State.

On 27 April 2021 in Italy, **IVASS Regulation no. 47 containing provisions on restructuring and financing plans** was issued. The Private Insurance Code (CAP) requires that insurance companies submit a restructuring plan to IVASS in the event of non-compliance with the Solvency Capital Requirement and a financing plan in a case of non-compliance with the Minimum Capital Requirement. IVASS Regulation no. 47/2021 provides detailed instructions regarding the contents of individual and group restructuring and financing plans, as well as implementing rules on the preparation and authorisation process for the aforementioned plans.

Lastly, note that **IVASS Regulation no. 48 containing capital add-on provisions** was issued on 3 November 2021. The Private Insurance Code (CAP) envisages the option for Supervisory Authorities to require a capital add-on from insurance companies if, following a prudential control procedure pursuant to Art. 47-*quinquies* of the CAP, significant shortcomings are detected, among other things, in the corporate governance system. IVASS Regulation no. 48/2021 clarifies the justifying conditions for IVASS to trigger such power and which parameters are used to determine the amount of the capital add-on.

Tax regulations

Various legal measures were issued in 2021 in the wake of the urgent legislation in 2020, starting with Decree Law no. 18 of 17 March 2020, the "Cure Italy Decree" (and subsequent Liquidity, Relaunch, August and Relief decrees), with the aim of extending or strengthening the support and relaunch measures for the economy that was hit hard by the COVID-19 epidemiological emergency.
These refer in particular to the following Decrees, later converted to law:
- Decree Law no. 41 of 22 March 2021, "*Urgent measures on support for businesses and economic, employment, health and local services operators, in relation to the COVID-19 emergency*" (Support Decree)
- Decree Law no. 73 of 25 May 2021, "*Urgent measures relating to the COVID-19 emergency, for businesses, employment, young people, health and local services*" (Support-bis Decree)
- Decree Law no. 146 of 21 October 2021, "*Urgent measures on economic and tax matters, job protection and needs that cannot be postponed*", the Tax and Jobs Decree associated with the 2022 Budget Law.

The provisions of interest to the Group include:
- the regulation in the Support-bis Decree which, with the aim of incentivising the capitalisation of businesses in economic difficulty as a result of COVID, upgraded the ACE benefit (Aid to Economic Growth), in particular increasing the extent of this benefit only for capital increases in the 2021 tax period and with a limit of €5m, raising the related notional yield to be deducted from the tax to 15% of the total - instead of 1.3% - and allowing businesses to make use of the benefit by alternatively transforming it into a tax credit;
- the regulation in Decree 146 (later incorporated into the 2022 Budget Law), which rewrites the operating methods for the "Patent Box" benefit, repealing previous provisions which made the benefit commensurate with income from intangible assets, now replaced by a benefit that consists in increasing by 110% the costs incurred for research and development (R&D) relating to those same assets, used directly or indirectly in a company's business activities, excluding trademarks and know-how.

Also note the issue of the 2022 Budget Law - Law no. 234 of 30 December 2021, containing the State budget forecast for 2022 and the long-term budget for the three-year period 2022-2024, of which the following provisions are of particular interest to the Group:
- amendment of the revaluation and realignment rules for business assets contained in the August Decree (Decree Law 104/2020), trademarks and goodwill in particular, envisaging the tax deductibility of higher values recognised over 50 years instead of the 18 years indicated previously. Alternatively, the original amortisation schedule can be maintained, with the payment of a substitute tax at a variable rate (12.5% to 16%), as an additional option allowing the cancellation of all or part of a revaluation already applied or a realignment with offsetting or reimbursement of the substitute tax paid up to 3%. As an exception to the Taxpayers' Charter rules governing the effectiveness of tax laws over time, the regulations introduced become effective from the year after that in reference to which the revaluation or realignment were carried out.
- extension of the "Superbonus 110%" deduction, introduced by the Relaunch Decree (Decree Law 34/2020), with different maturities depending on the type of beneficiary and/or year in which the expense is incurred, and gradual reduction of the current 110% percentage to 70% in 2024 and 65% in 2025, the last year of the benefit. With a view to combating credit fraud, on 25 February 2022 the Decree Law no. 13 (Fraud Decree) was issued, which definitively sanctioned the prohibition of further transfer of the tax credit, already introduced by the Decree Law no. 4 of 27 January 2022 (Support-ter Decree), however giving the possibility of making two further transfers in favor of qualified subjects, such as banks and financial intermediaries, companies belonging to a banking group, or insurance companies authorized to operate in Italy;
- extension of the tax deductions on energy renovation works, recovery of building assets and the "facades bonus", and the introduction of new relief measures in reference to works for the direct purpose of overcoming and eliminating physical access barriers from existing buildings;

- raising of the annual investment allowance for PIRs (long-term savings plans), from the current €30,000 to €40,000 for PIRs implemented up to 31 December 2019. The overall limit is also revised upwards, from €150,000 to €200,000. For alternative PIRs, implemented from 1 January 2020 onwards, the annual investment cap of €300,000 and total of €1,500,000 remain, at the same time removing the restriction that allowed only one "ordinary" PIR and one "alternative" PIR to be held by each natural person.

Other regulations

As regards **sustainable finance**, 9 December 2021 saw the publication in the EU Official Journal of **Delegated Regulation (EU) 2021/2139, supplementing the Taxonomy Regulation (Regulation (EU) 2020/852) by establishing the technical screening criteria** for determining the conditions under which an economic activity qualifies as contributing substantially to climate change mitigation or climate change adaptation and for determining whether that economic activity causes no significant harm to any of the other environmental objectives (*Climate Delegated Act*). The Delegated Regulation in question applies from 1 January 2022. Then on 10 December 2021 the **Delegated Regulation (EU) 2021/2178 was published, supplementing Article 8 of the Taxonomy Regulation**, by specifying the content and presentation of information to be disclosed by financial and non-financial companies, subject to non-financial reporting obligations, in relation to the extent to which their associated economic activities are sustainable pursuant to the EU Taxonomy. Delegated Regulation (EU) 2021/2178 will be applied gradually, with the first phase relating to reporting of Taxonomy-eligible economic activities (for financial companies from 1 January 2022 to 31 December 2023) and a second phase relating to the reporting of Taxonomy-aligned economic activities (for financial companies from 1 January 2024, in reference to 2023).

Lastly, **Regulation (EU) 2019/2088 of 27 November 2019** (the **Disclosure Regulation**) will apply from 10 March 2021, imposing transparency obligations on financial market operators in relation to the methods for integrating ESG factors into investment activities and internal processes. In order to comply with the Regulation's obligations, insurance companies have supplemented the precontractual and periodic disclosures on insurance-based investment products (IBIPs), specifying the potential impacts of environmental or social changes on product yields (sustainability risks). In addition, further transparency obligations apply to sustainable investment products, i.e. products whose investments can promote environmental or social characteristics or are designed to finance sustainable economic activities. Lastly, the insurance companies have published a statement on their websites regarding measurement methods for the effects of corporate investment decisions on environmental and social factors, as well as the remuneration policies of the company in relation to the integration of sustainability risks. Additional transparency obligations will be introduced after the adoption of the Delegated Acts to the Regulation in question (2019/2088), due for application from 1 January 2023.

Future orientation in the use of capital

TCFD NFS

The Reputational & Emerging Risk Observatory places Unipol in a position to listen in a structured manner to signs of external environmental change and is of fundamental support to the Group's strategic planning. Constant monitoring of emerging trends allows mitigation of the associated risks and to seize early upon new opportunities.

SOCIAL

	RISKS	OPPORTUNITIES	MAIN RESPONSES
HYBRID CONSUMER	• Increase in lack of customer loyalty • Competition from new players and new channels • Increase in cyber risk as digitalisation grows	• Integrated multi-channel and multi-access strategy • Continuous relationships with customers and improved customer experience • Provision of 360° service	• Industrialisation of multi-channel approach • Drive towards digitalisation • Strengthening of distinctive, value-added services • Bancassurance and partnership
WELL-BEING	• Increase in chronic and mental illnesses and the morbidity rate • Inaccessibility of healthcare and welfare for the most vulnerable segments of the population • Risk linked to transparent and responsible use of data	• Complementary to the Government for welfare system management • Preventive and predictive diagnostics services • Improvement in risk profiling and encouragement of healthier lifestyles thanks to technology	• Evolution in the integrated ecosystem logic for welfare (new supplementary integrated public welfare product, Dyadea medical centres, well-aging services and telemedicine)
INSTABILITY AND POLARISATION	• Under-insurance • Rising fraud • Competitive pressure on prices • Social tension	• Offer of low-cost cover and payment in instalments • Active commitment to financial inclusion and social cohesion	• Zero-rate instalments • Tools for protecting standards of living • Contribution to the development of the insurance and risk management culture
HUMAN SOCIETY	• Unsustainability of the demographic pyramid and family structure • Low appeal for new generations	• Offer personalisation • Insurance as a planning tool throughout the life cycle • Emerging segments	• Telematics as a lever for personalisation • Sales force specialisation • Dynamic pricing
SHARING ECONOMY	• Reduction in the insurance base and business transformation • Changeover in customer type (from B2C to B2B) • Unbrokeraging	• Role of insurance in favouring a climate of trust between parties • New forms of insurance for new consumption models	• Policies with km-based rates, taking a pay-per-use approach • Service models based on the concept of access thanks to the implementation of telematics
NEW SKILLS	• Lack of a timely response to emerging trends • Disappearance of the vertical division between sectors • *Skills mismatch*	• Evolution of organisational models • Partnerships and cooperation with other sectors and start-ups • Development of human capital	• UNICA • Leithà • Evolution "Beyond insurance" • Entry of new skills
INTANGIBLES	• Reduction of security needs linked to the traditional scope of tangible assets • Growth in ESG risks • Increase in and holistic dimension of reputational risk	• Evolution in the role of insurance from protection to empowerment • Development of products and services for intangible assets	• Reputation management system and inclusion of reputation in the MBO system • Integration of ESG factors into the ERM framework and Group policies • Cyber risk and reputational risk policy

TECHNOLOGICAL

	RISKS	OPPORTUNITIES	MAIN RESPONSES
INTERNET OF EVERYTHING	• Loss of oversight over data and customer relationships • Difficulty of attracting and retaining resources specialised in Big Data management • *Cyber risk and privacy risk* • Digital dependency and breakdown of infrastructures	• Evolution from "Payer" to "Partner and Preventer" • Optimisation of claims management and combatting fraud • Personalised, predictive and dynamic pricing	• Leadership in telematics for mobility • UnipolTech to oversee data, know-how and service model • Telematics as a service lever, also in other areas
NEW MOBILITY	• Reduction of the vehicle fleet for the evolution of mobility from auto-centric to "Mobility-as-a-Service" • Evolution of the insurance contract due to the evolution of the concept of liability	• Development of new products and services oriented towards new mobility (multimodal mobility, assisted driving up to automatic driving) • Active role in the improvement of road safety	• Mobility Ecosystem: point of reference, not only in insurance, for private mobility requirements (long-term rental, payment services in mobility, micromobility, new devices)
ARTIFICIAL INTELLIGENCE AND ROBOTICS	• Disappearance of some jobs and the birth of new ones • Need for retraining of human resources • *Data ethics*	• Continuous personalisation of products and services • Process simplification and optimisation	• Robotics projects and machine learning • Orientation of skills towards higher value-added activities • *Data vision*
DARK SIDE OF TECHNOLOGY	• Cyber risk and privacy risk • Social impact in terms of the illnesses, addiction, distractions and disinformation	• Distinctive positioning as a trustworthy player	• Instruments to raise awareness on the risks of distracted driving • Responsible use of data
AUGMENTED MAN CYBORG	• Cyber risk and privacy risk • Complexity in the assessment of new risks	• Customer experience • Training • Strengthening of underwriting and claims management processes	• Monitoring of phenomenon destined to become significant beyond the Plan horizon

ENVIRONMENTAL

	RISKS	OPPORTUNITIES	MAIN RESPONSES
CLIMATE CHANGE	• Physical risks (acute and chronic) • Transition risks • Risk of biodiversity loss	• Contribution to the creation of a mixed public/private system • Development of products and services for adaptation to and mitigation of climate change	• LIFE DERRIS and LIFE ADA • Development of models for climate risk • Development of products and services • Green Bonds and thematic investments
CIRCULAR ECONOMY	• Transition risks	• Circular rethinking of business models • Contribution to the transition through investment, underwriting and education activities	• Product transformation initiatives into "product as a service" ecosystems

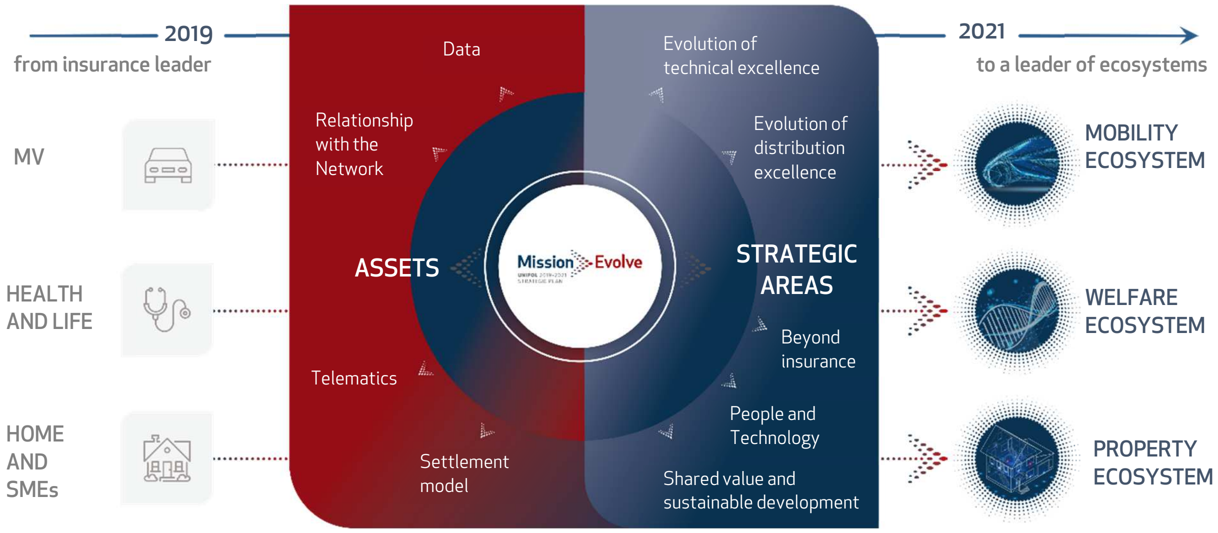
POLITICAL

	RISKS	OPPORTUNITIES	MAIN RESPONSES
NEW FRONTIERS	• Geopolitical instability • *Pandemic risk* • Need for new skills	• Growth and diversification of risks • Aggregation processes and strategic partnerships	• UnipolRe, the Group's Reinsurance company as a vehicle company for growth in foreign markets
SPACE ECONOMY	• Risk of breakdown of critical infrastructures due to cosmic threats (e.g. solar storms)	• Sophistication of products with space-related technologies • Space economy products and services	• Exploration of big data integration opportunities in space for climate and regional monitoring and service sophistication

NFS

"Mission Evolve": the 2019-2021 strategies

2021 closes the final year of the 2019-2021 Strategic Plan "Mission Evolve - Always One Step Ahead", divided into the five strategic areas illustrated below, during which the Unipol Group developed its strategy through three ecosystems - Mobility, Welfare and Property - leveraging its own key assets.



For each of the three ecosystems, a summary is provided below of the main initiatives implemented and the key results achieved over the three years of the Plan, from the insurance and Beyond Insurance perspectives.

As regards the **Mobility ecosystem, insurance field** the tariff-setting models have seen further innovation through the use of new data on driving habits and the introduction of new parameters relating to traffic and speed; efficiency increased in the management of personal and property damage; the claims channelled through authorised structures increased, particularly claims related to MV TPL, up by 7 percentage points (from 34% at the end of 2018 to 41% at the end of 2021) and Land Vehicle Hulls, up by 11.5 percentage points (from 50% at the end of 2018 to 61.5% at the end of 2021); plus further evolution of telematic settlement and anti-fraud systems.

Mobility Beyond Insurance was developed through numerous actions:

- after its acquisition in 2019, the long-term rental company Car Server was re-branded as UnipolRental and the new Business Plan was developed with the aim of becoming Retail segment leader and the point of reference in the Corporate segment for companies that are already UnipolSai customers; at 31 December 2021 around 60,000 long-term rental contracts had been signed;
- in 2020, Cambiomarcia was acquired, a company specialising in used car sales; the car-selling platform was integrated into the reference ecosystem and accompanied by the Cambiobike platform dedicated to the sale of e-bikes;
- the Group entered the mobility payments segment; through which it is possible to pay taxes and fines integrated with PagoPA, and to book and pay for parking spaces in authorised structures; AISCAT certification was also obtained which will allow activation of the electronic motorway toll payment service;
- in the area of roadside assistance, Unipol Assistance launched its Tow Truck project with vertical integration of the service;
- the Group has marketed Qshino, a new anti-abandonment device for child car seats.

In the **Welfare ecosystem, insurance field**, an integrated business model was developed by establishing specialist roles (Welfare Consultants) dedicated to providing support to agencies on the Welfare insurance products; a new offer of Retail individual online products was launched to intercept the needs of specific targets.

In the **Welfare Beyond Insurance** area, over the three-year period of the plan the Group opened two new DYADEA medical centres, later extending the brand to all other medical centres of the Group. The insurance offer was accompanied by Si Salute Cards (more than 800,000 over the term of the plan), which allow access to healthcare services of the Group's network of healthcare facilities. Unipol also provided impetus to telemedicine services, particularly important during the pandemic, such as specialist video consultation with

qualified doctors. The chronic illness monitoring service was also developed through a new portal and use of a directly linked app with measurement tools.
As regards the **Property ecosystem**, in insurance terms the Group has improved the efficiency of portfolio management for development in high-profit Retail segments and improved efficiency in claims management through extension of the channelling to affiliated craftsmen and greater use of direct repair techniques.

For **Property Beyond Insurance**, the following initiatives were implemented:

- building renovation services: promoting the SuperBonus 110%, with purchase of the tax credit with insurance cover for the property being renovated and for the works execution phase;
- utility supply services: around 885 UnipolSai agencies authorised to sell electricity and gas utility contracts;
- agricultural sector support: LIFE ADA Project (ADaptation in Agriculture) launched to improve the agricultural sector's climate resilience;
- identification of extreme climate events: contribution to development of the European Extreme Events Climate Index (E3CI).

In support of the three ecosystems (Mobility, Welfare and Property), important actions were also taken to increase the frequency and effectiveness of contact with customers and to maximise the sales effectiveness of Italy's leading agency network, through integrated support for remote contact channel (contact centres, apps) and the inclusion of new specialist professional figures (Business Specialists in addition to the previously mentioned Family Welfare Specialists).

The 2019-2021 Plan included within its strategic objectives the creation of shared value and the contribution to sustainable development, beginning from the conviction that the opportunities and well-being of the customers and people who interact with Unipol are necessary conditions for the capacity to develop in the market and the Group's sustainable success. In the strategic planning phase, the Group identified the SDGs for which a priority commitment was made to contribute to their achievement, also through a number of the actions described above: Goal 3 "Good health and well-being", Goal 8 "Decent work and economic growth" and Goal 11 "Sustainable cities and communities". The key results of the projects mentioned are described in the section "The outcomes of shared value".

For more details, please refer to the page dedicated to the 2019-2021 Strategic Plan on the website of the Unipol

The Unipol Group's climate strategy

TCFD NFS

In 2015, the Unipol Group positioned the first important piece in structuring its strategy on climate-related issues with the publication of the position paper "**Unipol per il clima**" (Unipol for Climate), in which it outlined the Group's vision on the need to adopt a prevention and management model for natural catastrophes based on a public-private partnership, adopting common mechanisms of an insurance nature to manage the growing risks originating from climate change and to satisfy the mass compensations expected, particularly in the specific context of Italy, the Unipol Group's main market of operations.
The Sustainability Policy, approved by the Board of Directors, specifies the Group's commitments to protecting the environment and terrestrial, marine and freshwater ecosystems, as well as combating climate change, which represents one of the main risks to which Group activities are exposed. This includes its own commitments to reducing climate altering emissions, with the aim of contributing to the achievement of objectives undertaken by governments with the Paris Agreement. Lastly, the Sustainability Policy details the governance and management approaches that seek to identify, assess, manage and reduce exposure to ESG risks, including climate-related risks, both with regard to Group activities and its spheres of influence.
In order to outline consistent and comprehensive guidelines, the Group's various policies analyse the commitment to combating climate change in the three main action areas, describing the specific features of the Group's approach beyond the excluded or sensitive sectors:

- **Insurance products and services**: through the expertise and the services it has developed, the Group commits to providing support to its stakeholders in the underwriting process with a view to improving their ability to manage environmental, social and governance issues, by developing risk assessment activities, advising on prevention approaches, on-line applications, thus reducing the ESG risks and increasing the chances of accessing insurance services. Companies operating mainly in the coal-mining industry and companies that adopt unconventional extraction practices (such as the removal of mountain peaks, fracking, oil sands, deep water drilling) are excluded from Non-Life Business underwriting;

- **Investment activities**: the Group supports the transition to a low-carbon economy through responsible investments and engagement activities with investees that have a significant climate impact, envisaging completion of the disinvestment from carbon by the end of 2030. Furthermore, in order to understand more fully how its investments influence climate change, the Group measures, monitors and reports on metrics associated with the carbon footprint of its financial portfolio, and evaluates its future alignment with the Paris Agreement goals (Paris alignment) on a forward-looking basis.
- **Real estate**: The Group is committed to carrying out property development activities aimed at maximum energy self-sufficiency, urban requalification investments designed to make cities more sustainable, investments for the energy reclassification of existing property assets, not only with reference to the business assets but also to the non-business properties managed.

In line with past business plans and with a view to definition of the new 2022-2024 Business Plan, in 2021 the Unipol Group launched a structured initiative to define new climate change-related objectives that will lead to the drafting and publication of the Group's climate strategy by mid-2022.

Material stakeholder engagement topics and processes

TCFD NFS

The Unipol Group launches its materiality analysis every three years, coinciding with preparation of the Strategic Plan, to bring to light corporate governance, social and environmental issues material to understanding how the Group acts and what are the main impacts it generates; the results are summarily represented in a matrix.
The topics positioned in the upper right quadrant represent fundamental work areas through which the Group intends to contribute to reaching the three Sustainable Development Goals identified in the 2019-2021 Business Plan, and will be discussed at length in the Integrated Report.

The starting point for the analysis is the identification of **sustainability topics of importance to the sector and the business**, which begin with the macro trends identified by the **Reputational & Emerging Risk Observatory**.
The materiality of topics for the company was verified by considering the business model, the strategy and the main risks, as well as the impacts of business activities. In order to assess this area, documentary sources were used, such as the Business Plan and the study produced by The European House – Ambrosetti on the non-financial impacts generated by the Group. In addition, the Managers of the Key Functions and the Top Management were consulted. The results were validated by the Chief Executive Officer and Group CEO.
Materiality for stakeholders was assessed through a detailed listening process targeting an understanding of their interests and expectations, involving corporate and retail customers, employees and agents, representatives of the organisations constituting the Unipol Regional Councils, suppliers and opinion leaders. Aspects arising from direct listening were integrated with the analysis and assessment of contributions from the European Commission, EIOPA and other authoritative sector and cross-sector bodies, important in pinpointing the key sector issues and priorities emerging from government policies and regulatory stimuli.
Lastly, the materiality matrix was **approved by the Board of Directors.**

With particular reference to the "**Actions for adaptation to and mitigation of climate change**" material topic, in order to define the areas of impact for which reports are necessary, the Group took as reference points both the TCFD Recommendations and the European Commission Guidelines on reporting climate-related information, which explain the expectations of stakeholders with regard to the insurance sector. Therefore, both financially significant aspects as well as environmentally and socially significant aspects ("**dual materiality**") were included in summary form in the Annual Integrated Report.

In addition to the listening exercise for updating of the materiality analysis, the Group arranges direct stakeholder engagement through listening activities and ongoing, structured relations, to understand and effectively respond to requests from customers, employees, agents, business partners, investors, institutions and the community.

Please refer to the "Stakeholder Engagement and Management" section of the Unipol Group website for a detailed description of the stakeholder engagement activities and the definition of material topics.

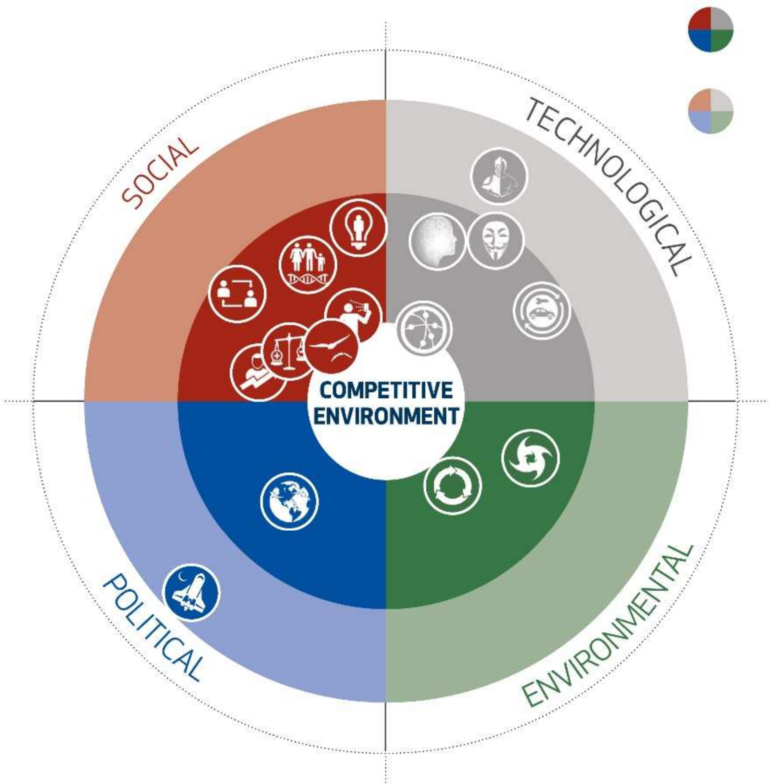
CONNECTION BETWEEN MATERIAL TOPICS, MACRO TRENDS AND SDGs

SOCIAL
- Sharing Economy
- Hybrid consumer
- Instability and polarisation
- Human Society
- Well-being
- New skills
- Intangibles

TECHNOLOGICAL
- Internet of Everything
- New Mobility
- Artificial Intelligence and Robotics
- Dark Side of Technology
- Augmented man - Cyborg

ENVIRONMENTAL
- Climate Change
- Circular Economy

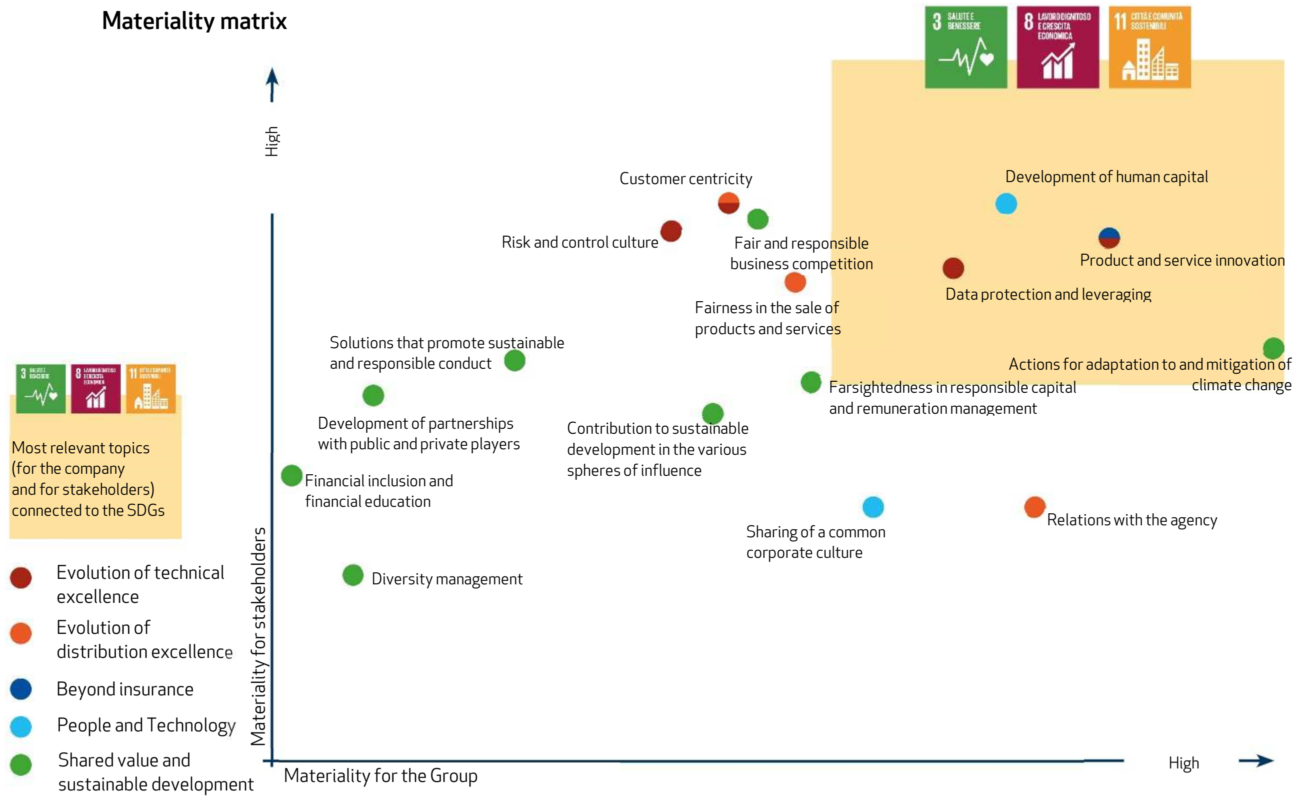
POLITICAL
- New frontiers
- Space Economy



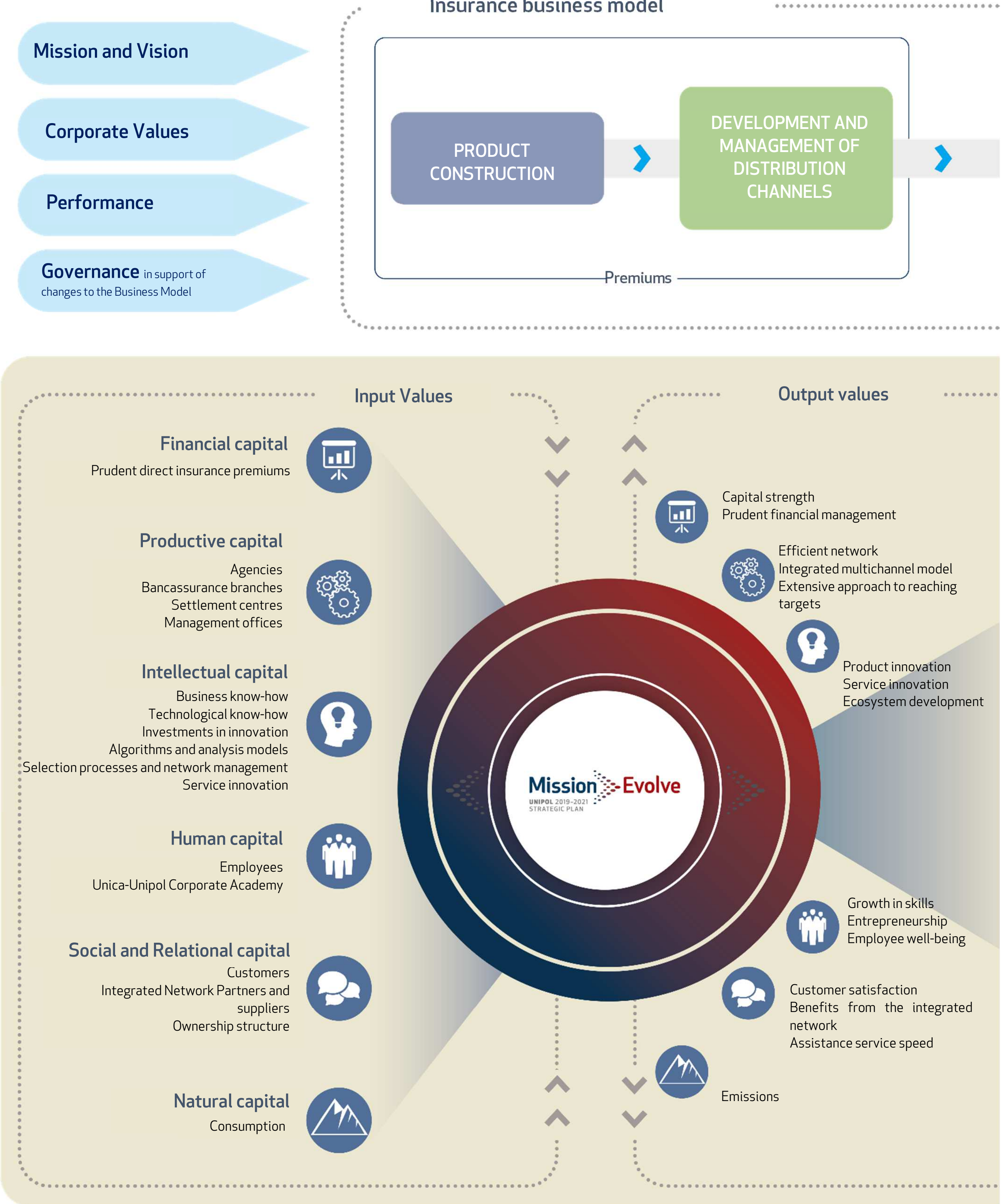
During the Business Plan horizon

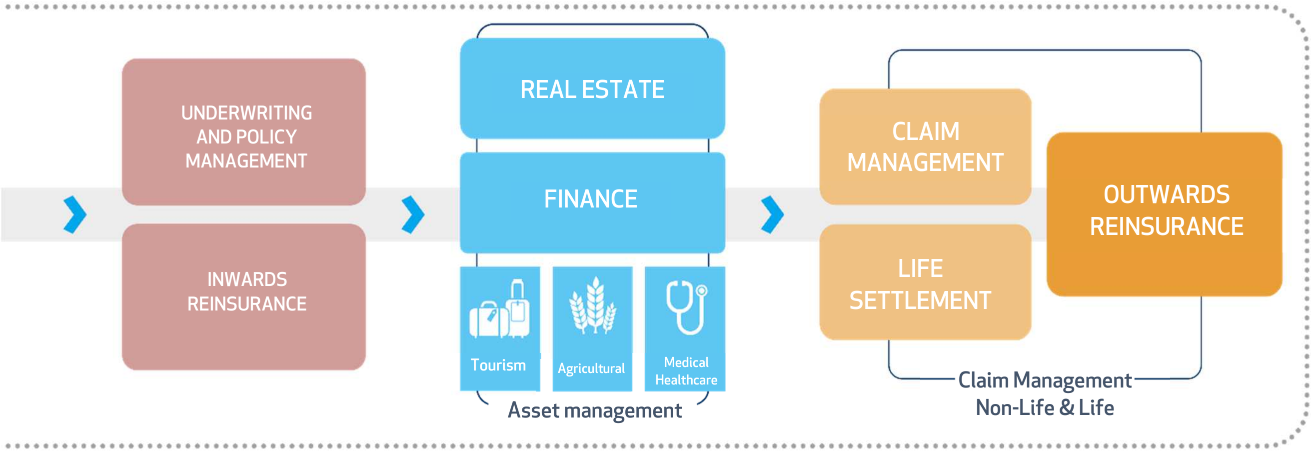
Beyond the Business Plan horizon

Materiality matrix



THE CREATION OF VALUE





Outcome

Satisfaction of security and well-being requirements	7m people protected with welfare insurance coverage
Support in the transition towards more efficient, safe and sustainable mobility	More than 38bn km travelled by vehicles with "pay per use" policies
Contribution to the growth of the country, supporting SME development and increasing insurance knowledge	€722m for SME protection policies
Support in implementing the 2030 Agenda and contribution to combating the climate emergency	€862m in thematic and impact investments
Strengthening of reputation	79.3 Reputational index with public opinion in Italy

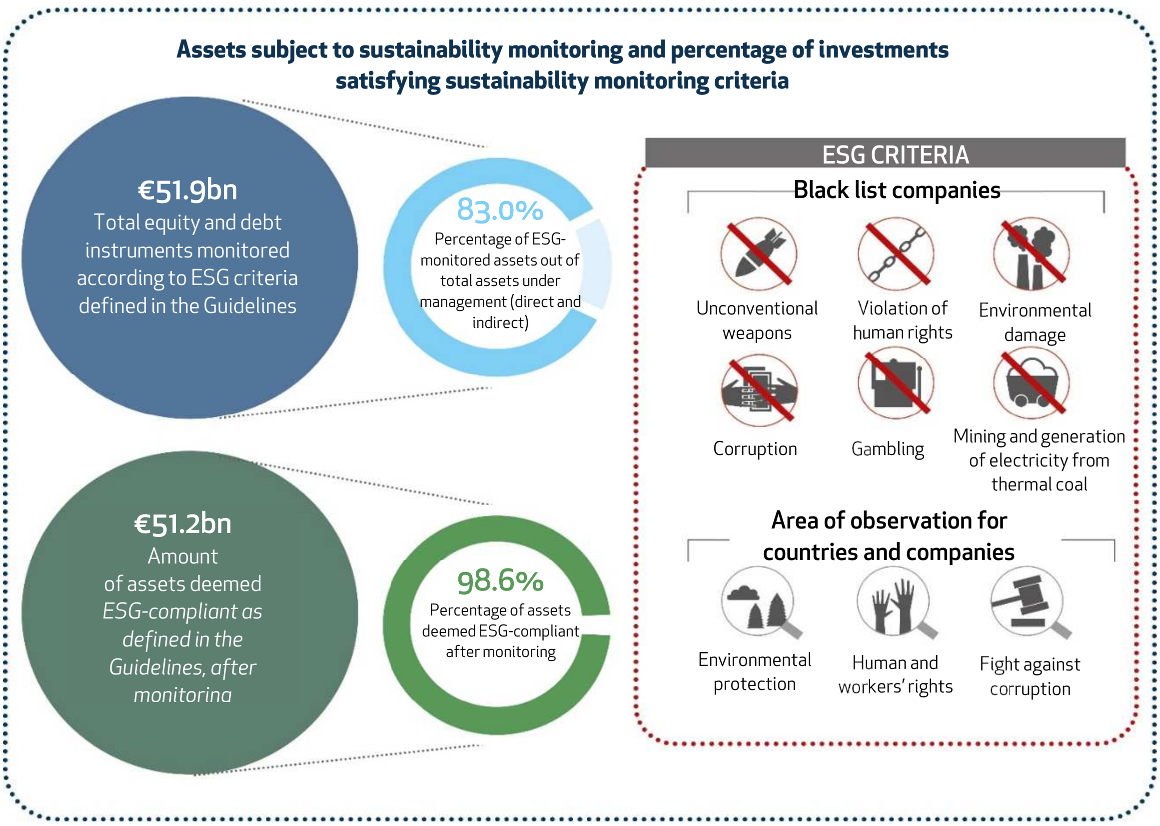
Capital performance

TCFD NFS

Financial Capital

Unipol's capital management strategy focuses on structurally sustaining financial returns in the medium and long term by means of policies that allow for the maintenance of an adequate level of solvency.
In 2021, the Unipol Group reached a Solvency II ratio (calculated on the basis of the Partial Internal Model) of 2.14[3] (2.16 in 2020).
In quantitative terms, the Group's Risk Appetite is determined on the basis of the following elements: capital at risk, capital adequacy and Liquidity/ALM ratios. Quality objectives are defined in reference to compliance, emerging, strategic, reputational, ESG and operational risks.
By means of prudent management again in 2021, the Unipol Group continued to diversify its investment asset allocation and maintain a stable level of liquidity sufficient to meet the operational requirements of the Group companies.

The Group's responsible investment strategy is defined in the "Guidelines for responsible investment activities"[4], the update to which was approved by the Board of Directors in 2021.
The Guidelines envisage the *ex-ante integration* of ESG Factors into the decision-making processes for financial investments, with reference to the Class C Life and Non-Life Portfolios, through SRI norm-based screening strategies[5] and sector-based and conduct-based exclusions. Financial assets are also monitored *ex-post* in accordance with the ESG criteria defined in the Guidelines, in order to have a broader awareness of the risks associated with sustainability in its own investments.[6]
Since 2017, the Group has adopted the UN Principles for Responsible Investment (UN PRI).



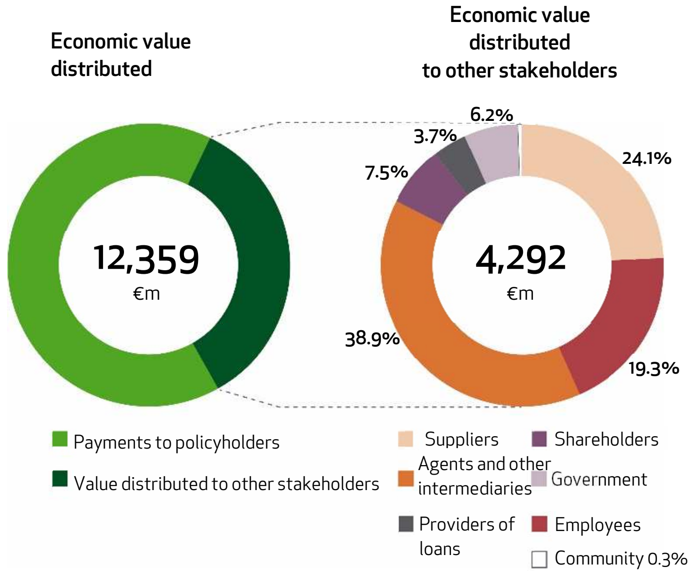
[3] Value calculated on the basis of the information available as of today. The definitive results will be reported to the Supervisory Authority with the timing required by regulations in force.
[4] Presented in detail in the "The monitoring of environmental, social and governance risks" section.
[5] Sustainable and Responsible Investment
[6] The percentage value of ESG-monitored securities declined by around 3 percentage points in 2021 compared to the 2020 figure, as a result of increased investments in asset classes not covered by the scope of analysis (mainly UCITS).

Equity in the distribution of the value created

The distribution to stakeholders of the value generated is calculated according to the GRI 201 Standard of the Global Reporting Initiative, applied so as to capture the characteristics typical of the insurance business.

The "Direct economic value generated" (€14,903m) is calculated from the sales revenues (net premiums earned and financial income), obtained from the Group Consolidated Income Statement.

The value generated was distributed primarily to insurance customers in the form of claim payments (€8,067m).



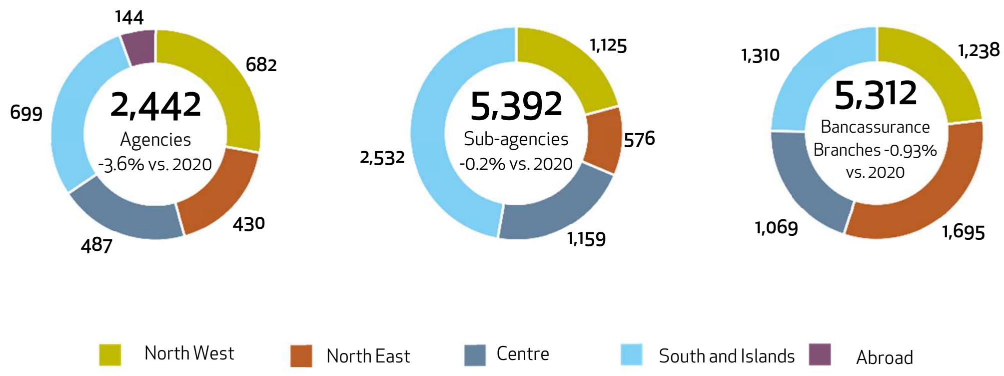
For further details on Financial Capital, please refer to the "Appendix - Unipol in numbers"

Productive Capital

The distribution network

The Group covers Italy through an extensive network of agencies and sub-agencies, in addition to 542 brokerage firms and points of sale that are part of the bancassurance partnership.

Local distribution network



Over the course of the Business Plan, the Group implemented consolidation and optimisation actions with the aim of building a network of Agencies to manage more consistent portfolios, with highly skilled specialist structures that guarantee the development of all the business ecosystems. 244 actions were carried out in 2021, of which 108 envisaging the merging of one or more pre-existing agencies.
The average size of Agencies continues to grow (+3.6%, after the +2.9% of 2020 and +7% of 2019), without affecting countrywide monitoring: 18% of agencies are in municipalities with less than 15,000 inhabitants. The Group's presence throughout the country is also guaranteed by the presence of UnipolSai and Siat settlement units.
The Group also operates in Serbia through a multichannel network of internal and external structures, with 139 points of sale located mainly in the northern part of the country, employing 950 people (external collaborators and employees). The physical network is accompanied by online direct sales channels.
The opportunities for Agencies to operate digitally were expanded further, to guarantee the possibility for the network to provide prompt support to its customers, operating in full mobility as regards consulting, quote management, policy issue and payments.

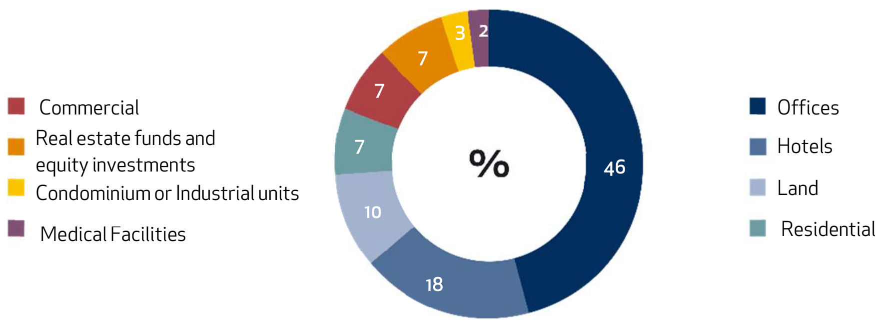
Real estate portfolio

The Unipol Group manages real estate assets amounting to €3.8bn at December 2021, comprising:

- "instrumental" property, assets used mainly to carry out the business of the Group companies;
- property "used by third parties", buildings owned by the Group but not used by its companies, mostly leased to third parties.

In the renovation projects and ordinary and extraordinary management of its real estate portfolios, Unipol pursues objectives of continuous and sustainable creation of value.

Real estate assets by intended use



The renovation and development of real estate assets involved over 130 properties in 2021, in particular including office buildings located in Milan and Turin.
In Milan, construction works on the new building in Piazza Gae Aulenti (Porta Nuova Garibaldi area) continued, expected to receive Leed Platinum certification that guarantees the highest standards in terms of energy and water savings and for the environment-friendly quality of the interiors.

Three important Group-owned properties in Milan obtained Excellent level BREEAM In-Use Certification in February 2021.
Again in Milan, the "INOLTRE. Sharing the city" project continued, a shared listening and co-design process involving major players and residents in the promotion of peripheral areas.

Geographical breakdown of the real estate assets

For further details on Productive Capital, please refer to the "Appendix - Unipol in numbers"

Intellectual Capital

Intellectual capital represents a key asset in building Group strategies and is continuously enhanced through investments in innovation. In 2021, **ICT investments** amounted to €97.4m (€88m in 2020). 153 Terabytes of electronic data were managed (compared to 138 in 2020), marking an 11% increase linked to development in the projects based on telematics and process digitalisation and automation. The investment in data, telematics, AI applications and Robotic Process Automation (RPA) generates concrete returns for core business, for example in the area of anti-fraud and to develop products and services based on the improved awareness of customer needs, and influences the entire life of the relationship with the customer.

To support the underwriting phase for legal entity customers, in 2021 Unipol developed a **business risk indicator** which associates an indicator to every VAT number/Tax Code with the aim of learning of a customer's risk characteristics in advance, not intercepted by the product premium. To supplement this service, a pilot project was launched that envisages ESG risk assessment (for further details, please refer to the section "The monitoring of environmental, social and governance risks").

As regards Mobility, to better prevent risks and protect customers, a new telematic device "Unibox Safe" was developed, equipped with an Emergency Call system allowing speakerphone contact with the assistance centre, that can be activated by the customer at any time as needed, as well as the automatic activation of roadside and healthcare assistance to guarantee timely support. Unibox Safe also satisfies environmental sustainability requirements as it is solar charged.

In the settlement phase, the potential of the "telematic settlement" process, which uses information provided by the black box to verify the actual dynamics of claims, was further consolidated during the year, on the one hand with the Unico 2.0 platform, which reorganises information to facilitate adjuster decision-making, and on the other through optimisation of the Real Time 2.0 process, which envisages the opening of a claim from the moment of impact detected in black box data, at the same time initiating contact with the policyholder to open the claim and bring forward the information gathering phase.

Testing of the **Video appraisal** service began, which enables the independent expert to perform a remote appraisal and gather documents supporting the virtual settlement of the claim. This solution allows a considerable reduction in appraisal execution time, cost containment for site inspections, geolocation certification and removes travel time for the customer and the adjuster.

For the General Classes, 2021 saw the implementation of the **Lorentz advanced weather data collection tool**, which enables the adjuster and the independent expert to use data such as rain intensity from the main weather providers, for optimal settlement of the claim. The use of these tools means that Group companies operating in the Non-Life segments are able to achieve faster investigation times and more accurate estimates, as well as identify potentially fraudulent claims.

Innovation projects by ecosystem

MOBILITY

EXPANDING SERVICES FOR CUSTOMERS AND AGENTS
- Virtual assistants based on AI Chatbots
- Fleet management services
- Telematic device for motorway toll payments
- App Services for payments in mobility
- Multichannel sales
- Remote sales

EXPANDING THE OFFERING
- Personal Mobility Assistant
- Qshino Anti-abandonment Car seat
- Telematic MV policies through post offices
- Data Monetization
- Used LTR car and e-bike sales portal
- Used car sales portal
- Vehicle sales assessment portal

AUTOMATING PROCESSES
- Automatic analysis of documents supporting claim management
- Accident image recognition
- Robotic Process Automation

IMPROVING UNDERSTANDING OF CUSTOMER NEEDS AND RELATIONSHIPS
- Social Intelligence
- App for dynamic customer feedback
- Platform for managing and monitoring customer relationships
- Active listening

PREVENTING AND PROTECTING WITH THE SUPPORT OF TECHNOLOGY
- New self-installing electronic device for 2-wheel vehicles without the need for battery connection
- Development of vehicle telematic box hardware with proprietary technology
- App to measure driving behaviour
- Videocams for retail and heavy goods vehicles
- Unibox Safe
- Unibox SuperEasy Plus
- BlackBox connected to smartphones
- Connected cars

STRENGTHENING TECHNICAL EXCELLENCE WITH THE SUPPORT OF TECHNOLOGY
- Big Data Analytics for Pricing&Underwriting Excellence
- Automatic analysis of documents supporting claim management
- Telematic accident reconstruction
- Video appraisal

WELFARE

IMPROVING UNDERSTANDING OF CUSTOMER NEEDS AND RELATIONSHIPS
- Platform for managing and monitoring customer communication campaigns
- Evolution of UniSalute digital touch points

PROPERTY

EXPANDING SERVICES FOR CUSTOMERS AND AGENTS
- Gift Cards

EXPANDING THE OFFERING
- Utility Services in the Agency

PREVENTING AND PROTECTING WITH THE SUPPORT OF TECHNOLOGY
- Weather data processing to create hazard maps
- E3CI - an index supporting the analysis of weather risk
- Evolution of the home automation and service kit

STRENGTHENING TECHNICAL EXCELLENCE WITH THE SUPPORT OF TECHNOLOGY
- Support for outwards reinsurance in the General Classes
- Big Data Analytics for Pricing&Underwriting Excellence

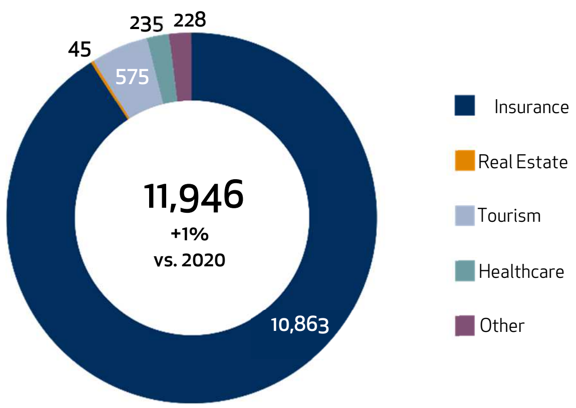
Key:

INCUBATION > EXPERIMENTATION > MARKETING

Human Capital

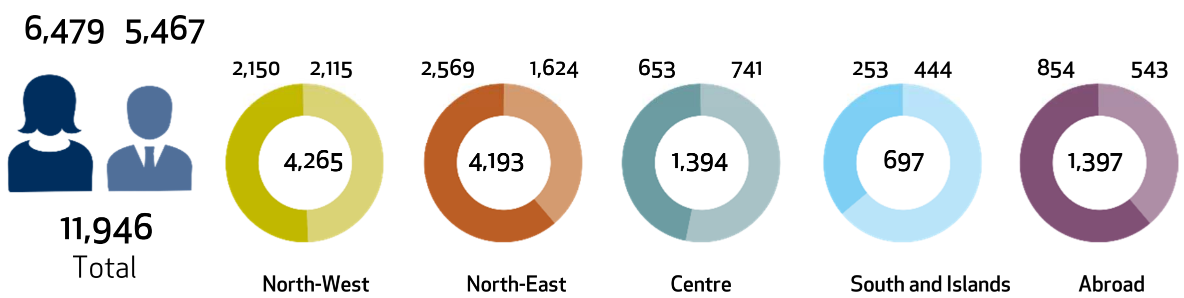
NFS

Employees by sector



In 2021, Unipol Gruppo and the Group insurance companies continued to implement the trade union agreements signed in relation to jointly agreed termination of employment contracts for non-executive personnel reaching pension age by 31 December 2023. The same agreements were entered into for executive personnel reaching pension age by 31 December 2024 (initially 31 December 2023).
The agreed termination of contract involved 266 workers in 2021 (520 in 2020), of which 213 with access to the Solidarity Fund and 53 accepting early retirement. These personnel will receive their pension directly from INPS, if they have reached pension age, or will have access to the extraordinary section of the Solidarity Fund, whereby they will receive a cheque paid by the company that is equivalent to the future pension until the state pension requirements are met.
The agreed termination of contract also involved 7 executives in 2021. These personnel will receive a cheque paid by the company that is equivalent to the future pension, until the state pension requirements are met.

Number of employees by geographical area



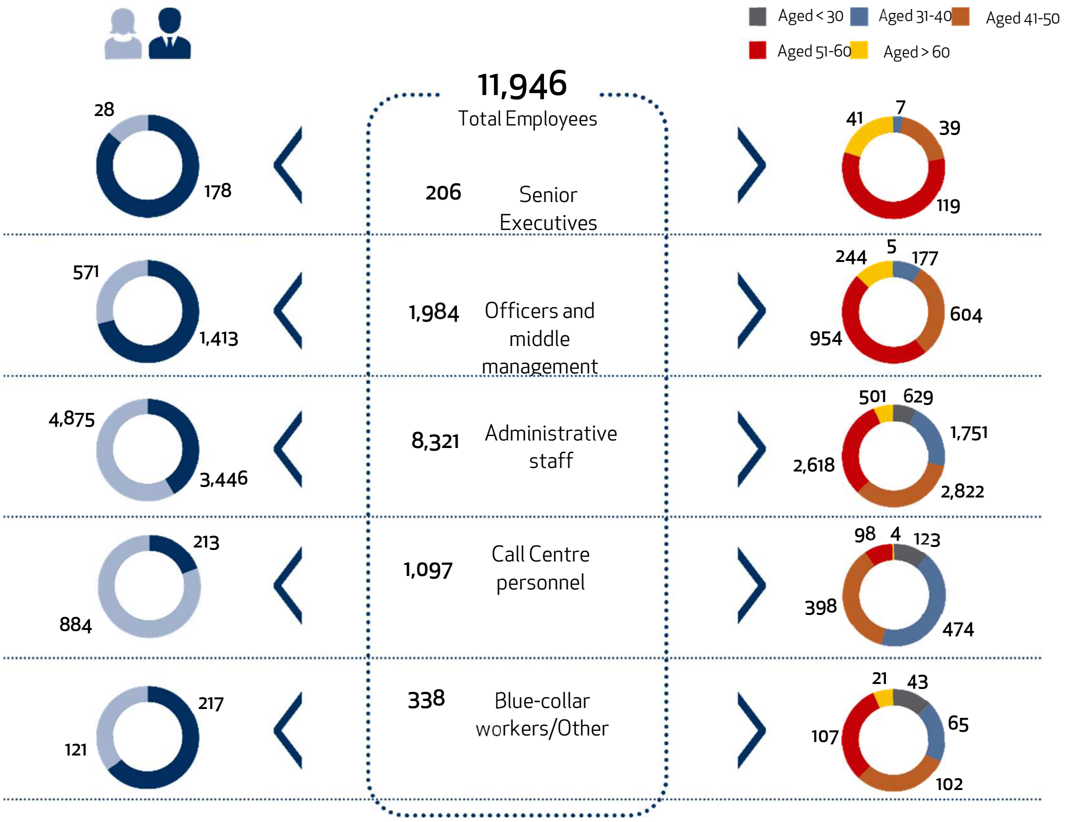
Workforce

The Unipol Group workforce increased by 0.9% compared to 2021.
In fact, the turnover[7] relating to new recruits to the Group increased (+4.0 p.p. compared to 2020), and consequently so did total turnover (21.2%, vs. 18.9% in 2020). The percentage of voluntary resignations again remains very low (1.3%).
Women account for 54.2% of the workforce. Of these, 599 hold managerial positions, equal to 27.3% of the population in these roles.
Employees with a permanent contract make up 96.0% of the staff. Also during 2021, 151 employees were moved to stable contracts.

The average age of in-service personnel at 31 December 2021 was 46.8 years, compared to just under 46.9 years in 2020.
University graduates constitute 45.6% of the workforce (+0.6% compared to 2020).
Recourse to internal mobility involving a change in role concerned 588 employees, representing an efficient growth lever.

[7] The recruitments or terminations turnover is calculated here as a ratio of entries and exits against the workforce at the start of the year. Total turnover was instead calculated as the ratio of the sum of entries and terminations against the average workforce for the year.

Number of employees by age bracket, job-level category and gender



Training and development

To support the achievement of its strategic objectives, the Unipol Group makes use of a number of tools regarding human capital, ranging from training to organisational model simplification, from development plans to contractual harmonisation.
In 2021, the Unipol Group's Corporate Academy, Unica, continued its training initiatives remotely (virtual classroom and e-learning), focusing on providing courses with compulsory regulatory, technical, commercial, managerial and conduct-related content.
In June 2021, ISO 9001:2015 certification of Unica's Quality Management System was confirmed and maintained.

As part of the training targeting the agency network, activities were based on building courses useful in increasing skills in compliance with training obligations envisaged in Regulations, and those related to the launch of new products and support in the use of applications. Note, for example, the **IMA - Agency Innovation Manager Master** course, "Costruiamo il futuro" (Let's build the future), targeting the UnipolSai Agents of tomorrow, to build a new Agency model consistent with the Group Business Plan.

The initiatives targeting younger colleagues continued with the fourth edition of the **Unipol Insurance Master Program**, involving 17 recent graduates joining Unipol with an inter-functional training course, the new edition of the **Next Generation** project (involving 324 employees aged under 35 recruited at least one year ago) and the Master Executive Unipol, in partnership with the Luiss Business School.

Training provided in 2021

- €9.2m invested (vs. €7.5m in 2020), of which €3.9m direct and €5.3m indirect*
- 1.4m hours' training provided to 88% of the agency network and 12% of employees (with an average 14.7 hours' training per capita)
- 9,679 employees and 28,001 agents and secondary network partners involved in training activities organised by Unica (88% of potential recipients)
- 2,098 courses provided to employees and agents

*Understood as the opportunity cost of employees which, to participate in training activities do not perform their usual work activities

Welfare

For some time now, the Group has implemented a welfare system with the goal of improving the well-being of its employees.
The cornerstone of this strategy is the first-level welfare, mainly resulting from negotiations with the trade unions, composed of institutions such as supplementary pension schemes (currently through Pension Funds), integrated assistance (currently through Assistance Funds), preventive healthcare, accident cover (including non-professional), flexible working hours and additional leave for medical treatment, education and volunteer activities which over the years have been added or expanded, including new elements in the Supplemental Corporate Agreement ("CIA"), collective agreements or corporate regulations applied by the Group companies.

To cover the workers of all sectors in which the Group operates, there are 10 Pension Funds (plus other forms of supplementary pensions), in which 80.4% of employees are enrolled, and 15 Assistance Funds, of which 96.3% of employees are members.
Alongside these initiatives, the Company has also provided a structured second-level company welfare system for some time now, for the well-being of its people and to improve work-life balance during life's various stages and conditions.
The Group's initiatives aimed at colleagues and their families, collected under the logo "noiUnipol", are structured into 3 areas: "per Te", which includes services aimed at supporting the reconciliation of the multiple roles that people play in their daily lives; "per i tuoi Figli", which includes initiatives for children aged 0 to 25; "per la tua Famiglia", initiatives in support of carer colleagues who look after dependent family members.

Health and Safety

The protection of health and safety is considered a priority and fundamental to the planning and performance of every working activity of the Unipol Group, through protection of the rights to quality of Life, Environment and Health and the safeguarding of the lives of its employees, contract workers, customers and the community in general.
The Health and Safety Management System adopted by the Unipol Group guarantees compliance with legal provisions on health and safety and on prevention, as well as reducing aspects detrimental to health and safety, and it is reviewed at least annually to verify its adequacy.
In October 2021, the COVID-19 Protocol was updated, originally drafted in July 2020, to bring the Group procedures and controls up to date (e.g. introduction of Green Pass verification and control and workstation and social distancing consistent with government protocol recommendations). Arrangements were also made to update all training material and information.
The total number of workplace accidents rose from 46 in 2020 to 65 in 2021 (55% during commuting). As a result of the accidents recorded, 1,786 work days were lost compared to 1,655 in the previous year.

As regards safety, for the insurance sector companies operating in Italy, enrolments and monitoring of training courses in force continue in relation to basic training and refresher courses.

For further details on Health and Safety and on Human Capital, please refer to the "Appendix - Unipol in numbers".

Mobility

As regards Mobility Management, 2021 was characterised by regulatory developments that gave rise to the need to update previous Home-to-Work Travel Plans (PSCLs).

In 2021, the figures relating to Home-to-Work travel were deeply affected by the health emergency. In fact, there was mass use of smart working by almost all company employees with the inevitable consequence of changes to workers' travel/mobility habits.

The decline in 2021 was by 62% compared to the pre-pandemic period (2019) in relation to the volume of TPL (local public transport) passes, a mass return to travel by private vehicle with most using cars rather than motorcycles or bicycles. Again as a result of the health emergency, carpool transport and mobility sharing were practically abandoned (except for bicycle use).

The analysis of collected data shows colleagues' attention to using alternative, more sustainable forms of transport than use of their own cars, with renewed interest in bicycles.

Industrial Relations

Industrial Relations activities were characterised by trade union negotiations conducted in the various production contexts in which the different Group companies operate, so as to adopt a series of successive measures to guarantee compliance with health-hygiene requirements, in addition to aiding the contractual application of smart working for almost all employees and defining contractual measures necessary to manage the significant decline in business activities recorded during the year.

In June 2021, negotiations were opened and concluded for renewal of the Supplementary Corporate Agreement, which led to improvements in the economic terms for the company productivity bonus (PAP), meal vouchers, supplementary welfare and health insurance cover.

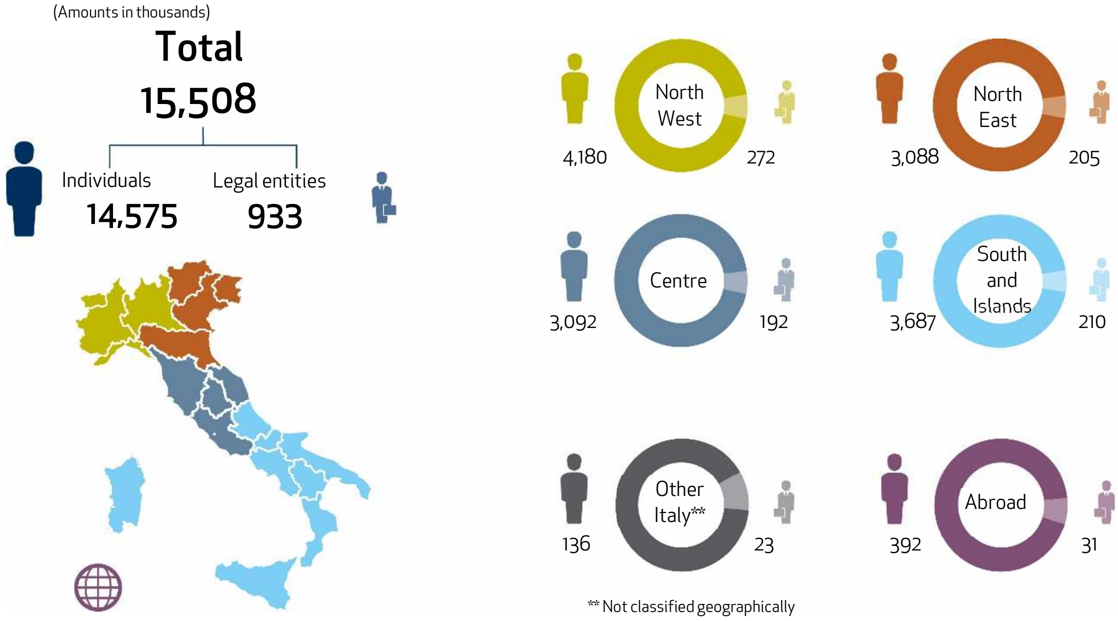
For further details on Industrial Relations and on Human Capital, please refer to the "Appendix - Unipol in numbers".

Social and Relational Capital

Customers

In 2021, the Group provided its services to **15.5 million policyholders**, both individual policyholders and those insured by collective policies, down 7% compared to 2020 (a year in which the numerous healthcare initiatives resulted in an increase stronger than normal trends).

Local customers/policyholders



Businesses account for 30.1% of the Non-Life portfolio of UnipolSai (13.5% Corporate and 16.6% SMEs). Among the business customers with a Non-Life premiums volume of more than €40m, the sectors most represented are real estate, construction, retail and wholesale trade, specialist construction, metalworking and third sector.

The activities of the diversified companies in 2021 generated business relations with over 233,000 customers (93% natural persons, of which 50% in the tourism industry and 44% in healthcare)

Relationship support services

In 2021, the Group's commercial actions were characterised, on the one hand, by the simplification and digitalisation of remote sale processes and, on the other, by the development of processes to strengthen the active role of the Agencies in customer relationships. The Agencies have a new dashboard that keeps them continuously up-to-date on the transactions autonomously carried out by their customers, allowing them to interact with and support them in an effective and integrated manner.

Through initiatives targeting the promotion of UnipolSai app services, the simplification of mobility activities, new remote sales functions and digitalisation, customers registered in the reserved area reached 5.2 million (+17% on 2020), those subscribing to the Electronic Signature were around 3 million (36.9%, +10 p.p. on 2020) and policies signed by AES increased from 21.1% to 31.9%. The digital penetration rate, which considers transactions that can be implemented by Agencies to digitalise securities, thereby eliminating the need for hard copy printouts, was 30.9% at private and corporate agency channel level. In December 2021, the contactability rate (profiling and commercial consent) of customers reached 59.3%.

Customer Protection and Responsible Sales
New products and services, as well as changes to existing products and services, are subject to a preventive audit of compliance with applicable regulations, which takes into account their consistency with the expectations of the customers for whom they are designed, also envisaging monitoring over their market life cycle.

The Group Companies draft offer documents as required by reference regulations, taking into account continuous evolutions on the matter and committing to improving their transparency and simple language; this approach is also taken in advertising messages.

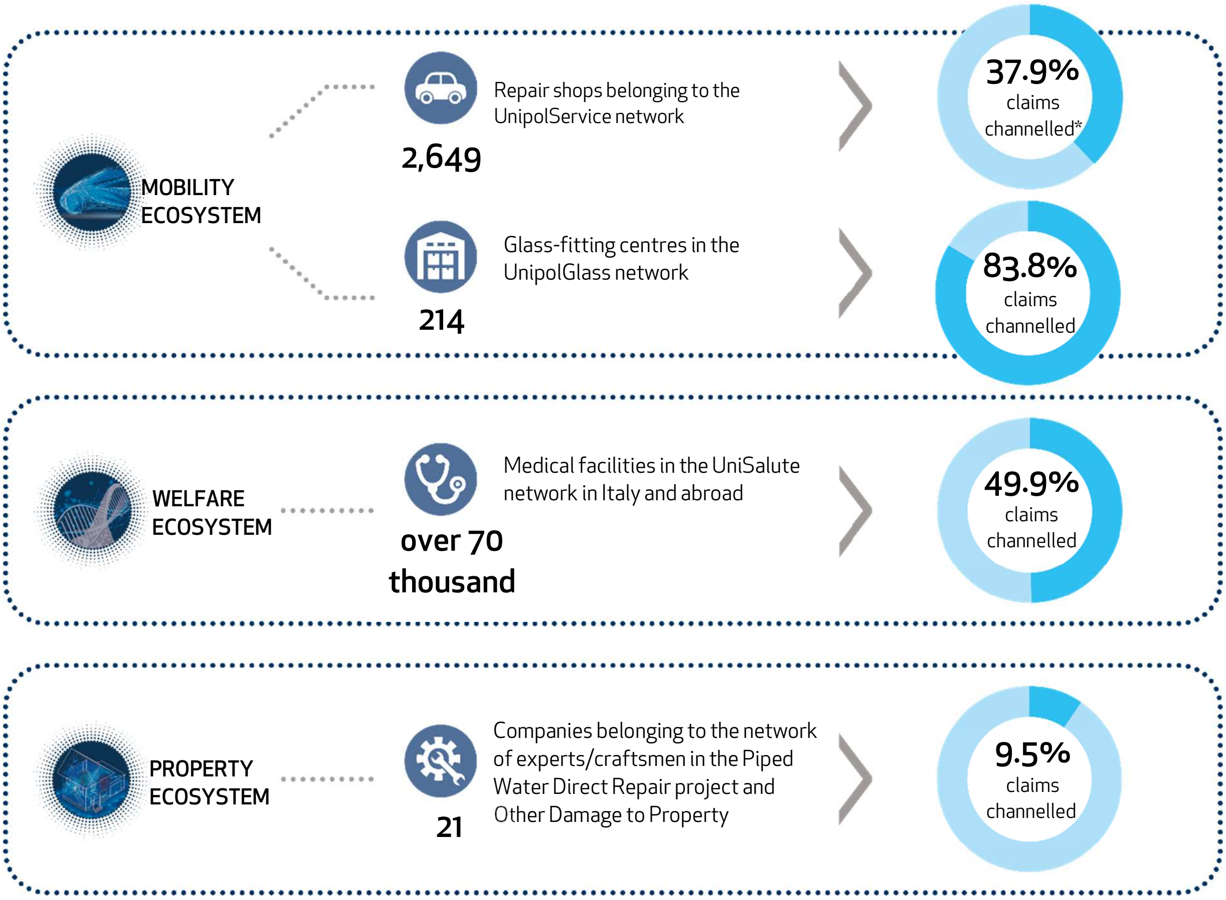
In particular, UnipolSai has adopted a process for preparing advertising messages for insurance products and supplementary pension plans that envisage content control procedures, focusing on compliance with the principles of clarity and fairness, matching of content with the set of information on the related product characteristics, the presence of specific warnings to customers and immediate recognisability as advertising messages.

Life product Certification was confirmed in 2021 for all products in the Investment, Savings and Welfare ranges, requiring audit of UnipolSai compliance in product regulations according to the values of **transparency** (complete, understandable and traceable information), **fairness** (clear and balanced cost) and **product value** (protection of capital and selected investments) by the certification body Bureau Veritas.

Internalisation of the service model
The internalisation of damage repair services guarantees financial savings and a high level of service for customers, who are accompanied by selected partners in solving critical issues created by the damages suffered, regarding the vehicle, person or property.
Continuous and significant growth was recorded in policies underwritten with additional services, particularly in MV business. Customers trying these services record loyalty rates much higher than the market average (for example, 91.8% for those using UnipolGlass services compared to an 84.1% average in the MV TPL business).

Starting from the consolidated MV experience, direct repairs were extended to the **General Classes**, offering customers the option to choose direct repairs through a network of operators selected by the Company, with no outlay and at the same time eliminating the excess, if any.

The impacts of direct repairs and channelling



*the figure includes only the MV TPL business.

Satisfaction monitoring

In the Customer Satisfaction survey performed in 2021,[8] the UnipolSai ranking as no. 1 was confirmed, surpassing the traditional companies market by 5 p.p. in the overall assessment. Also the "NPS" (Net Promoter Score) MV customer satisfaction indicator was again higher than the market benchmark.

As part of the ongoing surveys,[9] the overall satisfaction indicator calculated on policyholders recorded a distinct improvement on the previous year (76.7 vs. 70.2). This trend was also confirmed by the market average figure, which rose from 71.4 to 74.5. For medical expense/health policyholders, too, both individual and collective, satisfaction was up for Group customers, increasing from 81.6 to 85.5, whilst the market figure remained stable (77.7 vs. 76.2). Business customers gave a better score in 2021, against the market trend which lost over 3 percentage points on 2020.

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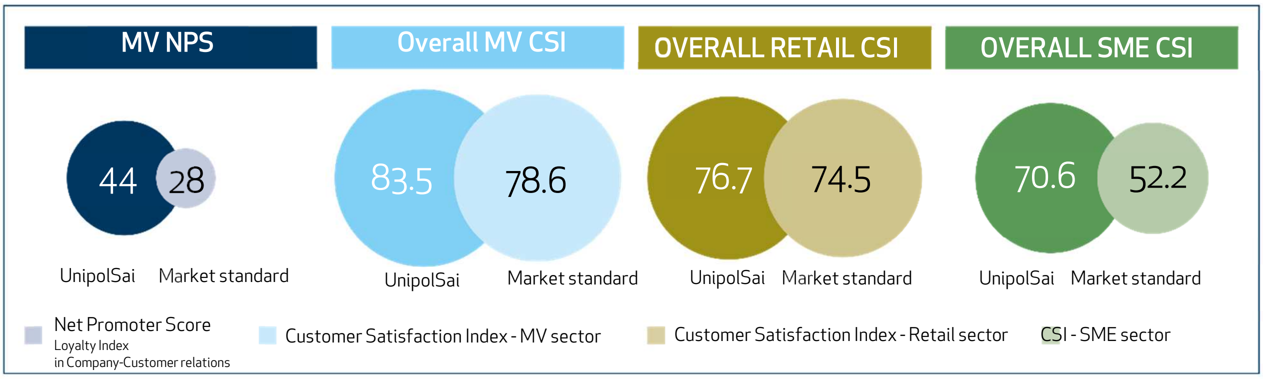
[8] The interviews, performed with the CAWI methodology, were performed during 2021. The customers interviewed totalled 5,016, of which 2,038 UnipolSai customers (1,499 from the random list provided by the client and 539 from the Nexplora panel).

[9] Ipsos Multifinanziaria Retail which offers an understanding of financial decisions of households and individuals aged between 18 and 74, representative of 21.2 million households. The sample data are collected through 5,000 annual face-to-face interviews (CAPI) with financial decision-makers, surveyed during two half-yearly waves of 2,500 interviews.

For Multifinanziaria Aziende this is a periodic monitoring system which goes into detail on the needs of production companies in Italy and their relationship with the entire financial system. Around 1,500 interviews were held with Owners, CEOs and CFOs of companies in the Industry, Services and Trade sectors.

Customer satisfaction surveys in Italy



Agent satisfaction was down slightly, though still above the sector average (3.35 on a scale of 0 to 5). Among the assessment factors that agents appreciated in particular about UnipolSai in 2021 were innovation, network service, product and service quality and brand recognisability.

Complaints management

In 2021, IVASS complaints addressed to the Group's insurance companies numbered 20,295, of which 12,485 for UnipolSai Assicurazioni alone, down 20% compared to the previous year. 2020 had been characterised by extraordinary campaigns linked to the COVID emergency, which had recorded difficulty in accessing services and discounts offered digitally by a population range with little expertise in such tools. However, considering the complaints trend for the three-year period 2019-2021, there was relative stability, with realignment in 2021 to the pre-pandemic volumes.
The number of complaints for every 1,000 UnipolSai policies was 0.358 (0.435 in 2020), while the percentage of claims generating a complaint decreased from 1.0% to 0.8%.

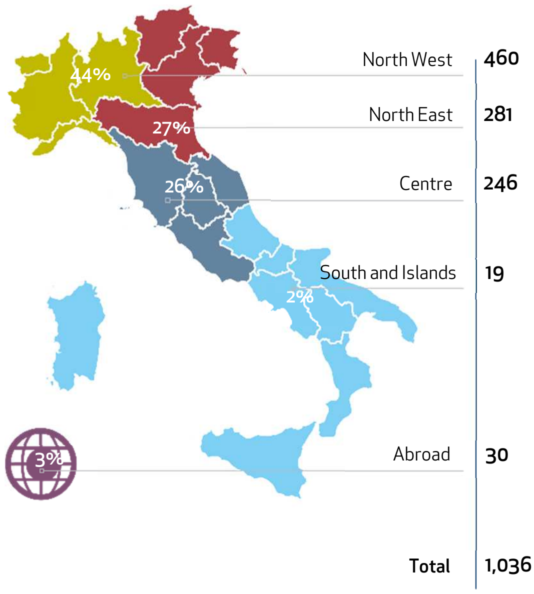
As regards the non-insurance companies, Gruppo UNA S.p.A. received 65 complaints during the year (only 29 in 2020 due to lockdowns that closed almost all the hotels), which were managed directly by the hotels (62) and by head office departments (3).

Suppliers

At 31 December 2021, the Group traded with roughly 9,200 companies, for total expense of €1,036m, of which 97% disbursed in Italy (excluding the foreign suppliers of the subsidiary Ddor Novi Sad).
The main expense items include miscellaneous services, property management, IT support services and types of purchase typical of the diversified companies (due in particular to core business expense incurred by Unipol*Rental* to conduct its car rental activities).

Apart from a number of exceptions of limited significance overall, the Group supply chain, which does not purchase raw materials nor deliver physical goods to customers, is not particularly complex.
Relationships with suppliers are governed by the Code of Ethics, the Charter of Values, the OMM, the Code of Conduct and internal policies inspired by ethics, fairness and transparency.
The details of this approach are presented in the "The monitoring of environmental, social and governance risks" section.

Value disbursed to suppliers by area €m*

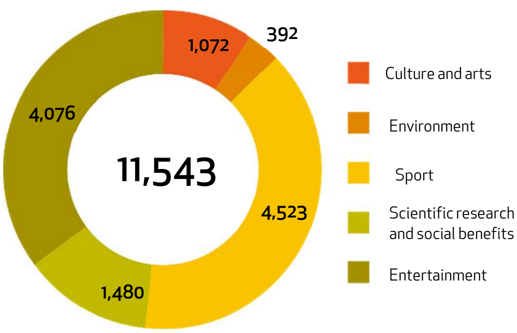


* The graph does not include Ddor Novi Sad whose total expense came to €15.5m.
The total expense paid to suppliers in 2021 is not comparable with the value for the previous year due to the application of Group calculation criteria to Unipol*Rental*. Applying 2020 criteria on a like-for-like basis, the change recorded in 2021 would be a 5% increase.

Community

Contributions to the community by area*

(Amounts in €k)



The Unipol Group's commitment to the community each year essentially involves a series of various types of contribution which in 2021 exceeded €11m, up 30% on the previous year (net of contributions disbursed in 2020 for the health emergency).
The main areas receiving the cash contributions were sport, which in the Group's vision is a major empowerment opportunity, especially for the younger generations, and commercial initiatives that contribute to social causes, at the same time promoting the brand and Group business.

* Excludes the contribution of €1.7m to the Unipolis Foundation. A report on the activities of Unipolis Foundation is published in the Mission Report, available on the website www.fondazioneunipolis.org.

For further details on Social and Relational Capital, please refer to the "Appendix - Unipol in numbers"

Natural Capital

TCFD

The Group is committed to reducing emissions linked to its real estate assets and, when defining the 2022-2024 Business Plan, will set new medium/long-term goals to support this commitment.

Action taken in the three years of the 2019-2021 plan, both on properties for business use and on those for "use by third parties", involved investments in new buildings and substantial renovations of existing buildings, characterised by the use of technologies to maximise energy savings, and the maintenance of existing buildings to constantly improve energy efficiency.
The management of UnipolSai real estate assets is supported by the continuous consolidation of an energy management system certified according to **ISO50001 standard**, which calls for a commitment to annually reduce electricity and heat consumption.

To continue in this direction and guarantee alignment with the best international standards, mapping of all the property assets began in 2021 with the aim of assigning a sustainability ranking to each property based on internal parameters typical to real estate and on characteristics required by the BREEAM Certification. Based on the results achieved, action will be planned to bridge any gaps detected, with a view to raising the overall level of sustainability of all the property assets held.

For the measurement of **climate-changing emissions**, the calculation methodology adopted is that laid out in Directive EU/85 of 2003 on the *emission trading scheme*, in addition to the international classification laid out by the GHG Protocol standard – and evoked in the GRI Standards – in Scope 1, Scope 2 and Scope 3.
Consumption and resulting emissions recorded for the year are still affected by the reduced in-office presence of employees across Italy, which continued until November 2021 due to the COVID-19 health emergency.

Since 2015, the signature of contracts for the supply of electricity in Italy requires **100% of supplies to come from renewable sources**.
The data relating to the **scope of the ISO Certification**, which includes the headquarters, properties for third party use and properties for settlement activities ("CLG" or Group Settlement Centres), show a **total annual reduction in consumption of 13%** for 2021.
Considering the entire scope of the Group, the **total energy consumption in 2021 decreased by 9.5%** compared to 2020, due to a combination of three factors: maintenance of the ISO 50001 for the Energy Management System, which guarantees continuous energy efficiency, the growing focus on fine-tuning the management of improvements to the various technological components and the gradual digitalisation of the process management systems.

As regards additional environmental impacts, the use of the **water resource** is primarily linked to hygienic uses, irrigation and, in limited cases, also for technological purposes in air conditioning systems. Water savings monitoring is constant, and for this purpose management systems have been implemented with the introduction of electrovalves to prevent waste.
For hygienic uses, the water comes from the mains system or other water service management companies, whilst for irrigation it also comes from springs or waterways.
With particular reference to the management of water resources by Tenute del Cerro, operating in the agricultural sector, note the adoption of measures to create and expand reservoirs to collect and recover rainwater, reducing the water withdrawn from underground water tables and providing precision agricultural tools with satellite control systems fitted to offer crop optimisation, savings and reductions in the use of chemical products necessary for crop protections, limiting these where they are indispensable.

For **waste management**, the Group follows the collection and disposal directives of various municipalities, consequently adapting its processes and procedures and, where possible, envisaging recycling or reprocessing.
In 2021, the waste allocation service was optimised through the use of IT platforms that allow better organisation and verification of the correct allocation of waste for collection.
Non-municipal hazardous waste (medical, toner, neon tubes, batteries, etc.) is disposed of separately in the appropriate manner, in accordance with the regulations in force, through specialised firms and in line with the rules on compulsory record keeping.
To improve and increase separate waste collection, during 2021 the process was reorganised and special containers for paper waste were distributed more extensively to all offices, whilst bins were placed on the various floors of buildings for plastic waste.

For consumables, toner and cartridges, the Group adopts centralised management that arranges itemised redistribution to the insurance agencies, together with printouts and copying paper.
For materials collection, an effective and environment-friendly recycling system is in place that uses the most advanced processes and reusage options for all empty toner cartridges, in compliance with European regulations (Waste Electrical and Electronic Equipment

Directive 2012/19/EU - WEEE). 41,345 pieces were purchased in 2021, including toners and drum units, of which 18% certified as regenerated. The collection and recycling system in 2021 collected almost 11,000 pieces from the agencies alone, equal to 14 tonnes of material, with a saving of 31,000 kg of CO_2 eq.

Use of the "smart" printing management system continued, under the direct control of the user, eliminating waste and improving the procurement of consumables. Consequently, in 2021 no paper was purchased because that already held by offices and agencies was used.

At the end of 2021, 7.5m pages had been printed, in which the printing operation component alone therefore consumed electricity (101,598 kWh) for printing equipment activity, generating 34 tCO_2 eq.
Document dematerialisation policies, with more than 6m policies signed with AES, made it possible to avoid 111 tonnes of emissions of CO_2 eq.

In 2021, 83% of purchase contracts were digitally signed without recourse to hard copy.

Management of environmental impacts

DIRECT IMPACTS

Energy

TOTAL EMISSIONS* (from property)
14,920 t CO_2 eq. (market-based vs. **17,542 t CO_2 eq.** in 2020)
33,863 t CO_2 eq.(location-based vs. **37,829 t CO_2 eq.** in 2020)

Gas | Gasoil and Diesel | LPG | District heating and cooling | Electricity

Direct emissions (Scope 1)
7,575 t CO_2 eq. (vs. **8,395 t CO_2 eq.** in 2020)

Emissions from purchase of energy (Scope 2)
7,345 t CO_2 eq. (market-based vs. **9,148 t CO_2 eq.** in 2020)
26,288 t CO_2 eq. (location-based vs. **29,434 t CO_2 eq.** in 2020)

The emissions of the **Group vehicle fleet (Scope 1) in Italy and Serbia** amounted to **1,656 t CO_2 eq.** generated for 68% by diesel engines and 20% by petrol engines. In this area, the commitment to management and renewal of the corporate fleet is constant, based on selection criteria that promote environmental protection. In this sense, activity targeting the increased use of hybrid/electric vehicles also continued. At 31 December 2021, these vehicles had a 10% impact in terms of CO_2 eq. and 14% in terms of km travelled.

The performance monitoring of indirect emissions was carried out by applying both market-based and location-based methods (GHG Protocol Scope 2 Guidance). For properties, using the location-based method, there was a total **decrease in CO_2 eq. emissions of 10.5%** compared to 2020, reaching a value of 2.8 t CO_2 eq. per employee (3.2 t CO_2 eq. in 2020).

Water

TOTAL WATER CONSUMPTION: **1,158 thousand m³**
(of which 880 thousand m³ for civil use and 278 thousand m³ for irrigation)

Insurance Sector
172 thousand m³

Hotel Sector
569 thousand m³

Agricultural Sector
6 thousand m³ (civil use)
278 thousand m³ (irrigation)

Tourism Sector
58 thousand m³

The water drawn for irrigation as reported here comes from springs or waterways. Furthermore, water consumption of **75 thousand m³** is attributable to the Healthcare sector.

Waste

1,425 tonnes of waste generated** (141 kg/employee) of which:
33% generated by the Diversified Companies
85% non-hazardous
74% not for disposal through recycling

Insurance Sector - Italy and Serbia
959 t of waste equal to 103 kg/employee: 957 t non-hazardous; 2 t hazardous, with over 95% disposed of through recycling.

Hotel Sector
125 t of waste: 10 t hazardous; 115 t non-hazardous, for 41% disposed of through recycling.

Tourism Sector
247 t of waste: 122 t hazardous; 125 t non-hazardous, for 24% disposed of through recycling.

The other sectors, agricultural and healthcare, generated a total of 94 tonnes of waste.
For detailed information, please see the "Appendix - Unipol in numbers".

* Emissions expressed in tonnes of CO_2 equivalent (t CO2 eq.).
With regard to the companies operating in Italy, the source of the emission conversion factors (relating to CO_2, CH_4 and N_2O gases for Scope 1 and Scope 2, location-based) and of the global warming potential (GWP) is the guideline on the application of the GRI Standards on environmental matters (Version of December 2021), drafted by the ABI (Italian Banking Association). With specific reference to emissions from energy purchases (Scope 2) of companies operating in Italy (market-based method) and in Serbia and Ireland (market-based and location-based methods), the European Residual Mixes 2020 emission factors of the AIB (Association of Issuing Bodies) were used (Residual Mix and Production Mix).
For 2021, the consumption of electricity, gas and other energy sources is calculated for all buildings over which the Group has direct control, from the operating sites, to the diversified companies, such as Tenute del Cerro and Marina di Loano, also including the properties in which Gruppo UNA carries out its activities and the offices abroad.

** The figure does not include waste generated at foreign offices of the companies Unipol Re DAC and Arca Vita International Dac, at Unipol*Rental* operating centres and Dyadea Medical Centres. Compared to 2020, the total volume increased not only due to the expansion in scope, but also due to major renovation works completed, profiting from the absence of personnel in the offices.

Unipol is constantly committed to improving the measurement and reporting of its indirect emissions (Scope 3). In addition to those generated by employee business travel, by customers' travel with electronic devices and by the investment portfolio, already calculated previously, in 2021 those generated by the LTR vehicles of Unipol*Rental* were also analysed. To better understand the impacts of the pandemic on emission trends, those associated with **employee homeworking** were also estimated.

INDIRECT IMPACTS *

Customer

Support and promotion of green economy through specific products and investments.

6,548,666 t CO_2 eq.
generated by customers' travel with electronic devices (vs. 5,759,805 t CO2 eq. in 2020)

218,880 t CO_2 eq.
generated by Unipol*Rental* LTR vehicles

Climate impacts of investments - Corporate Portfolio **
904,724 t CO_2 eq.
Total induced emissions
(Scopes 1 & 2 and other direct emissions)

23% of Non-Life products in the catalogue are climate change-related for mitigation and adaptation***

Suppliers

Research and engagement of suppliers that produce products and services with a minimal environmental impact.

Dematerialisation
100% recycled paper certified Cradle to Cradle®, Blue Angel, Ecolabel UE, ISO 9001:2008, labelled FSC (Forest Stewardship Council) and ECF (Elemental Chlorine Free).

112 t CO_2 eq. avoided through the use of AES to sign contracts.

Green Procurement
- 100% green certified IT equipment;
- 2.5% (€26m) of total purchases are green.
- 28% of the multi-catalogue is green, equal to more than 7,200 goods and 22% of spending.

In the Hotel sector:
- 1.3% of suppliers are suppliers of Green products
- Percentage of green spending out of the total: 7%

Agents and Employees

Mapping of virtuous conduct in Agencies and Optimisation of employee mobility through the Home-to-Work Travel Plan (PSCL) to reduce impacts from transport

Sustainable Agencies with Legambiente
after the pilot phase, with 4 agencies certified for their virtuous environmental conduct by Legambiente, the possibility to participate was extended to a broader panel of agencies.

CO2 Mobility Employees
668 t CO2 eq.
generated by employee travel and trips by air, rail and own car (947 t CO2 eq. in 2020).

CO2 Homeworking Employees
7,592 t CO2 eq.
according to the methodology described by the "Homeworking emissions whitepaper" drafted in November 2020 by EcoAct, Lloyds Banking Group and NatWest Group.

* With reference to Scope 3 emissions deriving from employee and customer mobility the following were used: for vehicles, the 2021 DEFRA (UK Department for Environment, Food & Rural Affairs) coefficients; for air and rail, the UK Government GHG Conversion Factors for Company Reporting (2020).
** As regards the climate impacts of investments, in line with specifications in the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard for Category 15 - Investments and in the PCAF Global GHG Accounting and Reporting Standard for the financial industry, the value represents absolute emissions of the corporate portfolio (listed equities and corporate bonds) in terms of CO2 eq. emissions of Scopes 1 & 2 and other direct emissions (including CCl4, C2H3Cl3, CBrF, CBrF, CBrF3, and biomass CO2). The value in terms of carbon intensity (Carbon to Value invested - C/V) and weighted average carbon intensity (WACI) is described in detail in the section "The climate impact of the investment portfolio". The Corporate portfolio analysed corresponds to the Group's direct investments in corporate bonds and equities (so excluding investments in cash, UCITS, ETFs, derivatives and unlisted instruments), equal to €18,268m.
*** This figure differs, by type of phenomenon represented and therefore by calculation method, from those published in the "Disclosure on the European Taxonomy of environmentally sustainable economic activities" section below, and consequently cannot be considered in any way comparable.

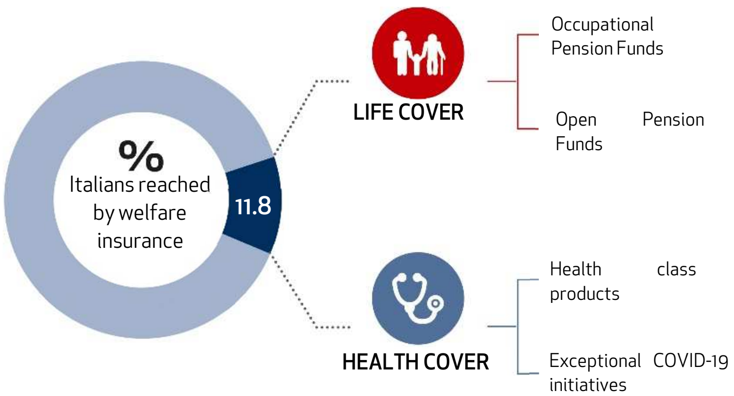
For further details on Natural Capital, please refer to the "Appendix - Unipol in numbers"

Shared value: the impacts generated by the Unipol Group

NFS

Satisfaction of security and social well-being requirements

Percentage welfare insurance among Italians



Unipol is committed to developing an increasingly integrated offer of Welfare and Life products and enhanced by services, particularly those regarding prevention.

In 2021, Unipol's role as central player in the public-private welfare integration process continued, with the Group reaching **11.8% of Italians** through welfare cover (Health and Life).

In response to needs that were accelerated by the pandemic, the Group continues to invest in increasing the accessibility of its services, creating innovative prevention, patient management and treatment models for customers, also through **digital platforms**, the **IoT and Telemedicine**.

Unipol continued to offer pandemic-related support to policyholders in 2021, for COVID-19 positive cases, through daily benefits, indemnities, assistance and vaccination coverage through the #AndràTuttoBene Tempo Libero, #AndràTuttoBene New and #AndràTuttoBene (SME) initiatives.
At the end of 2021, over 40 thousand policies were associated with the different #AndràTuttoBene initiatives for a total of almost €6m in premiums.
The Group also guaranteed support to policyholders by extending the Health class products to cover vaccination risks, in the event of adverse reaction in the 30 days after vaccination.

More than 829 thousand Si Salute Cards were distributed during the year, thanks to which customers can arrange visits and exams and access physiotherapy services at discounted rates at affiliated healthcare facilities (418 thousand in 2020 and 35 thousand in 2019, the year in which the service was launched).

In the supplementary pensions sector, at 31 December 2021 the Group managed resources totalling €4,032m and 21 **Occupational Pension Fund** mandates (17 of them for accounts "with guaranteed capital and/or minimum return") and assets totalling €963m with 41,370 members for **Open Pension Funds**, as described in more detail in the section "Unipol Group Performance".

The "**Bilanciato Etico**" sub-fund, one of the seven sub-funds of the UnipolSai Previdenza FPA Open Pension Fund, invests its €62.5m in assets in a diversified portfolio of primarily bonds and, marginally, equity instruments in the Eurozone which are fully managed according to ESG criteria.
To complement the ESG offer in the Life segment, the Group continued its market placement of the **Investimento MixSostenibile** multi-segment insurance proposal (with total premiums at 31/12/2021 of roughly €165m).
Both qualify as products that promote social and environmental characteristics pursuant to Article 8 of Regulation (EU) 2019/2088.

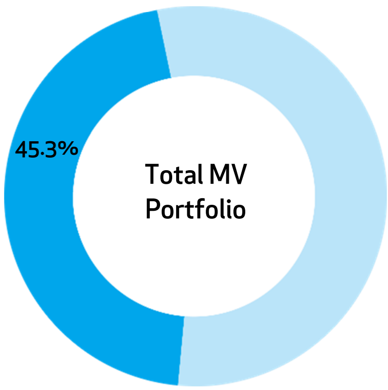
The Group's offer was enhanced with a new individual product with long-term care coverage, "**UnipolSai Autonomia Costante**", which requires a constant premium throughout the term of the contract. The main new features introduced regard the recognition of an increased initial annuity to handle initial unforeseen needs, the increase in the entry age and the possibility to obtain reduced benefits in the case of the suspension of premium payments starting from the eighth premium year. As a further distinctive element, the possibility is provided to those who subscribe the new LTC product to obtain free of charge the integrated offer of services and benefits provided by UniSalute.

Support in the transition towards more efficient, safe and sustainable mobility

TCFD

The Unipol Group underwrote 9.6 million MV policies in 2021.

Incidence of policies with Unibox telematics on the UnipolSai MV portfolio



As regards insurance, Unipol continued its innovation of the tariff-setting models through the use of new data on driving habits and the introduction of new parameters linked to traffic and speed. Through the potential offered by telematics, new solutions were made available for mobility risk prevention and protection, such as assistance services and dangerous driving alerts.

Policies with Unibox telematics reached 45.3% of total MV policies of UnipolSai at the end of 2021, corresponding to 50.4% of related premiums.

Linear Assicurazioni also launched an innovate service via app in 2021, providing an MV TPL quote based on personal driving style (using the "try before you buy" approach).
Linear's Drive&Save app invites drivers of all ages to measure their conduct while driving, with the possibility of receiving a discount of up to 15% on the insurance policy for their car. The app monitors driving behaviour for five weeks, at the end of which the driver receives a discount on the purchase of a new Linear MV policy, calculated on the basis of the driving behaviour shown during the test period.

Through the Mobility ecosystem, which in a direct and integrated manner monitors the add-on services linked to the core business, the Group supports customers from the time of the claim and until resolution of any damage suffered with direct repairs (UnipolService and UnipolGlass), offers new mobility opportunities with long-term rental (Unipol*Rental*) and contributes to development of the circular economy and sustainable mobility through the online sales of used cars and e-bikes through proprietary platforms.

The #UnMesePerTe initiative of UnipolSai Assicurazioni continued in 2021 and, through the disbursement of a bonus equal to one twelfth of the premium paid to all customers with a single MV TPL policy, led to disbursement of a gross average of around €35 for more than 5.9m vouchers used (3.5m in 2020).

Contribution to the growth of the country, supporting SME development and increasing insurance knowledge

In order to meet the needs of corporate customers, mostly SMEs, the Group's offer has been integrated with services and conditions which, on the one hand, promote and support prevention, understood as an approach that facilitates the continuous existence of the insurability conditions of the individual players and overall sustainability for the Company, and on the other facilitate the rebound in economic activities in the event of an accident which jeopardises this, by recognising this as a key element for the competitiveness of the players involved.
SME premiums collected reached 10.8% of UnipolSai's total Non-Life premiums (or 26.5% of the Non-Life Non-MV premiums), amounting to more than €720m.

As regards **climate change**, in addition to the more traditional approach to protection (through the offer of products and guarantees to mitigate the economic consequences of claims arising from weather events or flood, and to support effective Disaster Recovery), the Unipol Group has developed specific risk prevention services and tools. The climate risk self-assessment tool (CRAM) designed by the DERRIS project to assist Italian SMEs in managing climate change-related risks is one example: at the end of 2021, the tool had been used by 8,000 businesses (+1,000 compared to 2020).

For catastrophe risks, the **Terraferma tool** has been developed for Incontra Assicurazioni, with the aim of increasing customer awareness (individuals and businesses) of seismic risk. The tool contains an interactive map of seismic dangers in Italy (source: INGV) and displays past seismic events and a representation of the spread time and area in which tremors are felt.

In a context of strong increases in cyber attacks, which are a serious **operational** risk associated with **information, data** and **technology assets**, the Group has enhanced the "**Cyber Risk**" guarantee in a major service for customers, the *Cyber Incident Response*, which offers support to policyholders in managing the claim. At the end of 2021, "Cyber Risk" premiums collected increased by almost 100% compared to 2020.

The Più3 campaign continued, envisaging the activation of a new contract - with a duration of at least 15 months - with the first 3 months' premiums free for customers on the Commercio&Servizi, Impresa&Servizi, Alberghi&Servizi, Agricoltura&Servizi and Infortuni Premium 2.0 products.
In the same way, COVID-19 cover was extended in the event of illness and business interruption (extension within the Income Protection guarantee) on the Impresa&Servizi, Commercio&Servizi and Agricoltura&Servizi products.

The insurance solution for **Third Sector** entities, which offers a high degree of customisation based on the different economic and social purposes of the entities concerned, recorded premiums totalling €5.5m (€3.4m in 2020).

In terms of the benefits envisaged in the **Relaunch Decree** for renovation works by residents, condominiums and companies, the Group has structured an offer that facilitates beneficiaries' use of the measure.
In the Group's view, this initiative is a response to multiple situations: support to citizens in accessing an opportunity; contribution to the relaunch of such a key sector as construction; facilitating works which, in addition to improving residents' well-being and increasing the value of the buildings, in many cases result in significant environmental benefits in terms of energy efficiency and cutting emissions; and the introduction of a system of rules and controls that fosters correct and transparent use of public funds.
The offer envisages a modular solution based on purchase of the tax credit at a set price, defined initially on the basis of the type of tax credit; the possibility to access a bridge loan through an agreement with BPER Banca, to meet any site opening costs incurred prior to maturity of the credit; different forms of insurance cover, both for the Client (such as the CAR policy covering catastrophe risks, or the "Client TPL" policy) and for the Contractor company (such as TPL policies on construction business activities or the surety policy guaranteeing successful performance of the works).
In this respect, at the end of 2021 a credit was purchased for the value of €223.8m through the acquisition of 930 cases. A further 2,500 policies of different types were associated with these, for total premiums in excess of €2.8m.

Support in implementing the 2030 Agenda and contribution to combating the climate emergency

TCFD

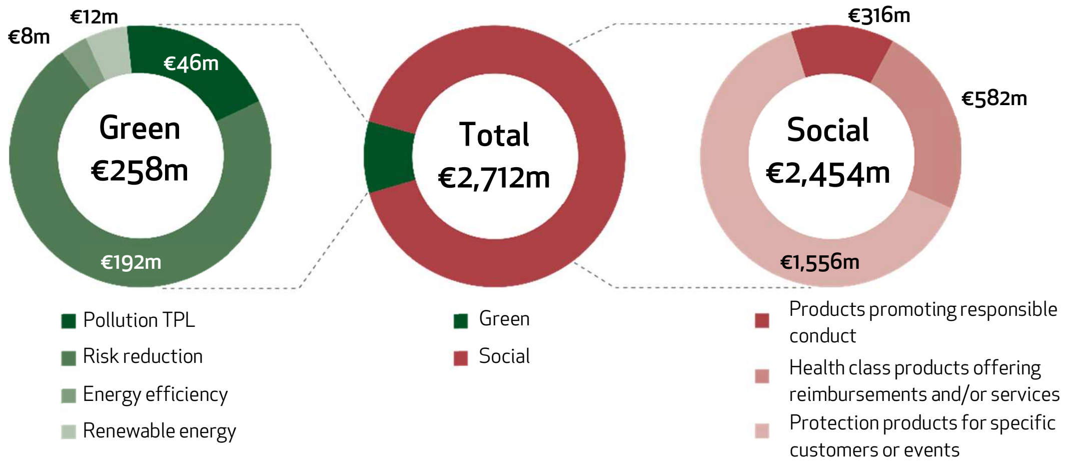
In addition to contributing to SDGs 3, 8 and 11 as described previously, Unipol contributes to implementing the 2030 Agenda as a whole. Particular attention is paid to the goals of combating the climate emergency, with commitments involving both insurance business and investments.

Products and services with social and environmental value

Solutions that integrate economic growth and social and environmental value, brought in premiums amounting to €2,712m in 2021, reaching 27.2%,[10] up on the 25.9% of 2020. 90% of these premiums were attributable to Non-Life business, where they represent 31% of direct premiums.

In order to be classified as a "solution with social and environmental value", a product or service must be able to satisfy social needs by improving people's lives, have a positive environmental impact or respond to concerns about the climate.

The impact of products and services with social and environmental value



To ensure greater granularity, this representation does not include premiums relating to telematic devices. The impacts of black boxes, as also highlighted in the previous chapters, regard both social aspects (in terms of security and combatting fraud) and environmental ones (promotion of sustainable behaviours through mileage based rates).

Insurance business and impacts of climate change

Again in 2021, concentrated in the summer months in particular, numerous weather-related claims were recorded, reconfirming the climate changes in progress, which affected Italy (direct cover) and Northern Europe (Storm Bernd) where a number of inwards reinsurance covers were in place. The claims reserved and paid costs deriving from weather events therefore recorded an overall increase at year end.

As the most severe events happened, customers were always guaranteed disaster recovery support; the Group has made support measures available for activities affected to allow them a fast return to business, even in advance of the fast-track settlement procedure.

At 31 December 2021, the combined ratio net of reinsurance was 95%, affected by claims from natural disasters and for significant amounts by 8.1 percentage points compared to 6.6 percentage points recorded in 2020.

With support from Leithà, the Group company specialising in Big Data analytics, the Unipol Group is strengthening its capacity for analysing weather data and building predictive models to support development of risk prevention and management products and services and of the pricing process, risk assumption and claims management. In addition to the Lorentz weather data collection tool described previously, the initiatives launched in 2021 include:

- the **SAM project**, designed to improve the pricing process by using weather variables and property characteristics to accurately process the danger level in a specific area;

[10] To ensure greater significance, the percentage is calculated on the total direct premiums for Non-Life Business products and on the premiums pertaining to the corresponding product families for the Life Business products.

- the **Metropolis project**, developed in partnership with the Reinsurance Function, based on machine learning models designed to estimate the severity and frequency of events based on weather radar data (rain intensity and flood) and property characteristics after a weather event;
- the development of the **European Extreme Events Climate Index (E3CI)**, the first index in Europe for monitoring and managing the impact of extreme weather events, as important application support for the pricing and development of parameter-based insurance;
- the launch of a **partnership with E-Geos**, international leader in the Earth observation and geospatial data sector, to study advanced techniques for the delimitation of flooded areas, using satellite data and simulations.

The Unipol Group offers insurance products and services to support customers in mitigating and adapting to climate change.[11] As regards mitigation, these include for example: products targeting business sectors such as renewable energy production ("Energia Sole" product); an offer dedicated to customers planning renovation works also for energy efficiency purposes, as described previously; "Pay as you drive" rates that envisage premium reductions based on the kilometres travelled. As regards climate change adaptation, on the other hand, the services developed to assist customers in risk prevention, note the Alert Meteo weather warning system developed on the basis of a predictive model that can warn customers in advance of the risk of severe hail storms. Over 1.8 million text messages were sent in 2021; since the start of the campaign the number of texts sent has been 5 million in total, with 3.9 million UnipolSai, Linear and Arca Assicurazioni customers involved.

Insurance skills to support system resilience

From September 2020, UnipolSai has headed the **LIFE ADA (ADaptation in Agriculture)** project which aims to **increase resilience to climate change impacts in three chains of the agricultural industry**: dairy (Parmigiano Reggiano), wine, and fruit and vegetables. 2021 focused on the activities preliminary to drafting the ADA tool for providing support in the decision-making process for defining efficient adaptation plans at farm and chain level. Specifically, through analyses conducted by ARPAE Emilia-Romagna, climate scenarios, seasonal hazard maps for hail, wind, frost, drought, temperatures (lows and highs) and rainfall, in addition to a library of adaptation works in the three chains covered by the project that will later be included in the tool. In June 2021, Leithà organised a hackathon in which participants were asked to design an innovative solution to help operators in the three chains to use technology to prevent and overcome the effects of climate change. With the launch of the online training course, October 2021 saw the formalisation of the skills transfer process on climate change adaptation for agricultural players.

Unipol also continued with the **LIFE DERRIS** project, a public-private partnership project through which the Group engages SMEs (both UnipolSai customers and others), public administration (Municipalities and Regions), representative organisations (Chamber of Commerce and trade associations) and civil society to increase their awareness and skills as regards climate change-related risks and the possible risk prevention and management measures to increase companies' adaptation. In 2021, Unipol continued its commitment to disseminating the project and in particular the CRAM tool (free online climate risk self-assessment tool), both internally by engaging SME and agency tutors and externally as part of a UnipolSai campaign on risk and emergency management targeting SMEs, as well as through the organisation of online meetings, in partnership with Legambiente Emilia-Romagna, as part of the dissemination of the dossier "Il Clima di riguarda: rischi futuri in Emilia Romagna" [Climate is our concern: future risks in Emilia Romagna".

The climate impact of the investment portfolio

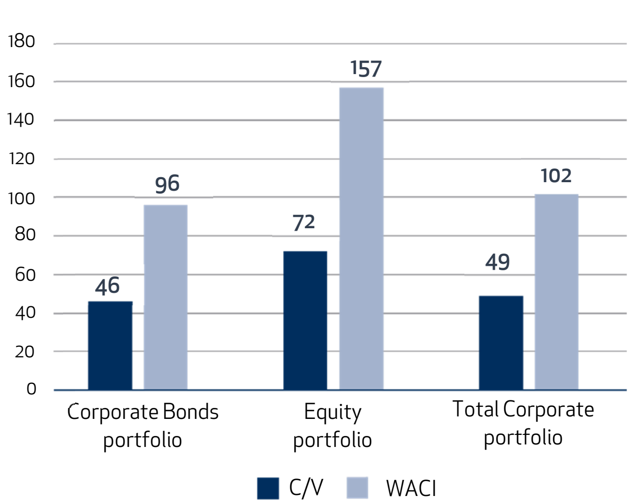
The Unipol Group, aware of the fundamental role of institutional investors in supporting the transition to a low carbon economy, is fully committed to help achieve the goals of the 2015 Paris Agreement.[12]
To this end, during 2021 it enhanced available tools and expanded aspects subject to monitoring, laying the groundwork for increasing integration of climate-related risks in investment decisions and the impacts of such decisions on climate change. Measuring the climate impact of the investment portfolio and its alignment with emission reduction trajectories defined at international level was further studied and consequently fine-tuned, with the support of S&P Global Sustainable 1.[13]

[11] The data reported here differs, by type of phenomenon represented, from that published in the "Disclosure on the European Taxonomy of environmentally sustainable economic activities" section below, and consequently cannot be considered in any way comparable
[12] The Paris Agreement was signed between the member states of the United Nations Framework Convention on Climate Change (UNFCCC); the long-term objective is to keep the rise in global average temperature below the threshold of 2°C above pre-industrial levels and to pursue efforts to limit such an increase to 1.5°C, since this would substantially reduce the risks and effects of climate change.
[13] In the absence of an agreed standard method for calculating the climate impact of the portfolio, the change in climate data provider meant that in 2021 it was impossible to compare performance with the previous year, when the calculation used partially different methods.

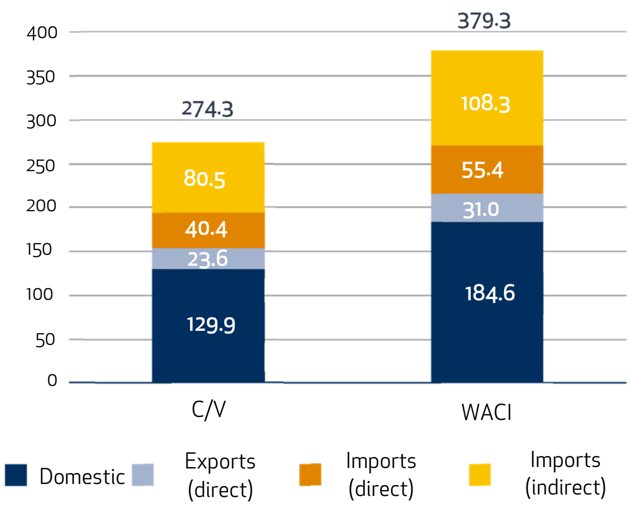
In line with recommendations of the Task Force on Climate-related Financial Disclosures, among the many metrics to be analysed in relation to the **Corporate portfolio (Corporate Bonds and Equity)** and the **Government Bonds portfolio**[14], the main metrics are[15]:

- carbon intensity (Carbon to Value invested - C/V) measures the total emissions induced by the portfolio[16] (in tCO_2 eq.) on the value of that portfolio (in €m);
- weighted average carbon intensity (WACI), obtained by adding together the carbon intensity of each company (calculated as the Scopes 1 & 2 emissions divided by period revenues) and of each country (calculated as the Scopes 1 & 2 emissions divided by the period GDP) in the portfolio, weighted according to the weight of each company and each country in the portfolio.

Climate impacts of the investment portfolio - Corporate



Climate impacts of the investment portfolio - Government



For the Corporate portfolio it is also important to consider the **Paris Alignment**, which assesses the adequacy of emission reduction programmes of companies in the portfolio against the international climate goals, taking into account past data and forward-looking indicators over a medium-term horizon.
The emissions of Unipol's Corporate portfolio are **aligned with a trajectory of between 1.75 and 2 degrees**, indicating a positioning already consistent with the Paris Agreement's minimum goals, and well on the path towards the more ambitious goals that the Group intends to take on.

Unipol has assessed its exposure to fossil fuel mining or energy production from fossil fuels sectors, considering the combine weight of companies in the portfolio that have revenues from such activities and the role such activities have on those revenues. **Fossil fuel exposure** represents 0.44% of the Corporate portfolio; considering exposure to coal alone, the related revenues have a 0.06% impact.[17]

The Group has also calculated how much of its investments involves carbon-related assets.[18] Analysis of the sector-based exposure shows 7.4% of Assets Under Management are in the sectors defined as high-carbon, according to the NACE classification.[19] The increase compared to 2020 is mainly due to a stronger diversification of the investment portfolio pursued in 2021, at the same time as reducing the total exposure to Italian government bonds. The Group focuses on selecting issuers which, in all sectors, have transition measures in place consistent with the global goals of limiting rising temperatures.
The breakdown of assets under management by business sector is provided in the "Appendix - Unipol in numbers".

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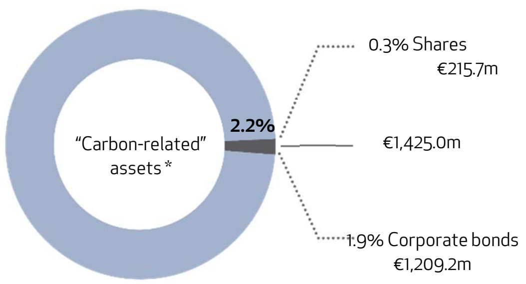
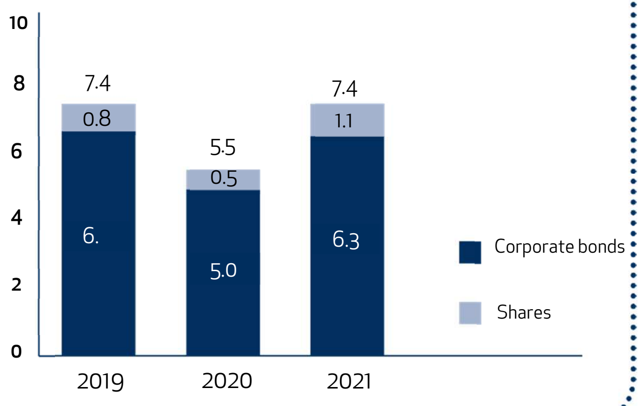
[14] The analysis was conducted on figures as at 30 September 2021, on 86.4% of total assets under management (direct and indirect), i.e. €54.5bn in debt and equity securities of which €18.3bn Corporate and €36.2bn Government. The asset classes excluded were therefore: cash, UCITS, ETFs, derivatives and unlisted instruments. The information coverage as regards climate data was 97% of the Corporate portfolio and 97.5% of the Government portfolio analysed.
[15] Additional metrics are indicated in the Unipol Group's "Unipol and Climate Change 2021" Report and on the website www.unipol.it
[16] For investments in Corporate Bonds or Equity, the total emissions induced by the portfolio are calculated by allocating the emissions generated by the investee companies based on the value of the Group's investment, as a ratio of the market capitalisation or enterprise value of those companies. For Government Bonds, the allocation of the emissions of the investee countries is calculated as a ratio of the Group's investment in government bonds for each country to that country's GDP.
[17] The analysis of stranded assets covers 93% of the Corporate portfolio analysed, based on available information.
[18] "Carbon-related" assets refer (according to the definition provided by the TCFD Recommendations) to those linked to the Energy and Utilities sectors (according to the Global Industry Classification Standard - GICS sector classification), excluding Water Utilities, Independent Power Producers (IPP) and Renewable Energy Producers.
[19] A - Agriculture, forestry and fishing; B - Mining and quarrying; C - Manufacturing; D - Electricity, gas, steam and air conditioning supply; E - Water supply, sewerage; waste managment and remediation activities; F - Construction; H - Transportation and storage.

"Carbon-related" assets on total portfolio



Percentage impact on Corporate portfolio



Investment decisions for SDGs and combatting climate change.

Unipol has a structure dedicated to the selection and management of **alternative investments**, such as private equity, real assets and hedge funds, selected after specific due diligence which, in addition to traditional financial analysis, involves further study of the social, environmental and governance criteria and the mapping of sustainability risks that could have an impact on reputation.

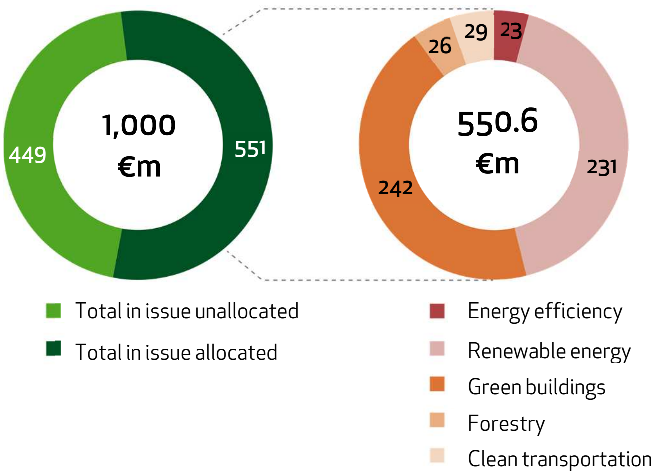
Investments with these characteristics **grew by 41% overall in 2021**, those for combatting climate change and for protection of the environment and of terrestrial, marine and freshwater ecosystems by 50.1%; therefore, the target stated in the Strategic Plan of €600m invested in support of the 2030 Agenda by the end of 2021 has been widely surpassed.
In the table below, the investments are classified on the basis of their positive impact on the different SDGs.

Thematic and impact investments

Issues	Value €m	SDGs	Issues	Value €m	SDGs
Renewable energy, eco-efficiency	446.8	7, 13	Residential care and social assistance	46.6	3
			Sustainable forest management	34.0	15
Digital networks and Infrastructures	164.7	9	Sustainable Consumption and Production	17.1	12
Sustainable mobility	77.8	11	Training and culture	7.8	4
Water	64.8	6	Social housing	2.6	11
TOTAL €862.2m					

The Group has Green Bonds in issue for a total value of **€1bn**, composed of bond loans - senior, unsecured and unsubordinated, non-convertible on maturity in 2030, issued in 2020 in compliance with its Green Bond Framework published in September 2020, with a Second Party Opinion issued by Sustainalytics.

Green Bond issue and allocation by category



At 31 December 2021, the income allocated to the refinancing or financing of projects consistent with the criteria defined in the Green Bond Framework totalled **€550.6m**.

A more itemised description of the income allocation and related impacts generated is provided in the Green Bond Report published annually, coinciding with the publication of the data on non-financial performance.

Disclosure on the European Taxonomy of environmentally sustainable economic activities

This section provides the information required by Art. 11 of Delegated Regulation (EU) 2021/2178 ("Disclosures Delegated Act"), supplementing the Taxonomy Regulation and governing the disclosure on environmentally-sustainable economic activities to be included in annual financial reports published between 1 January 2022 and 31 December 2023.

In the Unipol Group's commitment to helping overcome the challenges of climate change through its core business activities, investments and underwriting, the European Taxonomy of environmentally-sustainable economic activities[20] (the Taxonomy) is of fundamental support in strengthening the orientation of strategies towards achieving the EU environmental goals, starting from climate change mitigation and adaptation which - among the six overall goals - are the first described[21].

The strategies and initiatives implemented by the Group with the 2019-2021 Strategic Plan, in support of the environmental goals defined by the European Commission, are described in detail in preceding paragraphs of the chapter "Support in implementing the 2030 Agenda and contribution to combating the climate emergency". The information contained in that chapter was prepared on the basis of criteria which, by scope and application method, differ from those defined in the Taxonomy and therefore might not match that indicated in this section. The 2022-2024 Strategic Plan will integrate the goals of Unipol's climate strategy; the Taxonomy will acquire an increasingly important role in supporting the achievement of those goals.

Information is provided below on the environmentally-sustainable economic activities of the Unipol Group, in relation to investments and underwriting activities, prepared according to regulatory requirements interpreted also on the basis of published interpreting guidance and/or clarifications[22]. Note that the Group has used templates for its reporting that are consistent with those in the annexes to Delegated Regulation (EU) 2021/2178 applicable from 1 January 2024, adapting the contents where necessary, integrating the information available at present in accordance with methods required by the Regulation and indicating cases in which such information is currently unavailable[23]. Also note that, to supplement the compulsory disclosure as stated above, the Group has voluntarily provided further indications on the Taxonomy goals, specifying the calculation methods[24].

1. Investment KPI

In the initial application phase of the Taxonomy Regulation, insurance and reinsurance undertakings are required to provide disclosure, with regard to investments made, of:

i) the proportion of exposures to Taxonomy eligible and Taxonomy-non-eligible economic activities.
ii) the proportion of exposures to central governments, central banks and supranational issuers ("Investments in sovereign entities").
iii) the proportion of exposures to derivative assets.
iv) the proportion of exposures to undertakings not subject to Articles 19a and 29a of Directive 2013/34/EU ("Non-financial statement").

Note that, for the purpose of calculating the proportion referred to in point ii) above, the denominator, which corresponds to the concept of "total investments" in the following table, is the sum of items "4 Investments" and "7 Cash and cash equivalents" as recorded in the Statement of Financial Position. However, the denominator for the proportions in points i), iii) and iv), which corresponds to the concept of "Assets covered by the KPI" in the following table, is determined by deducting the total investments in sovereign entities from the denominator referred to in point ii) as described above.

[20] Definita dal Regolamento (UE) 852/2020 e relativi Atti Delegati.
[21] Regolamento Delegato (UE) 2021/2139 della Commissione del 4 giugno 2021 e s.m.("Atto delegato sul clima")
[22] "*FAQs: How should financial and non-financial undertakings report Taxonomy-eligible economic activities and assets in accordance with the Taxonomy regulation Article 8 Disclosures Delegated Act?*" pubblicate a Dicembre 2021 e integrate dal *"Draft Commission notice on the interpretation of certain legal provisions of the Disclosures Delegated Act under Article 8 of EU Taxonomy Regulation on the reporting of eligible economic activities and assets"* di Febbraio 2022. "*Platform considerations on voluntary information as part of Taxonomy-eligibility reporting – Appendix 1*" della Platform on Sustainable Finance.
[23] "*FAQs: How should financial and non-financial undertakings report Taxonomy-eligible economic activities and assets in accordance with the Taxonomy regulation Article 8 Disclosures Delegated Act?*", FAQ n. 5.
[24] "*Draft Commission notice on the interpretation of certain legal provisions of the Disclosures Delegated Act under Article 8 of EU Taxonomy Regulation on the reporting of eligible economic activities and assets*", FAQ n. 7.

In order to guarantee, at least in reference to information to be disclosed in application of the Taxonomy Regulation, effective comparability of the data published, the European Commission[25] requires that disclosures concerning the aforementioned percentages are based on actual information, provided by the financial or non-financial undertaking in which the exposure is held. At present, however, such information is not available in reference to almost all the financial investments, and consequently it was not possible to calculate the proportion of exposures to Taxonomy-eligible and Taxonomy-non-eligible economic activities[26]. Note that investment property[27] has been considered among exposures to Taxonomy-eligible economic activities as its nature is deemed consistent with the list in Annexes I and II of Delegated Regulation (EU) 2021/2139 (Climate Delegated Act).

Weighted average value of all the investments of insurance or reinsurance undertakings that are directed at funding, or are associated with, Taxonomy-eligible economic activities relative to the value of total assets covered by the KPI, with the following weights for investments in undertakings:		Weighted average value of all the investments of insurance or reinsurance undertakings that are directed at funding, or are associated with, Taxonomy-eligible economic activities with the following weights for investments in undertakings:	
turnover-based (%)	Unavailable	turnover-based (€m)	Unavailable
Capital expenditures-based (%)	Unavailable	Capital expenditures-based (€m)	Unavailable

Percentage of assets covered by the KPI relative to total investments of insurance or reinsurance undertakings (total financial assets under management). Excluding investments in sovereign entities.		Monetary value of assets covered by the KPI. Excluding investments in sovereign entities.	
Coverage ratio (%)	48.6	Coverage (€m)	33,208.8

Investments in central governments, supranational issuers and central banks represent 51.4% of the Group's total assets.

Additional, complementary disclosures - breakdown of denominator of the KPI

Percentage of derivatives relative to total assets covered by the KPI		Value in monetary amounts of derivatives	
%	0.4	(€m)	147.0

Proportion of exposures to EU financial and non-financial undertakings[28] not subject to Articles 19a and 29a of Directive 2013/34/EU ("Non-financial statement") over total assets covered by the KPI:		Value of exposures to EU financial and non-financial undertakings not subject to Articles 19a and 29a of Directive 2013/34/EU:	
for non-financial undertakings (%)	6.8	for non-financial undertakings (€m)	2,255.8
for financial undertakings (%)	29.3	for financial undertakings (€m)	9,742.0

Proportion of exposures to financial and non-financial undertakings from non-EU countries not subject to Articles 19a and 29a of Directive 2013/34/EU over total assets covered by the KPI:		Value of exposures to financial and non-financial undertakings from non-EU countries not subject to Articles 19a and 29a of Directive 2013/34/EU:	
for non-financial undertakings (%)	4.5	for non-financial undertakings (€m)	1,504.1
for financial undertakings (%)	14.4	for financial undertakings (€m)	4,773.1

Proportion of exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU over total assets covered by the KPI:		Value of exposures to financial and non-financial undertakings subject to the application of Articles 19a and 29a of Directive 2013/34/EU:	
for non-financial undertakings (%)	11.5	for non-financial undertakings (€m)	3,813.8
for financial undertakings (%)	21	for financial undertakings (€m)	6,956.4

Proportion of exposures to other counterparties over total assets covered by the KPI:		Value of exposures to other counterparties:	
(%)	12.1	(€m)	4,016.6

[25] "FAQs: How should financial and non-financial undertakings report Taxonomy-eligible economic activities and assets in accordance with the Taxonomy Regulation Article 8 Disclosures Delegated Act?" published in December 2021, FAQ no. 12
[26] V. a seguire le informazioni fornite su base volontaria.
[27] Asset item 4.1 in the Statement of Financial Position
[28] For reporting on this indicator, the Group decided to refer to the sample tables proposed in the "Platform considerations on voluntary information as part of Taxonomy-eligibility reporting - Appendix 1" with regard to Investment KPI reporting for financial undertakings, limiting the scope of this item to undertakings in the European Union not subject to Articles 19a and 29a of Directive 2013/34/EU over total assets covered by the KPI. This allows a breakdown of the denominator of the KPI to be presented through individual values which, overall, account for 100% of the denominator, making the figures easier to understand and compare.

Additional, complementary disclosures - breakdown of numerator of the KPI

Proportion of Taxonomy-eligible exposures to other counterparties (property) over total assets covered by the KPI:[29]		Value of Taxonomy-eligible exposures to other counterparties (property) over total assets covered by the KPI:	
turnover-based (%)	6.2	turnover-based (€m)	2,072.5
Capital expenditures-based (%)	6.2	Capital expenditures-based (€m)	2,072.5

Voluntary additional information

To supplement the compulsory disclosure provided above, the Group has decided to voluntarily estimate the proportion of Taxonomy eligibility of the economic activities in which it invests. This estimate differs from the information required for the compulsory disclosure as it is not based on actual data provided by the investee companies, but estimated as described below.

To estimate the Taxonomy-eligible economic activities, with reference to exposures to financial instruments issued by undertakings subject to the publication of a Non-Financial Statement, the Group decided to take into consideration the NACE code (level 4) for the core business activity of each issuer. Economic activities classified with a NACE code associable with the economic activities described in Annexes I and II of the Climate Delegated Act were therefore considered Taxonomy-eligible[30]. Vice versa, economic activities classified with a NACE code not associated with the economic activities described in Annexes I and II of Delegated Regulation (EU) 2021/2139 were considered Taxonomy-non-eligible. This approach refers both to direct and indirect investments[31].

Based on the criteria described above, therefore, the following is reported.

Value of all the investments of insurance or reinsurance undertakings which, based on the core business of the issuer (financial assets) or the nature of the investment (property), are directed at funding, or are associated with, Taxonomy-eligible economic activities, relative to the value of total assets covered by the KPI.		Value of all the investments of insurance or reinsurance undertakings which, based on the core business of the issuer (financial assets) or the nature of the investment (property), are directed at funding, or are associated with, Taxonomy-eligible economic activities	
%	10.7	(€m)	3,557.5

Proportion of the insurance or reinsurance undertaking's investments other than investments held in respect of life insurance contracts where the investment risk is borne by the policyholders, which, based on the core business of the issuer (financial assets) or the nature of the investment (property), are directed at funding, or are associated with, Taxonomy-eligible economic activities:		Value of the insurance or reinsurance undertaking's investments other than investments held in respect of life insurance contracts where the investment risk is borne by the policyholders, which, based on the core business of the issuer (financial assets) or the nature of the investment (property), are directed at funding, or are associated with, Taxonomy-eligible economic activities:	
%	10.5	(€m)	3,501.9

Value of all the investments which, based on the core business of the issuer (financial assets) or the nature of the investment (property), are directed at funding, or are associated with, Taxonomy-non-eligible economic activities, compared to the value of all assets covered by the KPI:		Value of all the investments that are funding Taxonomy-non-eligible economic activities:	
%	89.3	(€m)	29,651.3

Proportion of exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU which, based on the core business of the issuer (financial assets) are Taxonomy-eligible, compared to the total assets covered by the KPI:		Value of exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU which, based on the core business of the issuer (financial assets) are Taxonomy-eligible	
For non-financial undertakings (%)	2.2	For non-financial undertakings (€m)	724.3
For financial undertakings (%)	2.3	For financial undertakings (€m)	760.7

[29] The proportion of Taxonomy-eligible exposures to other counterparties is composed entirely of investment property. Therefore, it is not possible to present a figure based on turnover and/or based on capital expenditures. The amounts indicated represent the value of the investment recognised in the Financial Statements.
[30] The proportion of exposure relating to Green Bonds (clearly and accurately identifiable in the current phase) was considered eligible, as the related underlying assets are Taxonomy-eligible according to an approach that qualifies these as "use of proceeds bonds".
[31] The Group performed look-through analysis on funds in the portfolio, please see. *"FAQs: How should financial and non-financial undertakings report Taxonomy-eligible economic activities and assets in accordance with the Taxonomy regulation Article 8 Disclosures Delegated Act?"*, FAQ n. 13.

2. Underwriting KPI

Insurance and reinsurance business is included in the Taxonomy as an economic activity that can provide a substantial contribution to the goal of climate change adaptation, through the provision of insurance services relating to **coverage for climate-related perils** in compliance with points 10.1 and 10.2, Annex II of the Climate Delegated Act. In particular, for insurance, the economic activity described in Annex II of the Taxonomy Regulation is the provision of insurance services relating to the **underwriting of climate-related perils** (as classified in Appendix A to the Climate Delegated Act), in the eight lines of business (LoBs) specifically stated.

In the initial application phase of the Taxonomy Regulation, insurance and reinsurance undertakings are required to disclose the proportion of non-life insurance economic activities that are **Taxonomy-eligible and Taxonomy-non-eligible**. To be considered Taxonomy-eligible, in addition to pertaining to one of the relevant LoBs, a policy must have conditions that envisage risk coverage for "climate-related perils"[32].

To identify Taxonomy-eligible policies and the related premiums, the Group used the **risk category** as the analysis and selection element, representing the minimum disaggregation unit through which premiums recognised in the different ministerial classes[33] are allocated to the different types of guarantee. From among the risk categories to which its own portfolio is classified, Unipol has selected the risks referring to climate-related perils. Of these, the risk categories with a particular impact on the portfolio are those relating to weather events, fire and flood. Using these risk categories as basis, the guarantees and products containing them and therefore envisaging their coverage[34] were identified.

The analysis conducted on this bases allowed the identification of lines of business in which the Group provides insurance coverage for climate-related perils and, within these insurance activities, which policies cover risks referring to "climate-related perils", to be reported for the purpose of calculating the underwriting KPI.

As a result of the analysis, the Group identified significant underwriting of climate-related perils in the following LoBs:

- other motor insurance;
- marine, aviation and transport insurance;
- fire and other damage to property insurance.

The premium amounts indicated below are therefore concentrated in these three LoBs, which overall represent **28% of the total gross premiums written** for the Non-Life business.

Economic activities	Absolute premiums, year t	Proportion of premiums, year t
	Currency (€m)	%
A.1. Non-Life insurance underwriting - Taxonomy-**eligible** activities[35]	817.2	10.0%
A.2 Activities not included in A.1	7,397.1	90.0%
Total (A.1 + A.2)	**8,214.3**	**100%**

[32] "Draft Commission notice on the interpretation of certain legal provisions of the Disclosures Delegated Act under Article 8 of EU Taxonomy Regulation on the reporting of eligible economic activities and assets", FAQ no. 25

[33] Under Italian law, "class" refers to management of the form of insurance corresponding to a risk or group of similar risks from the points of view of risk assumption and damage settlement.

[34] Note that, in the limited cases where the databases do not offer a reliable breakdown of premiums by risk category, these premiums were prudentially considered non-eligible.

[35] I premi relativi alle attività di riassicurazione attiva svolte dalla Compagnia di riassicurazione UnipolRe, per cui non sono disponibili nella fase attuale informazioni puntuali sulla ammissibilità o non ammissibilità delle attività oggetto di riassicurazione, sono stati prudenzialmente considerati non ammissibili.

Strengthening of reputation

The trust built over time by the Unipol Group is considered a fundamental asset to continue to successfully evolve within an insurance business in which trust constitutes the foundation of development possibilities.
Unipol launched its Reputation Management programme in 2014, gradually structuring its internal oversights until the formalisation of an **integrated governance model**, which clearly identifies the processes to be implemented and the parties involved, with the objective of ensuring even more effective management of the Group's reputation and of reputational risk.
The proactive management of reputational risk hinges on the prompt reporting of any signs of risk linked to the company's values and core business, which may be featured in the media, including social networks, or within the context of everyday operations.

Two dedicated bodies have been established:

- the **Reputation Network**, consisting of managers of the corporate areas overseeing Group relationships with all internal and external stakeholders, which has the task of guaranteeing the proactive management of reputation and reputational risk, contributing to developing the reputational culture within the Group, and reputational index accountability, included within the company's incentive system;
- the **Operational Reputation Management Team**, composed of the "Media Relations, Corporate Reputation and Digital PR" and "Emerging and Reputational Risk" functions, which coordinates the Reputation Management activities of the Unipol Group (also as regards the impact of ESG factors on reputation).

As a result of this structured approach, the reputational index of the Unipol Group with public opinion in Italy, measured according to the **RepTrak®** analysis model of The RepTrak Company, grew in 2021 to 79.3[36] (+5.7 points over 2020[37]) on a 100-point scale. This value falls within a "strong" reputational segment.
Remaining stable in the excellent segment, in the annual survey carried out in September 2021, were the reputational indexes recorded among employees (reaching 89.5/100 points), agents (90.8/100 points) and customers (84.8/100 points).

For a detailed analysis illustrating the strategic and proactive approach to emerging and reputational risks, please refer to the "Reputational & Emerging Risk Observatory" and "Reputation Management" sections on the unipol.it website.

Positioning with analysts

The Group has received positive feedback from the opinions of financial analysts: on the Unipol share, 8 positive and 1 neutral recommendations were given, whilst for the UnipolSai share 5 neutral and 3 positive recommendations were expressed.

The shares of Group companies are present in numerous series of SRI indexes, including FTSE4Good, STOXX, Standard Ethics and ECPI. In October 2021, Euronext, with support from Moody's ESG Solutions, launched the MIB® ESG sustainable index listing the top 40 countries based on ESG criteria, selected from among the 60 most liquid Italian companies which include both UnipolSai and Unipol.

For a detailed analysis of the listings of Group company shares in the main SRI indexes and their ratings, please refer to the "Appendix - Unipol in numbers"

[36] Average for the 12 monthly readings conducted on the general public.
[37] From January 2021, the RepTrak algorithm updated the "Cultural Weight" factor to take into account social changes resulting from the pandemic, different for each country. In Italy, application of the algorithm led to an incremental difference of 4.0-5.0 reputation points on all the companies monitored.

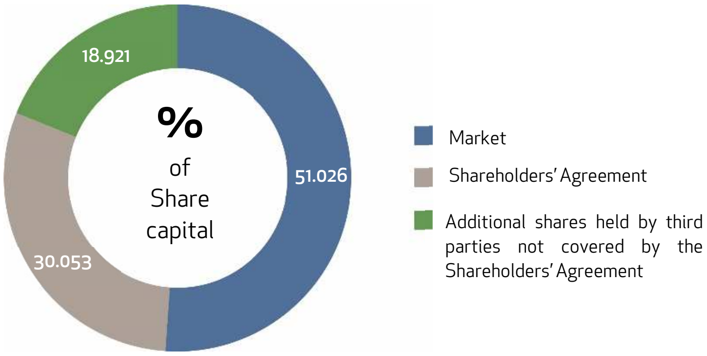
GOVERNANCE

TCFD NFS

Corporate Governance

There were no significant changes in the Company's main shareholders in 2021, except for Koru S.p.A. which joined the Unipol ownership structure with 3.345% of the share capital. The list of direct Shareholders with more than 3% of the ordinary share capital at 31 December 2021 is as follows:

- Coop Alleanza 3.0 Soc. Coop.
- Holmo S.p.A.
- Nova Coop Soc. Coop.
- Cooperare S.p.A.
- Coop Liguria Soc. Coop. di Consumo.
- Koru S.p.A.



SHAREHOLDERS' MEETING
The Shareholders' Meeting is the body that expresses the will of the company via its resolutions; the resolutions it passes in compliance with the law and the By-Laws are binding for all Shareholders, including those absent or dissenting. The Board of Directors considers the Shareholders' Meeting, even in the presence of a broad diversification of the methods for communication with Shareholders, a significant opportunity for fruitful dialogue between the Directors and Shareholders, also in compliance with regulations on inside information.

BOARD OF DIRECTORS

CHAIRMAN
Legally represents the Company and exercises the powers laid out in the By-Laws.

CHIEF EXECUTIVE OFFICER/GROUP CEO
Responsible for the operational guidance of the Company and the Group, in line with the general planning and strategic policies defined by the Board of Directors.

Board of Statutory Auditors
Exercises supervision over observance of the law and the By-Laws and respect for the principles of proper management.

Independent auditors
EY S.p.A., the external auditor responsible for the legally-required audit of the accounts.

Chairman's Committee
Carries out an advisory and support role in identifying development policies and the guidelines of the Company's and the Group's strategic and operating plans.

Appointments and Corporate Governance Committee
Carries out a propositional and advisory role in the identification of the optimal composition of the Board of Directors and in the definition of the Company's corporate governance system.

Control and Risk Committee
Provides a judgment to the Board of Directors on the definition of the guidelines of the Internal Control and Risk Management System, to ensure that the main risks facing the Company and the Group, including ESG risks and especially those linked to the climate, are correctly identified, and adequately measured, managed and monitored.

Related Party Transactions Committee
Carries out an advisory, discussion and propositional role with respect to transactions with related parties, in compliance with the provisions of regulations in force.

Remuneration Committee
Carries out an investigative, propositional and advisory role regarding remuneration.

Sustainability Committee
Appointed to establish sustainability guidelines and the operational coordination necessary for fully achieving the sustainability goals. Supports the administrative body in defining the model for identifying, assessing and managing the main ESG risks, including in particular those linked to the climate.

Ethics Committee
Carries out advisory, propositional and decision-making functions relating to the content and purposes of the Group's Code of Ethics, for which it is the main manager, along with the Ethics Officer, for its promotion, proper interpretation and implementation.

For detailed information on the duties and responsibilities of the Sustainability Committee, please refer to the Report on Corporate Governance and Ownership Structures, available in the "Governance" section of the Unipol Group's website.

BOARD OF DIRECTORS

The Board of Directors is vested with the broadest powers for the ordinary and extraordinary administration of the Company. It is therefore entitled to carry out all acts, including disposals, it deems appropriate for achieving the corporate purpose, excluding only those which are reserved by law to the Shareholders' Meeting.

MEMBERS OF THE BOARD OF DIRECTORS APPOINTED BY THE SHAREHOLDERS' MEETING OF 18 April 2019 (*)

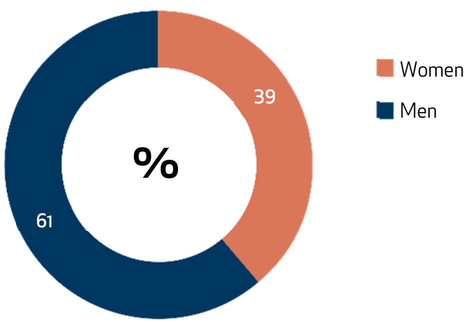
○	○ (a)	●
Chairman **Stefanini Pierluigi**	Vice Chairman **Dalle Rive Ernesto**	CEO / Group CEO / GM **Cimbri Carlo**

○ ▲ **Balducci** Gianmaria	○ (a) **Cifiello**** Mario	○ ▲ **Datteri** Roberta	○ ▲ **De Luise** Patrizia	○ ▲ **Desiderio** Massimo
○ (a) **Ferrè** Daniele	○ ▲ **Gualtieri** Giuseppina	○ □ **Morara** Pier Luigi	○ ▲ **Mundo** Antonietta	○ (a) **Pacchioni** Milo
○ ▲ **Pasquariello** Maria Antonietta	○ (a) **Pittalis***** Roberto	○ ▲ **Trovò** Annamaria	○ ▲ **Zambelli** Rossana	○ (a) **Zini** Carlo

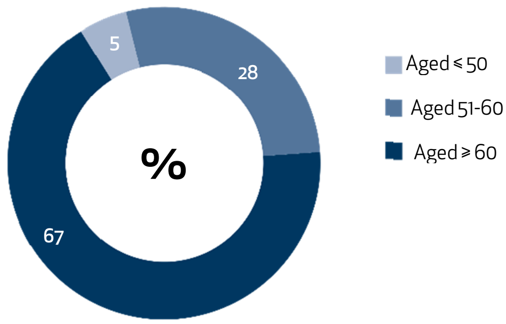
● Executive ○ Non-executive ▲ Independent, per Code and Consolidated Law on Finance (1) □ Independent solely per Consolidated Law on Finance

(1) Indicates whether the Director has been classified by the Board of Directors as independent in accordance with the criteria laid out by the Corporate Governance Code and at the same time meets the requirements established by Art. 148, paragraph 3 of the Consolidated Law on Finance.
(a) Director excluded, with reference to 2021, from the group of independent directors given that, taking into account the "Fit & Proper Policy" and the current shareholding structure of Unipol, all company directors that are: (i) members of the Management Committee of the shareholders' agreement that connects certain Unipol shareholders or (ii) key representatives of the Company's main shareholder, are herein not considered as independent.
(*) at the date of this Report, the Administrative Body consisted of 18 Directors, following the untimely passing of Adriano Turrini
(**) Appointed by the Shareholders' Meeting of 29 April 2021 (***) Appointed by the Shareholders' Meeting of 30 April 2020

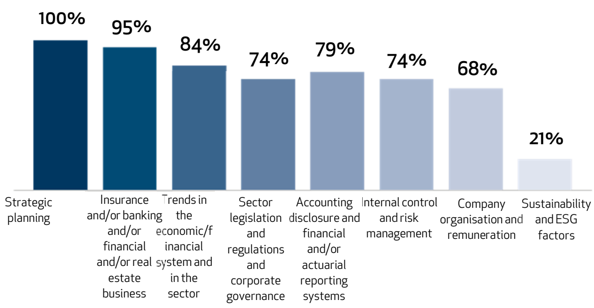
Board of Directors - Breakdown by gender



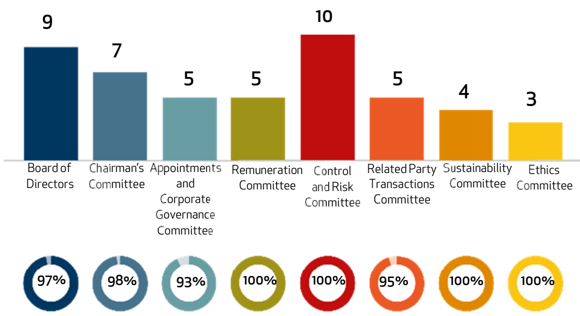
Board of Directors - Breakdown by age



Skills



Number of meetings and attendance rate



For detailed information, please refer to the Report on Corporate Governance and Ownership Structures, available in the "Governance" section of the Unipol Group's website.

Internal Control and Risk Management System

The internal control and risk management system (the "System") is a key element in the overall corporate governance system. It consists of a set of rules, procedures and organisational structures for the effective and efficient identification, measurement, management and monitoring of the main risks, with the aim of contributing to the sustainable success of the Group.[38]
The following scheme shows, in simplified form, the Group's Risk and Control Governance Model.

- Governance
- Legal responsibility of directors (law compliance)
- Social responsibility, Ethics principles
- Responsibility for the Internal Control and Risk Management System
- Supervision of OMM implementation

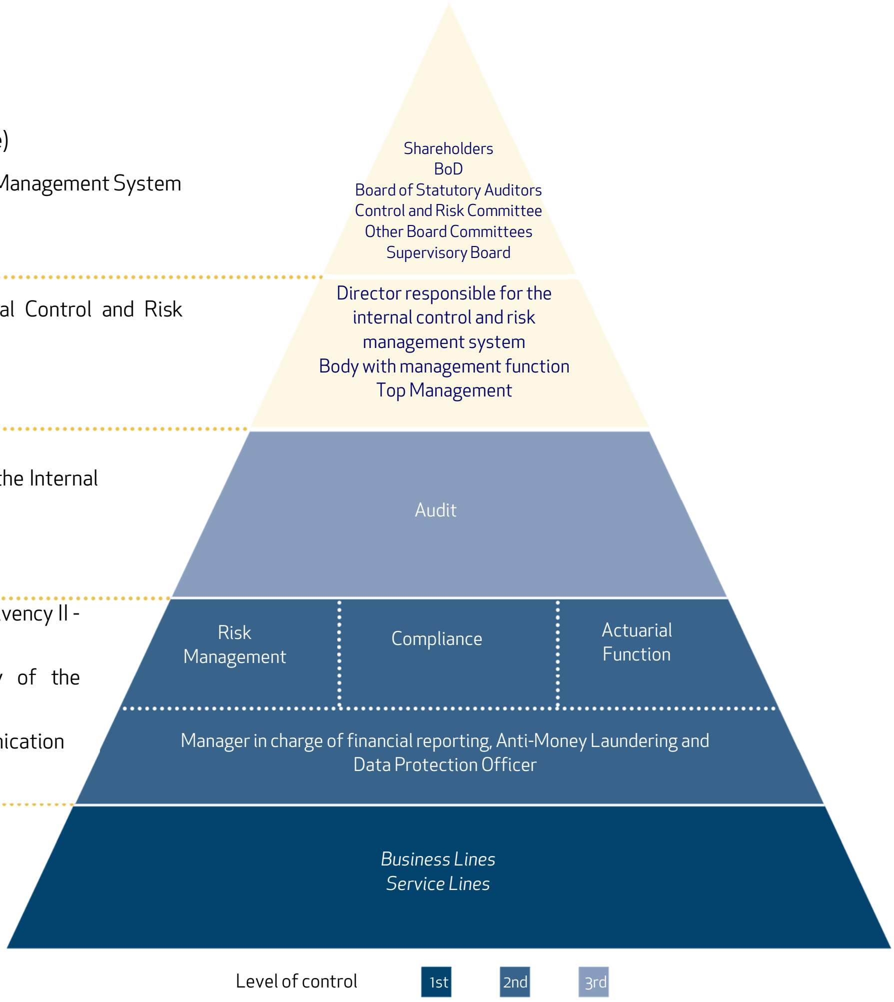
- Implementation and monitoring of the Internal Control and Risk Management System

- Verification of efficiency and effectiveness of the Internal Control and Risk Management System

- Monitoring and control of quantifiable risks (Solvency II - Basel 2 - Basel 3)
- Management of compliance risk
- Verification of the reliability and adequacy of the calculation of Solvency II technical provisions

- Control of accounting data and financial communication
- Management of money laundering risk
- Management of privacy risk

- Acquisition of information from business lines and the Group, and logical reorganization for governance requirements
- Operating controls on individual transactions



For a detailed description of the Internal Control and Risk Management System, please refer to the "Annual Report on Corporate Governance and Ownership Structures for 2020", available in the "Governance" section of the Unipol Group's website.

[38] The rules for the Unipol Group's internal control and risk management system are set forth in the Group Directives on the corporate governance system, approved by the Unipol Board of Directors and the boards of other consolidated Group companies, and are periodically updated.

The Risk Management System adopted by the Group is inspired by an Enterprise Risk Management logic (ERM Framework). This means it is based on the consideration, with an integrated approach, of all the current and prospective risks the Group is exposed to, assessing the impact these risks may have on the achievement of the strategic objectives. Based on these principles, and to pursue to assigned objectives, the Risk Management System relies on a key element: the Risk Appetite.
The Risk Management Policy outlines the risk management strategies and objectives of the Group and the companies in scope, identifying the roles and responsibilities of the corporate bodies and structures involved in the process. Through the model outlined in this policy, and the specific risk management policies, the Group defines suitable guidelines on activities which, on an ongoing basis, identify, assess, monitor and mitigate the risks to which the Group is exposed, also as a result of its strategic decisions, as well as taking into account the various business areas and different applicable regulations, changes to the nature and extent of business activities and in the market context, the emergence of new risks or changes in existing risks.

The corporate bodies and top management structures of the Group companies are committed to promoting the dissemination of a control culture, to enable the active contribution of the entire organisation to implementing the Internal Control and Risk Management System. So as to enhance the awareness of all corporate structures in this respect, over 6,000 Group employees participated in training courses (video conferences and e-learning) on risk management during 2021.

The monitoring of environmental, social and governance risks ("ESG risks")

The monitoring of ESG risks is ensured by the system described above, with a first level of controls performed by the operating structures or as part of back office activities, to ensure the correct execution of transactions, added to which are the second-level controls of risks and compliance, performed, among others, by the Compliance and Anti-Money Laundering, Risk Management and the Actuarial Function, and the third-level controls performed by Audit, each for its own area of responsibility. At general level, as envisaged in the **Sustainability Policy**, the Unipol Board of Directors, also in exercising its role of management and coordination of the Group, is responsible for defining the model for identifying, assessing and managing the main ESG risks, with support from the Sustainability Committee and examination by the Control and Risk Committee and Group Risk Committee.[39] The same Policy outlines the commitments made by the Group to improve its sustainability results and to manage and mitigate the ESG risks to which it is exposed, in line with the overall risk management system of the Group, as well as the roles and responsibilities of the corporate structures involved in the ESG risk management process.

ESG risk management is the result of a complex process which uses different tools to identify and assess the risks suffered[40] and risks generated[41] by the Group, in relation to environmental, social and governance areas.
These risks are fully integrated into the **ERM framework** and included in the taxonomy of risks common to the entire Group, defined in the **Risk Management Policy**. On this basis, the seven most important ESG risk areas were identified: climate change, the increase in social polarisation, socio-demographic change, the technological evolution of society (risks suffered); the violation of human and workers' rights, environmental damage and negative impacts on the environment and conduct in violation of business integrity (risks generated).
Then, specifically:
the risks suffered are identified by focusing on risks emerging from environmental, social and governance aspects, through the **Reputational & Emerging Risk Observatory**[42];
to strengthen its capacity to systematically monitor and manage the risks generated, in 2021 the Group established its own **due diligence approach**. Using the "OECD Due Diligence Guidance for Responsible Business Conduct" and the "OECD Guidelines for Multinational Enterprises" (also referred to in Art. 18 of Regulation (EU) 2020/852 - the Taxonomy Regulation) as reference, Unipol has outlined a due diligence planning model, adopting a risk-based approach, starting with the areas identified in the Guidelines and associating the main ESG risks identified for the Group, the business processes involved and the strategic and regulatory controls in place at Group level.

The ESG risks are also included in the Group's Risk Appetite Statement. For the ESG risks suffered, the Risk Appetite Statement refers to the assessment and monitoring framework for the emerging risks identified above. The ESG risks generated are instead monitored through a dashboard dedicated to KRIs (Key Risk Indicators), to assess the degree of risk associated with each of the three areas:

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[39] Composed of the Chief Executive Officer and Group CEO, Insurance Group General Manager, Group General Manager, Business Development and Corporate Communication General Manager, Administration Controlling and Operations General Manager, Insurance Business Deputy General Manager, Chief Investment Officer, Chief Risk Officer, Chief Regulation and Economic Studies Officer, Chief Strategic Planning and Organisation Officer.
[40] Events representing a risk to the Group, which has no levers to prevent them but can only take action to control them, prevent them or mitigate their consequences, or to transform them into opportunities.
[41] Events for which the triggers are directly associated with Group operations, for which the Group has levers to prevent them or mitigate their consequences if they should materialise.
[42] The emerging risks are monitored through the "Reputational & Emerging Risk Observatory", established by the Chief Risk Officer of the Parent to manage emerging risks using a holistic and anticipatory approach. This Observatory ensures that the Group has structured listening for signs of change in the various external environments (social, technological, environmental, political and regulatory and competitive context), to anticipate emerging trends and prepare today for the risks and opportunities of tomorrow.

environmental, social and governance. Specifically, the KRIs to be monitored cover the various risks identified in relation to each area, and include oversight and listening indicators in order to integrate the inside-out and outside-in visions. At least annually, the Board of Directors of Unipol Gruppo is informed of the monitoring results.

Particular attention is given to climate change-related risks, increasingly referred to in regulatory requirements. The Unipol Group is continuing its implementation of **scenario analysis to measure the impacts of physical and transition risks**. More specifically, as regards physical risks and transition risks in the stress testing framework, planned and reported on in the ORSA Report, specific stresses are tested.

The impact analysis of climate change on physical risks in the ORSA Report is divided into three levels: near-term, mid-term and long-term analysis for the most significant acute physical risks (flood and convective storms), as well as long-term analysis for chronic risks (rising sea levels) and acute risks today considered secondary perils (forest fires, drought). The analyses, conducted by cross-referencing actual portfolio exposures with climate projections in the IPCC's RCP scenarios, show an increase in risk and expected losses in a context in any event characterised by considerable uncertainties. The near-term analysis (2030) for RCP scenario 8.5, also conducted using high-resolution spatial models recently licensed by RMS Italy Flood and Italy SCS, was then used to quantify the loss of own funds within the dedicated stress test.

In relation to the assessment of climate change impact on transition risks, the Group quantifies the losses in value of financial investments, in reference to the different asset classes (bonds, shares, funds, etc.), originating from the shocks, segmented by business sector (NACE), calibrated on the basis of scenarios outlined by the Network for Greening the Financial System (NGFS).

Since the introduction in 2020 of the issue "Nature and Biodiversity" to the Reputational & Emerging Risk Observatory as an issue "to watch", the Group began the work of defining a loss of biodiversity risk management framework, with the aim of mapping the natural risks and their breakdown into the various risk categories that make up the Group's ERM framework.

In 2021, the Group further consolidated the process for integrating ESG risks into the corporate policies system and developed procedures and tools for the actual implementation of control commitments made.

For application of the Policies (particularly those relating to underwriting and investments) the Group defined processes envisaging the involvement of Top Management, through the **Group Risk Committee**, to adopt decisions on the management of ESG risks of particular significance (for their potential impact and the extent of potential transactions in which they emerge). The main progress in 2021 is described below (see following table).

Underwriting policies - Non-Life Business and Life Business TCFD	The Underwriting Policy - Non-Life Business, in reference to existing and potential legal entity customers, envisages two approaches: • exclusion, from the parties that the Group insures, of potential customers whose relevant sectors have ESG risks that are not compatible with the Group's approach to sustainability and risk management objectives; • assessment of the ESG performances of existing and potential customers, based on which the decision is made whether or not to continue the commercial relationship. The application of these approaches uses a data-driven ESG risk control model that envisages the allocation of an ESG Score (statistical indicator of the undertaking's adequacy on ESG topics) to existing and potential customers. The ESG Score is integrated into the control system at the time of underwriting and forms part of the transaction information assets. If the ESG Score indicates a potential presence of high ESG risk, an investigation and verification process is triggered that can result in blocking the commercial relationship if the counterparty fails to satisfy the Group's objectives in relation to ESG risk management. In 2022, the model - finalised and consolidated in 2021 - will be extended and formalised in specific corporate documents. The Underwriting Policy - Life Business, again in reference to existing and potential legal entity customers and in relation to investment products, identifies specific sector limitations designed to prevent ESG risks. The monitoring of ESG risks continued in 2021 through an assessment process set out in management and sales network operating rules that envisages the engagement of different corporate players, in a series of steps, to manage critical or doubtful cases. In general, the exclusions and assessment procedure do not apply to the underwriting of products to protect employees of contracting legal entities in the event of illness and accident, in accordance with the social role that this coverage plays in relation to people, nor to pension, protection and savings products in the "collective" products catalogue, where the employees of contracting legal entities are the insured and which are considered to be of intrinsic social value, in a logic of integration of public and private welfare. 15 investigations were launched in 2021 (8 in 2020), with engagement of the Sustainability Function, to assess cases potentially sensitive from an ESG risk perspective. The outcomes of the cases were as follows: • **Relationships considered ineligible**: 1, as they related to sectors or activities deemed excluded from the policies (arms manufacturing and marketing in war zones); • **Relationships considered eligible**: 14, as they related (i) to sectors or activities which after full verification proved not to be excluded according to the Policies, or (ii) to the underwriting of products to protect employees of contracting legal entities in the event of illness and accident.
Investment policy[43] TCFD	The Investment Policy, with its appendix "Guidelines for responsible investment activities", promotes the integration of ESG factors into the decision-making processes relating to investments. As regards **financial investments**, the need to take **elements linked to ESG** into consideration when selecting companies and government issuers in which to invest was formalised. Sustainability risks and the negative effects on sustainability are monitored through screening activity based on international conventions, linked to which are conduct-based and product-based exclusion strategies. To manage climate change-related risks, the Group defined a specific approach envisaging selective exclusions and supports the transition to a low carbon economy (see "The Unipol Group's climate strategy" in the section "The 2019-2021 Strategy"). Application of the Guidelines in 2021 led to the identification of **402 issuers excluded** from the Group's investable universe, of which 256 corporate issuers and 146 government issuers. For **investment property**, the Group's commitments range from an assessment of ESG aspects at investment selection stage, giving preference to urban revitalisation works that take into account the characteristics and the current and future needs of the communities affected, and decarbonisation of the real estate portfolio with actions to continuously improve performance.

[43] The new version of the Guidelines for responsible investment activities was approved by the Board of Directors of Unipol Gruppo at its meeting of 11 February 2021.

Outsourcing and supplier selection policy	The Outsourcing and supplier selection policy requires fair and responsible stakeholder management requirements to be evaluated within supplier selection criteria. Suppliers must make a commitment to respect the **Supplier Code of Conduct** for responsible procurement (or the "Code"), adopted at the end of 2018 and inspired by the principles of the *United Nations Global Compact* and ISO20400[44]. The Code outlines what Unipol expects from its suppliers on the protection of human and workers' rights, protection of the environment and the fight against corruption and envisages - amongst other aspects - the right of Unipol to check the supplier's processes and structures to verify their compliance, as well as apply penalty mechanisms if they continue not to comply with the Code. Suppliers, except for the Public Administrations and independent freelancers (whether or not they are members of professional bodies), are asked to sign the Code when signing or renewing their contract. At the end of 2021, contracts including the Supplier Code of Conduct covered **55% of total purchase expenses**[45] (on a like-for-like basis, the impact would be 60%, +10 p.p. on 2020). In 2021, the Purchasing Department involved the Sustainability Function in 11 in-depth investigations relating to Suppliers who in a number of cases had submitted documentation proving their capacity and commitment to satisfying the sustainability requirements stated in the Supplier Code of Conduct, as an alternative to subscribing to the Code itself.
Policy on the protection and leveraging of personal data	The Policy on the protection and leveraging of personal data states the commitments undertaken by the Group with respect to its customers and all stakeholders to ensure that the protection granted to personal data available to the Group companies is supported by a growing activity of leveraging,[46] in terms of awareness, transparency and accessibility (the "Unipol Data Vision"). For details of the assets controlled in this respect, see the paragraph "Protection of personal data".

For details on the Policies referred to above, please refer to the "Sustainability" section of the Unipol Group's website.

Like every year, the Interfunctional ESG Risk Panel[47] verified and updated the map of these risks and related controls, summarised in the following table. To facilitate reading, the risks suffered and the risks generated are highlighted differently on the map. On the basis of a significance assessment, the map indicates the risks connected to the Group's core business.

[44] ISO standard which provides orientations to organisations, irrespective of their business or size, on the integration of sustainability within their purchases.

[45] In 2021, the Supplier Code of Conduct was extended to purchases by UnipolRental. Purchases recorded by the Serbian company Ddor Novi Sad, governed by specific contractual arrangements, remain excluded. The option remains for the Parent to identify and extend the principles of the Code, on the basis of risk-based assessments and within the limits of compatibility with specific sector regulations.

[46] The "leveraging" of personal data refers to the activity of promoting, developing and enhancing the Group's information assets in order to create shared value.

[47] Body consisting of the Audit, Compliance and Anti-Money Laundering, Chief Risk Officer and Sustainability Functions, whose objective is to identify the potential social, environmental and governance risks to which the Group is exposed, map the controls targeted at managing these risks and suggest possible improvement actions.

Risk areas connected to ESG factors	Risk	Topics in the materiality matrix	Main regulatory and strategic controls in place
Climate change and loss of biodiversity - Physical risks TCFD	Increase in technical risk and credit risk due to the increase in the frequency and severity of claims linked to the consequences of climate change (acute and chronic physical risks) and the loss of biodiversity, including pandemic events. *Time horizon: medium term*[48]	Actions for adaptation to and mitigation of climate change Solutions that incentivise socially responsible and sustainable behaviours	• Sustainability Policy • Risk Management Policy • Reinsurance and Other Risk Mitigation Techniques Policy • Operational Risk Management Policy • Business Continuity Policy • Business Continuity Plan • Guidelines for the management of credit risk assumption activities • Underwriting Policy - Non-Life Business and Life Business • Provisions Policy - Non-Life Business and Life Business • *2019-2021 Strategic Plan, "Evolution of technical excellence" and "Shared value and sustainable development" areas*
	Non-insurability of climate-related risks due to poor resilience of society *Time horizon: medium term*	Actions for adaptation to and mitigation of climate change	
	Damage to Group property and assets and business continuity risk for Group sites and agencies / Damage relating to the interruption of the supply chain (operational risk) *Time horizon: medium term*	Actions for adaptation to and mitigation of climate change	
imate change and loss of biodiversity - Transition risks TCFD	Decrease in the value of the investment portfolio relating to companies not meeting expectations with regard to the path of transition towards a sustainable low CO2 emission economy (financial risk) *Time horizon: medium term*	Actions for adaptation to and mitigation of climate change	• Sustainability Policy • Risk Management Policy • Investment Policy - Guidelines for responsible investment activities • Underwriting Policy - Non-Life Business and Life Business • Integrated Reputation Management System • Policy for managing the dialogue with the generality of Investors • *2019-2021 Strategic Plan, "Shared value and sustainable development" area*
	Negative impact on the Group's reputation due to the underwriting of insurance contracts and investment in companies whose process of transition towards a low CO2 emission economy is deemed insufficient by stakeholders (reputational risk) *Time horizon: short term*	Contribution to sustainable development in the various spheres of influence (investments, customers, suppliers)	
Technological evolution of society	Increased vulnerability of IT systems to outside attacks	Data protection and leveraging	• Sustainability Policy • Risk Management Policy • Operational Risk Management Policy • Guidelines on the IT risk and security risk assessment method • Business Continuity Policy • Business Continuity Plan • Information Security Policy • Policy on the protection and leveraging of personal data • Organisation, Management and Control Model • Charter for equal opportunities and equality at work • Charter of Values and Code of Ethics • Diversity Policy • Fit & Proper Policy • *2019-2021 Strategic Plan on information and communication technology (ICT Strategic Plan)* • *2019-2021 Strategic Plan, "People and Technology" area*
	Decline in employment in specific roles and skills mismatches	Development of human capital Relations with the agency network	
Socio-demographic change	Impacts of the ageing population on sustainability of the risk assumed in the welfare and pension areas and on the adequacy of the offer	Financial inclusion and education Product and service innovation Solutions that incentivise socially responsible and sustainable behaviours	• Sustainability Policy • Risk Management Policy • Underwriting Policy - Non-Life Business and Life Business • Provisions Policy - Non-Life Business and Life Business • *2019-2021 Strategic Plan, "Beyond Insurance" (particularly the Welfare Ecosystem) and "Shared value and sustainable development" areas*
Increase in social polarisation	Reduction of insurability for the most vulnerable segments of our society	Financial inclusion and education Product and service innovation	

Key:
Risks suffered Risks generated Aaaaa Regulatory controls *Bbbbb Strategic controls*

[48] With regard to the time frame of climate change-related risks:
- Short-term corresponds to the time span of the business plan and therefore of operational and financial planning;
- Medium-term corresponds to the time span of the Unipol Group's Emerging & Reputational Risk Observatory, that of identifying external risks and opportunities that could have an impact on the business model and on the business strategy;
- Long-term corresponds to the period until 2050, which is one of the main tipping points outlined in the special report of the IPCC (2018) and in the most recent strategy of the European Commission ("A clean planet for all", 2018).

Risk areas connected to ESG factors	Risk	Material topic	Regulatory and strategic controls in place
Human and workers' rights violations	Discriminatory statements or conduct in communications and in offerings	Fairness in the sale of products and services Enhancement of diversity Customer centricity	• Charter of Values and Code of Ethics (signed by agents) • Diversity Policy • Charter for equal opportunities and equality at work • Sustainability Policy • Risk Management Policy • Underwriting Policy - Non-Life Business and Life Business • Investment Policy - Guidelines for responsible investment activities • Outsourcing and supplier selection policy and the Supplier Code of Conduct • Policy and further internal regulation on the protection and leveraging of personal data • Policy on the management of conflicts of interest - insurance segment • Policy on insurance and reinsurance distribution • Policy regarding product governance and control - Non-Life and Life Businesses • Operational risk management policy • Policy on authorisations and powers • Health and safety management system manual • Organisation, Management and Control Model • Code of Good Practice • Sector and supplementary agreements • Policy for managing the dialogue with the generality of Investors • Procedures for managing the company website and web services • Procedures relating to the performance of clinical activities • Clinical risk management procedures
	Data usage that is improper, not compliant with regulations and not consistent with Group commitments on data ethics	Data protection and leveraging	
	Incorrect actions on labour law matters (e.g. trade union relations or change management affecting employment)	Development of human capital Sharing of a common corporate culture	
	Incorrect actions on occupational health and safety	Sharing of a common corporate culture	
	Discriminatory statements or conduct in personnel management	Enhancement of diversity	
	Lack of development initiatives and promotion of professional development	Development of human capital	
	Violation of human or workers' rights, or on other sensitive social and governance topics, by the Group, the agency network or the supply chain	Fair and transparent business competition Contribution to sustainable development in the various spheres of influence Relations with the agency network	
	Violation of human or workers' rights, or on other sensitive social and governance topics, at companies insured or investee companies	Contribution to sustainable development in the various spheres of influence	
	Low control over safety in clinics and medical centres	Risk and control culture	
Environmental damage and negative impact on the environment	Negative impact on Group, agency network or supply chain transactions, including insured or investee companies, in terms of air pollution and climate altering gas emissions and/or neglect of the natural environment (consumption of natural or soil resources, pollution of terrestrial or marine ecosystems).	Actions for adaptation to and mitigation of climate change Contribution to sustainable development in the various spheres of influence (investments, customers, transactions, suppliers)	• Charter of Values and Code of Ethics (signed by agents) • Sustainability Policy • Risk Management Policy • Underwriting Policy - Non-Life Business and Life Business • Investment Policy - Guidelines for responsible investment activities • Outsourcing and supplier selection policy and the Supplier Code of Conduct • Operational risk management policy • Sector and supplementary agreements • Organisation, Management and Control Model
Conduct in violation of business integrity	Social degradation in the area of Group-owned real estate	Fair and transparent business competition	• Charter of Values and Code of Ethics (signed by agents) • Sustainability Policy • Risk Management Policy • Investment Policy - Guidelines for responsible investment activities • Policy on the management of conflicts of interest - insurance segment • Policy on insurance and reinsurance distribution • Directives on the Group's Corporate Governance System • Policy for managing the dialogue with the generality of Investors • Key Function Policies • Money laundering and terrorist financing risk management policy • Policy regarding product governance and control oversight mechanisms - Non-Life and Life • Policy and further internal regulation on the protection and leveraging of personal data • Operational risk management policy • Organisation, Management and Control Model • Policy on authorisations and powers • Procedures and operating guides governing transactions with related parties, intercompany counterparties and associated parties • Integrated Reputation Management System • Guidelines and further internal regulation on the management and communication of privileged information • Group Remuneration Policies
	Lack of knowledge about social and environmental applications in the reference communities in property development processes	Fair and transparent business competition	
	Lack of transparency, clarity and integrity in relationships with customers and other stakeholders	Fair and transparent business competition Fairness in the sale of products and services Development of partnerships with public and private players	
	Non-compliance with rules in force (corruption, money laundering, tax, free competition, privacy)	Fair and transparent business competition Risk and control culture Farsightedness in responsible capital and remuneration management	

In the systematisation of its due diligence approach, Unipol has defined a method to establish an order of priority for the most significant risk areas. This led to inclusion on the calendar, adopting a risk-based logic, of the subsequent exploratory and assessment steps in the various areas.
From this perspective, activities in 2022 will focus on "Human Rights", fundamental to the materiality of the topics considered, all the spheres of influence concerned and the numerous business processes involved. The scope of assessment of Human Rights will include direct activities and the main commercial relationships of the Group, starting with the supply chain.

Protection of personal data

Unipol holds large quantities of personal data relating to conduct, available resources, health conditions, customer preferences. The mass of data will increase in the future, in step with the growing spread of connected devices.

The "**Policy on the protection and leveraging of personal data**" defines the general Unipol Group guidelines on protecting individuals with regard to the processing of their personal data. The policy describes the organisation model (organisation of roles, people, culture and skills), the operating model (processes, rules and documentation) and the architectural model (technology and tools) structured for this purpose.
The Unipol Group uses this system to implement Regulation (EU) no. 2016/679 (the GDPR) and, with support from the Group Data Protection Officer (DPO), performs ongoing assessment of the effectiveness and efficiency of controls, processes and the organisation put into place for implementation of the GDPR.
To supplement the personal data protection system, in 2020 Unipol approved the "**Unipol Data Vision**", which states and itemises the Group companies' commitments to correct and transparent **data leverage**, i.e. the use of data to create value shared among the Group, customers and the community. This is possible because advanced data management supports a more knowledgeable assumption of risks, able to make the processing of any claims more sustainable and leading to an increasingly stronger capacity to protect customers in an accessible manner; it also provides elements useful in defining prevention initiatives both at individual and collective level.

During 2021, 267 data breaches were recorded in the Group companies.[49] The increase compared to the 92 cases in 2020 is mainly due to the gradually increasing awareness among Group collaborators in relation to events that could result in a breach, also due to ongoing training activities on GDPR topics which generated a higher number of reports.
All cases were promptly managed and resolved by the competent Data Controller companies.
Prompt notification of the Data Protection Authority became necessary in just 2 cases. The Authority ordered archiving of the cases in consideration of the measures promptly adopted. The remaining cases were not reported, as they involved no risks to the rights and freedoms of the data subjects.
In 2021, 3 documented reports of breach of privacy were received at Group level (6 in 2020), issued by the Regulatory Bodies (specifically, the Data Protection Authority), which were answered promptly without any follow-up by the Authority.

In relation to cyber security, the **Information Security Policy** calls for the adoption of suitable physical, logical and procedural security measures aiming to guarantee appropriate and consistent protection to the information processed in the IT systems throughout the entire life cycle.
The cyber security governance and control function, on the staff of the Chief Information officer, operates in liaison with the IT operating functions for the correct implementation of security procedures, in alignment with the Control Functions and the DPO for adopting regulations and assessing the action taken.

During 2021, the initiatives envisaged in the Business Plan to enhance and develop cyber security continued along three main guidelines:

- the intensive use of technologies and methods based on best market practices to control the various levels of the architecture (access boundaries, data protection, application and infrastructure vulnerabilities, etc.);
- the enhancement and automation of attack detection and response;
- technical training for IT personnel and awareness for end users, integrated with adaptation action required due to regulatory developments.

Data protection enhancement and security monitoring initiatives continued during the year, with an increase in the encryption levels of websites and applications exposed on the internet, enhancement of Threat Intelligence and Incident Detection & Response services

[49] According to the GDPR, a data breach is a security violation that leads to the accidental or unlawful destruction, loss, alteration or unauthorised disclosure of, or access to, the personal data transmitted, stored or otherwise processed.

automating the detection and response to cyber attacks, conducting vulnerability assessment sessions and penetration tests on infrastructure and applications, with particular regard to those most critical and those exposed on the internet.

The risk control system associated with the management and use of data is completed by various Group policies, particularly the Risk Management Policy, the Personal Data Protection Policy, the Business Continuity Management Policy and the Data Governance Policy. Data Governance is the set of processes, methodologies, roles and technologies which on the one hand allows for the formal management of data informational assets, establishing clear responsibility for them, and on the other offers opportunities to exploit the intrinsic value of the company's informational assets to support business strategies and objectives.
Since 2013, UnipolSai held certification in accordance with international safety standard ISO 27001[50] for the Advanced Electronic Signature service which is audited annually by external auditors.

Training on privacy matters has involved most of the Group's collaborators (over 90% of employees in Italy) and numerous agents and subagents (over 70% in both cases), whilst cyber security courses, focusing on phishing issues has seen the participation of 12,842 Agency Network staff (40%) and 8,358 employees (79%).

The companies operating in Serbia are adopting changes to the internal processes governing personal data protection to systematise and bring them into line with the European standard. For 2022, training activities for employees on privacy and information security are planned.
With regard to IT security, in 2021 DDOR Novi Sad obtained ISO 22301 Business Continuity Management certification which supports the organisation in reducing the probability of incidents and ensures business recovery after interruptions. In 2021 in Serbia, there were no reports of critical issues either in terms of privacy or IT security.

Tax management methods

The Unipol Group's approach aims to ensure the correct application of tax regulations, maintaining a high degree of transparency in relations with the tax administration bodies.
Consequently, the Group acts in full compliance with tax regulations in its various countries of operations, meeting its tax obligations, collaborating with appointed inspection bodies and thereby protecting the Group's reputation over time.
In particular, the Group establishes relationships of full cooperation with the competent tax authorities, supporting their inspection activities and responding to requests received in as fast and transparent a manner as possible. In its operating offices, the Group promotes and sustains the streamlining and simplification of administration and management systems for the relevant taxes. The aforementioned conduct is based on sustainability principles, given the fact that paying taxes is the key pillar for economic and social development in the community in which the Group operates. Considering the ethical importance of taxation, the Group takes action to disseminate the culture and value of prompt and responsible application of tax regulations.
Tax management is assigned primarily to the Group Tax Service, which reports to the Administration, Controlling and Operations General Manager. The Service supervises and manages the application of tax regulations and provides advice, guidance and control to all companies in the Group, guaranteeing assistance and support in relation to control activities implemented by the Financial Administration.
The business processes include procedures and tools for managing tax aspects. A number of significant tax processes are subject to recognition for the purpose of procedures pursuant to Italian Law 262/2005 (Law on the Protection of Savings and Governance of the Financial Markets). Aspects connected with the management of tax issues do not provide for the explicit and structured involvement of the Company's Board of Directors, which does not define the company's general tax strategies. However, where significant problems emerge, the appointed Functions provide suitable reports and carry out appropriate preventive assessments of the tax consequences of transactions of greater relevance.
The Separate Financial Statements documentation discloses the revenue, profit deriving from technical and financial management, taxes for the year, and also include a statement of reconciliation of the theoretical tax burden compared to the actual tax burden with an explanation of the main reasons for deviations. The main items causing mismatches between taxes paid and taxes recognised are subject to disclosure.
The Unipol Group prepares a country-by-country report on income taxes.
Where necessary, the Financial Statements envisage prudential provisioning for disputes, ongoing or potential, concerning the application of taxes when there are diverging interpretational positions from those of the tax administration in relations based on mutual transparency and discussion.

[50] ISO/IEC 27001 is an international standard that defines the requirements for setting up and managing an information security system and includes aspects concerning logical, physical and organisational security.

Tax risk is in any event one of the operational risks subject to monitoring and assessment under Solvency II regulations. Underlying the adopted approach is the identification, profiling and quantification of risks for the purpose of defining capital requirement.

The Organisation and Management Model pursuant to Italian Legislative Decree 231/2001

The Unipol Gruppo OMM, updated in December 2020 with a view to adapting to new legislation as and when introduced, has a General Part and 14 Special Parts, each dedicated to a category of crime that could theoretically be committed within the Company. In the Special Parts of the OMM, the specific principles of conduct and principles of control for preventing the commission of each type of such crimes are laid out in detail.
The OMMs of the Unipol Group companies call for the same oversight mechanisms and control tools.

Dissemination of the OMM to employees is via the company intranet, with the creation of constantly updated web pages containing the OMM, a description of its aims and new legislation introduced since the previous version of the Model. The updates are announced in a company communication sent via e-mail to all employees. The same approach is adopted by the Unipol Group companies that have an Organisation, Management and Control Model.

The internal system for reporting violations has been formalised in a specific Whistleblowing Procedure. The personnel (employees and those who operate on the basis of a relationship, even in a form other than employment, which determines their inclusion within the company organisation) may use an IT platform to submit reports of unlawful conduct pursuant to Decree 231/01, acts or facts which could constitute violations of the OMM, as well as violations of other precisely defined regulations[51], with methods that guarantee the full confidentiality of the reporting party's identity and the content of the report[52]. The disciplinary system adopted envisages sanctions against those violating the whistleblower protection measures, and for those who with wilful misconduct or gross negligence submit reports that prove unfounded. No reports were received via this channel in 2021.

The duty of supervising the functioning and observance of the OMM and handling its updating is entrusted to the Supervisory Board (SB) consisting of three independent non-executive directors as members of the Control and Risk Committee, and a further two members of the company's Top Management responsible for the Compliance Function and the Auditing Function.

All the Unipol Group Companies subject to Anti-Money Laundering Regulations (Italian Legislative Decree 231/2007 and subsequent amendments) have a dedicated structure responsible for managing the risk of money-laundering and terrorist financing. The Group has also made an online course available on the crime of money laundering, with the aim of supporting those responsible for direct management of customers in complying with obligations deriving from the regulatory provisions. At the end of 2021, 93% of Italian insurance company employees had participated in the course, with an increase of 8 percentage points on the previous year.

For the companies operating in Serbia, internal procedures are in place, aligned with the provisions of local laws, and money laundering and terrorist financing prevention activities are continuously monitored. Employees receive regular training on this issue, through a course which at the end of 2021 had been attended by 60% of them.

UnipolRe has its own set of anti-money laundering, anti-terrorism and anti-corruption controls based on local regulations, and is subject to review and sanctioning by its supervisory authority, the Central Bank of Ireland.

For further details on the OMM, please refer to the "Governance" section of the Unipol Group's website

[51] Reference is made to (i) Regulation (EU) no. 596/2014 relating to market abuse ("MAR"), (ii) Italian Legislative Decree no. 231 of 21 November 2007 on preventing the use of the financial system for money laundering and terrorist financing, (iii) Italian Legislative Decree no. 209 of 7 September 2005 ("Private Insurance Code"), (iv) Italian Legislative Decree no. 58 of 24 February 1998 ("Consolidated Law on Finance").
[52] The IT platform adopted by the Group makes it possible to (i) manage reports in pseudonymised form and (ii) keep track of the relative information in encrypted form. Access to the latter is limited to identified members of the company structures responsible for receiving, reviewing and evaluating whistleblowing reports.

Anti-corruption

During the year, the control and Model 231 Monitoring functions perform assessments of the Group and Group company processes to identify the relevant areas at risk for the purposes of Italian Legislative Decree 231/2001. The analysis is performed on **all processes mapped** and results in a matrix, which is constantly updated and cross-references individual processes with the risk of the crimes to which they are exposed; during this process, a specific assessment is performed on the risk of corruption.

For the Parent, in 2021 **105 processes were analysed**, 15 of which assessed as sensitive to the risk of corruption (14% of the total); for UnipolSai Assicurazioni, 143 processes were mapped and analysed, with 45 subject to the assessment of sensitivity to the risk of corruption (31%).

The oversight and control mechanisms put into place to combat corruption in relations with the Public Administration are defined in the OMM of the Parent, in Special Part 1, with reference to offences, whilst Special Part 2 discusses the crime of corruption between private parties as provided in the Civil Code. The OMMs of the Group companies also envisage oversight and control mechanisms.

In relation to the sensitive processes associated with Italian Legislative Decree 231/2001, a number of activities most exposed to corruption risk were identified, namely: management of property inspections by public officials with control functions, management of inspections by Supervisory Authorities, the Tax Administration or the Italian Tax Police, management of tenders and related procurement awards or property-related appointments, management of tenders with public bodies for insurance services, management of charity donations, sponsorships and consultancy.
For these activities, further specific control oversights are envisaged.

As regards the companies operating in Serbia, their By-Laws and Code of Ethics envisage provisions on avoiding conflicts of interest. For UnipolRe, operating in Ireland, the signatory powers approved by the Board of Directors envisage two signatures for any transaction, thereby effectively controlling corruption risk.

In 2021, based on available information, Unipol Gruppo and the Unipol Group companies did not incur costs for any penalties pursuant to Italian Legislative Decree 231/2001 deriving from charges for crimes of corruption.

An online course on Anti-corruption is available for Group employees, describing the regulations in force and with a particular focus on the liability of entities for offences resulting from the commission of a crime. In 2021, 61% of employees working in the insurance, healthcare, agricultural, hotel and tourism businesses received specific training on anti-corruption policy and procedures, particularly in relation to new regulations introduced during the year (88% in 2020). To ensure effective implementation of the OMM, agents were asked to acknowledge it, which occurred in 88.5% of cases in the UnipolSai network and 42% of cases in the Siat network.
The contracts that the Group enters into with suppliers include a clause in which the suppliers undertake to adhere to the OMM, under penalty of termination of the contract. Viewing of the OMM is certified for suppliers enrolled in the Suppliers Register, which in 2021 accounted for 24.5% of the total suppliers (18.3% in 2020), with a 60% impact on total spending.

Anti-fraud

Combating fraud is in the interest of the insurance companies and also protects customers who act correctly. The UnipolSai **Anti-fraud** Function carries out its activity of preventing, intercepting and combating fraudulent conduct, whether in the insurance or settlement environments, perpetrated to the detriment of the Company as well as the other Group Companies without their own dedicated structure.
The continuous fine-tuning of methods and criteria for identifying fraud is supported by investments in technological innovation for the development of solutions based on data management. In this respect, the **Anti-fraud Engine** was extended to portfolio data relating to certain General Class products, to create predictive models in this area.
The Special Areas of the Claims Department reported 27,000 suspect claims. After further study, the Anti-Fraud Function managed 9,233 reports of fraud (+6% compared to 2020). A complaint was filed in 422 cases (-22% on 2020).
Again in 2021, note the further increase in reports of fake insurance brokerage activities online (over 1,400 reports received in 2021), resulting in an increase in the number of complaints filed as regards underwriting.
For the companies operating in Serbia, similar fraud risk management functions handled 2,693 reports of fraud (-0.6% compared to 2020). A complaint was filed in 147 cases (in line with 2020).

Protection of fair competition

The Unipol Group commits in the Code of Ethics to operating in favour of a market in which free competition is guaranteed, abstaining from practices that may potentially be anti-competitive.
This commitment was put into practice by structuring internal processes and procedures guaranteeing the necessary oversight and controls, and accurate monitoring of new regulations relevant to the different business sectors.

Among the main initiatives adopted by the Unipol Group in the year under review, note that with Board of Directors' resolution of 22 June 2021, Linear adopted an antitrust compliance programme to "make safe" its business processes and activities, further strengthening the antitrust culture and awareness among its employees.

As more specifically regards "consumer protection" in the insurance sector, note that UnipolSai filed an appeal before the Lazio Regional Administrative Court, challenging measure no. 26025, notified on 27 May 2015 on conclusion of proceedings PS 10223 27/5/2016. The Antitrust Authority had disputed UnipolSai's implementation, in the period 31 January 2011-23 November 2015, of an unfair commercial practice pursuant to Article 20, paragraph 25 of the Consumer Code (as amended), consisting in having taken credit collection action against customers/consumers in default through a court other than that of residence. In addition to forbidding the continuation of this practice, the Antitrust Authority had also inflicted a penalty of €1,800,000 on UnipolSai, which the Company paid. For these proceedings, a date for the discussion hearing is still pending.

Sanctions

There were a total of 3,091 IVASS interventions against UnipolSai and the Group's other insurance companies operating in Italy in the course of 2021, down compared to 3,374 in the previous year.

In 2021, UnipolSai Assicurazioni paid 54 penalties for a value of €259,274, all relating to settlement phase complaints[53] from previous years. The complaints did not generate penalties in 2021.

In relation to complaints submitted by customers pursuant to IVASS Regulation no. 46/2016, UnipolSai Assicurazioni alone, together with its agents, handled 1,790 complaints.

In relation to respect for environmental legislation, no fines or non-monetary penalties were imposed for damages caused to the environment as a result of the operations of Group companies and health and safety.

For detailed information on the figures for initiatives to combat corruption risk and fraud risk, and the sanctions, please see the "Appendix - Unipol in numbers".

[53] The details of the complaints also include those referring to intermediaries enrolled in Section D of the Single Register of Intermediaries.

Capital requirements

Capital management

Capital management policy
The Group's capital management strategies and objectives are outlined in the "Capital management and dividend distribution policy", which describes the reference context and the process for managing capital and distributing dividends also in terms of the roles and responsibilities of the players involved. The document also identifies the principles of capital management and the distribution of dividends or other elements of own funds, in line with the return on capital objectives and the risk appetite defined by the Board of Directors.

The general aims pursued by the "Capital management and dividend distribution policy" are:
- ex ante definition of the return objectives on allocated capital, consistent with the profitability targets and in line with the risk appetite;
- maintaining a sound and efficient capital structure, considering growth targets and risk appetite;
- outlining the capital management process for the definition of procedures to ensure, inter alia, that:
  - the elements of own funds, both at the time of issue and subsequently, satisfy the requirements of the applicable capital regime and are correctly classified;
  - the terms and conditions for each element of own funds are clear and unequivocal;
- ex ante definition of a sustainable flow of dividends, in line with the profit generated, free cash flow and risk appetite, identifying and documenting any situations in which the postponement or cancellation of distributions from an element of own funds could arise;
- outlining the dividend distribution process for the definition of procedures to ensure sound and efficient capital management, considering that the growth and profitability targets are in line with the risk appetite;
- defining the roles, responsibilities and reporting in relation to capital management and the distribution of dividends or other elements of own funds.

The capital management and dividend distribution process is divided into five steps, in close relation with other corporate processes:
- final measurement of available capital and the capital required;
- preparation of the mid-term capital management plan;
- monitoring and reporting;
- management action on capital, including any contingency measures;
- distribution of dividends or other elements of own funds.

Insurance Sector
Activities by the competent corporate organisations of the Group were carried out in 2021 in compliance with Solvency II regulations and the supervisory provisions issued by IVASS.
As regards the Group's solvency capital requirement, note that this is calculated using the partial internal model authorised by IVASS.

Remuneration system and incentives

NFS

Every year, the Unipol Group Companies, based on guidelines issued by the Parent in the Group Remuneration Policies, adopt their own Remuneration Policies, approved by the Boards of Directors of the Companies and by the respective Shareholders' Meetings, to guarantee fair remuneration, adequate to the role, responsibilities, degree of professionalism and individual skillset, in compliance with legal and regulatory provisions and consistent with sustainable performance requirements.
The key principles for determining remuneration are a sound and prudent risk management policy, internal fairness, meritocracy and comparison with the reference markets.

The annual remuneration of **Non-executive directors** is fixed; it is supplemented by a fee for attending each board meeting and shareholders' meeting, plus reimbursement of expenses incurred in carrying out their duties. However, no variable component of the remuneration is envisaged.

Executive remuneration involves payment of a fixed as well as a variable component. The parameters for the assignment of the variable remuneration component defined in relation to the 2021 Remuneration Policies are summarised below.

VARIABLE COMPONENT

Prerequisites for the recognition of any incentive are the continuing presence of positive economic results and the minimisation of risk factors, in addition to the presence of a Dividend Capability, i.e. the presence of conditions, in terms of economic performance and minimum solvency requirements of the Unipol Group for the eventual distribution of a dividend to Unipol shareholders.

The Total Bonus is broken down into a Short Term Incentive and a Long Term Incentive.

Short Term Monetary Incentive

Each recipient is assigned four short-term objectives on an annual basis.
The sum of the weights obtained by adding up the objectives determines the Individual Performance Level.
The Short Term Incentive is attributed 50% in monetary form and 50% in the form of financial instruments consisting of Unipol ordinary shares and UnipolSai ordinary shares.

Long Term Incentive

The Long Term Incentive is assigned 50% in monetary form and 50% based on a closed financial instrument-based remuneration plan, which involves the distribution of Unipol ordinary shares and UnipolSai ordinary shares in the three-year period 2023-2025 (five-year period 2023-2027 for Executive Level Managers).
The LTI is paid based on the achievement of Unipol Group profit indicators, the Unipol solvency capital requirement target, growth in the value of the Unipol share over the three year period and performance of the Group's reputational index in the three-year period 2019-2021.

The reputational index trend has a weight of 5% on the amount of the LTI Bonus. The objective to be reached is a Reputational Profile* of the Unipol Group over the applicable three-year period (understood as the average of the monthly measurements) which is higher than that recorded by the Financial-Insurance Sector as a whole during the same period.
*Value calculated and measured on the basis of The RepTrak Company's RepTrak® model

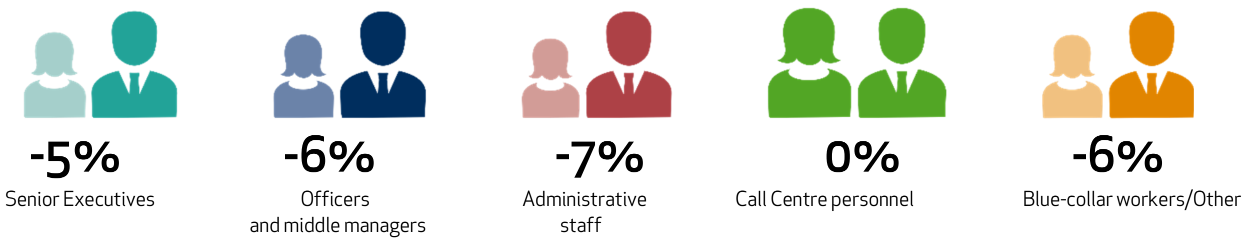
There are Malus and Claw-back clauses based on which no bonus is disbursed.

For detailed information, please refer to the Remuneration Report, available in the "Governance" section of the Unipol Group's website.

In relation to the remuneration differences between women and men, as regards the total remuneration of companies operating in Italy, for the senior executives category the average fixed remuneration for female staff is around 5 percentage points below that of male staff, in the Officers and Middle Managers category the difference is around 6 percentage points (in line with 2020), and among administrative staff it stands at 7 percentage points (8 p.p. in 2020), whilst no difference was recorded for Call Centre personnel. Compared to the previous year, the gaps relating to fixed remuneration for the senior executives category improved further compared to the previous year, to reach +2 p.p. in favour of women.

Remuneration differences by gender and by employment category*

Differences relating to median values of total gross annual remuneration of employees (fixed and variable parts)



* The figures exclude the foreign companies Arca Vita International, DDOR, DDOR Auto, DDOR Re and Unipol Re.

For detailed information on figures relating to remuneration differences, please see the "Appendix - Unipol in numbers"

UNIPOL GROUP PERFORMANCE

Supplementing the information provided in the “Significant events in 2021 and after 31 December 2021” section of this Report, greater details on events during the year are provided below.

Completion of the sale of Torre Velasca

In February 2021, the sale of the property in Piazza Velasca, located in Milan (Torre Velasca) was finalised as the condition precedent was met following the Public Administration’s failure to exercise pre-emption rights.
The sale price was €160m, resulting in a capital gain of roughly €71m.

Settlement agreement regarding pending legal cases for corporate liability action against former directors and statutory auditors

In March 2021, with reference to the corporate liability action against several former directors and statutory auditors, approved by the Shareholders’ Meetings of Fondiaria-SAI and Milano Assicurazioni in the year 2013 and the relative pending legal cases, UnipolSai signed a settlement agreement with all defendants which fully defines the two liability actions. This settlement agreement, which came into effect following the approval by the Shareholders’ Meeting of UnipolSai and the other plaintiff companies of the Unipol Group and executed in full in 2021, in both its economic and procedural parts, resulted in the recognition of a gain of €42m.
For more information on the terms and conditions of the above-mentioned agreement, please refer to the Information Document drafted pursuant to Art. 5 of the Related Party Transactions Regulation adopted by Consob with Resolution no. 17721 of 12 March 2010 as amended, provided on UnipolSai’s institutional website.

Early repayment of UnipolSai subordinated loans maturing in 2021 and 2023

On 15 March and 28 April 2021, after obtaining the authorisation of the Supervisory Authority to exercise the right to early repayment on the part of the issuer, UnipolSai extinguished in full the subordinated loan (ISIN XS0130717134) for a nominal value of €300m, the contractual maturity of which had been scheduled for June 2021 and the subordinated loan (ISIN XS0173649798) in the residual nominal amount of €262m maturing in July 2023. The repayment of these loans is in line with a proactive debt management and aims to decrease UnipolSai’s financial leverage as a result of the issue of the RT1 instrument for a nominal value of €500m, finalised in the final quarter of 2020. In relation to the early repayment of the loans by UnipolSai, Unipol extinguished, for a residual nominal value equal to €268m, the outstanding loans previously granted by UnipolSai, when the latter had taken over the role of issuer of the subordinated loans originally issued by Unipol.

Exercise by UnipolSai of the tax realignment option (Decree Law 104/2020)

UnipolSai has taken advantage of the option set forth in Article 110, paragraph 8-bis of Decree Law 104/2020, which makes it possible to realign the values recognised for tax purposes of goodwill and other assets already recognised in the financial statements at 31 December 2019, to the values of such assets as set forth in the financial statements at 31 December 2020, against payment of a substitute tax of 3% of the higher value recognised for tax purposes. The realignment concerned goodwill for a value of €318m and real estate for a value of €24.8m, resulting in a substitute tax expense of €10.3m, to be paid in three annual instalments, the first of which was paid during the year.
As a result of the higher values recognised for tax purposes, UnipolSai achieved a benefit in terms of lower future IRES and IRAP taxes quantified at €104.6m and recognised in the income statement as an increase in net deferred tax assets.
The net economic benefit recognised overall at 31 December 2021 therefore amounted to €94.3m.
The realignment of tax values entails the requirement of restricting a reserve subject to suspended taxation for €332.5m, in an amount corresponding to the higher values recognised for tax purposes net of the substitute tax due.

Fitch increases UnipolSai and Unipol ratings

On 10 June and 13 December 2021, the Fitch Ratings rating agency raised the Insurer Financial Strength Rating (IFSR) of UnipolSai Assicurazioni S.p.A. by two notches (from "BBB" to "A-") and the Long-Term Issuer Default Ratings (IDR) of Unipol Gruppo and UnipolSai (from "BBB-" to "BBB+"). These increases were due to the recognition of the validity of the strategy and results achieved by the Group, particularly with respect to the decrease in investment portfolio concentration risk and the resulting capital strengthening in 2020, as well as the upgrade in Italy's rating (BBB/stable outlook) on 3 December 2021.

As a result, the ratings of the debt issues all improved by two notches as well:
- the senior bonds of Unipol Gruppo SpA are now "BBB";
- the subordinated bonds of UnipolSai Assicurazioni SpA are now "BBB-";
- the RT1 perpetual subordinated bond of UnipolSai Assicurazioni SpA is now "BB".

The rating agency maintained the outlook of the above-mentioned ratings at "stable".

Operating performance

In 2021, the Unipol Group achieved a **consolidated net profit** of €796m, a decrease compared to €864m in the previous year, which was particularly influenced by the reduction in claims due to the lockdowns ordered by the government to handle the COVID-19 pandemic. Although the pandemic continued in 2021, travel restrictions on individuals were less restrictive and the decline in MV TPL tariffs continued, reducing business profitability.

Net profit at 31 December 2021 was positively impacted, for €144m (€7m in 2020), by the pro-rata consolidation of BPER Banca's result, in turn affected by extraordinary accounting items following the acquisition in the first half of the year of former UBI Banca and Intesa Sanpaolo business units and the recognition of costs for optimisation of the workforces.

At 31 December 2021, **direct insurance premiums** of the Unipol Group, gross of reinsurance, stood at €13,329m (+9.2% on the €12,210m at 31/12/2020).

Non-Life direct premiums at 31 December 2021, amounting to €7,943m, were up slightly compared to €7,882m recorded at 31 December 2020 (+0.8%), owing to the good results obtained by the Non-MV sector, which made it possible to absorb the decline seen in the MV sector.

Indeed, there was a 3.7% decrease in the MV sector on the figures recorded at 31 December 2020, with premiums equal to €3,838m, values which still reflected both the strong competition in this market and the measures adopted by the Group to protect customers. These include in particular the #UnMesePerTe initiative, which from April 2020 and throughout 2021, for customers who had not already made use of it on first renewal of the policy, offered UnipolSai customers a 1/12 discount (one month) in the premium previously paid.

Non-MV premiums were up, to €4,105m (+5.3% compared to 2020) due to the country's economic recovery, the commercial drive applied by the sales networks for these products and customers' ongoing interest in health products, a segment in which the Group has a leadership position.

The further decline in average MV TPL premiums reflected in particular on UnipolSai, which recorded €6,721m in Non-Life premiums (-0.7%), and Linear, which had €185m in premiums (+0.1%), around the same values as last year thanks to the increased policy portfolio. On the other hand, UniSalute premiums were up significantly (€519m, +7.5%), with roughly 11m customers and 4.2m claims managed in 2021, through a network of more than 20k approved facilities. The strategic nature of the bancassurance business in which Arca Assicurazioni (€190m; +35.4%) and Incontra (€109m; +29.5%) operate was confirmed, while premiums were down for SIAT (€126m; -2.4%) where the selection of the portfolio in the Marine Vessels business continued to be privileged.

The Group's combined ratio, net of reinsurance, was 95.0% compared to 87.0% at 31 December 2020 which, as already mentioned, was particularly impacted by the severe lockdown in force in March and April, with a loss ratio of 67.1% (58.8% at 31/12/2020) and an expense ratio at 27.9% (28.2% at 31/12/2020).

Unipol*Rental*, the Group's long-term rental company, closed the year 2021 with strong business development. Total vehicles registered at 31 December 2021 came to 14,438 compared to 9,562 last year, also thanks to the business push from the agency channel, which brokered more than 20% of the company's contract portfolio.

The pre-tax profit in the Non-Life segment was €821m (€1,104m in 2020), reflecting the technical performance trends recorded and also including the €71m share of BPER Banca profit.

The Group recorded a 24.4% increase in turnover in the **Life sector**, with direct premiums amounting to €5,386m at 31 December 2021. The premium mix was oriented primarily towards multi-segment and class III products, which marked significant growth.

UnipolSai achieved direct premiums of €2,870m (-7.4% due to the comparison with 2020 which was influenced by several non-recurring contracts of significant amounts), while in the bancassurance channel Arca Vita, along with its subsidiary Arca Vita International, had direct premiums of €2,423m (+112.6% compared to €1,140m in 2020), also benefitting from the expansion of the BPER Banca network following the acquisition of former UBI Banca and Intesa Sanpaolo branches.

The Life pre-tax profit was €213m, compared to €71m in 2020, which was negatively influenced by capital losses on disposals of securities in the portfolio.

As far as **financial investment management** is concerned, in 2021 the gross profitability of the Group's insurance financial investment portfolio continued to be influenced by market interest rates that remain at low values, but in any event obtained a yield of 3.1% of the invested assets (2.9% at 31/12/2020), of which 2.9% relating to the coupons and dividends component.

As concerns the **other sectors** in which the Group operates, the continuation of the COVID-19 emergency in the first half and last part of the year had particularly negative repercussions on the hotel sector, only partially attenuated by the good results achieved in the summer, whilst UnipolReC again recorded a positive result.
The pre-tax result of the Real Estate, Holding and Other Businesses sectors was a negative €83m (-€149m at 31/12/2020): the sector was positively impacted by the contribution of the pro-rata consolidation of BPER Banca for €72m and a higher contribution of income from investments compared to the previous year.

At 31 December 2021, **consolidated shareholders' equity** amounted to €9,722m (€9,525m at 31/12/2020). Shareholders' equity attributable to the owners of the Parent amounted to €7,780m (€7,614m at 31/12/2020).

As regards the Group **Solvency ratio** at 31 December 2021, the ratio between own funds and the capital requirement was 214%,[54] essentially in line with the 2020 figure (216%).

[54] Value calculated on the basis of the information available as of today. The definitive results will be reported to the Supervisory Authority with the timing required by regulations in force.

Condensed Consolidated Operating Income Statement broken down by business segment

Amounts in €m	Non-Life business Dec-2021	Non-Life business Dec-2020	Non-Life business % var.	Life business Dec-2021	Life business Dec-2020	Life business % var.	Insurance Sector Dec-2021	Insurance Sector Dec-2020	Insurance Sector % var.
Net premiums	7,780	7,605	*2.3*	4,098	3,744	*9.4*	11,879	11,349	*4.7*
Net commission income	(1)	(2)	*31.0*	11	17	*(38.2)*	9	15	*(39.2)*
Financial income/expense (**)	529	292	*81.1*	1,067	1,078	*(1.0)*	1,596	1,370	*16.5*
Net interest income	*288*	*255*		*1,000*	*1,003*		*1,288*	*1,258*	
Other income and charges	*152*	*68*		*54*	*98*		*206*	*166*	
Realised gains and losses	*89*	*38*		*(6)*	*(50)*		*83*	*(12)*	
Unrealised gains and losses		*(69)*		*20*	*27*		*20*	*(42)*	
Net charges relating to claims	(5,095)	(4,324)	*17.8*	(4,642)	(4,438)	*4.6*	(9,737)	(8,763)	*11.1*
Operating expenses	(2,222)	(2,202)	*0.9*	(254)	(232)	*9.5*	(2,476)	(2,435)	*1.7*
Commissions and other acquisition costs	*(1,741)*	*(1,744)*	*(0.2)*	*(116)*	*(101)*	*15.2*	*(1,857)*	*(1,845)*	*0.7*
Other expenses	*(481)*	*(458)*	*5.0*	*(139)*	*(132)*	*5.2*	*(620)*	*(590)*	*5.1*
Other income/charges	(170)	(264)	*35.6*	(67)	(98)	*32.0*	(236)	(362)	*34.7*
Pre-tax profit (loss)	**821**	**1,104**	*(25.7)*	**213**	**71**	*202.2*	**1,034**	**1,175**	*(12.0)*
Income taxes	(134)	(279)	*(51.9)*	(43)	4	*n.s.*	(177)	(275)	*(35.8)*
Profit (loss) from discontinued operations									
Consolidated profit (loss)	**686**	**825**	*(16.8)*	**170**	**74**	*129.9*	**857**	**899**	*(4.7)*
Profit (loss) attributable to the Group									
Profit (loss) attributable to non-controlling interests									

(*) The real estate sector only includes Group real estate companies
(**) excluding net gains and losses on financial instruments at fair value through profit or loss for which investment risk is borne by customers (index- and unit linked) and arising from pension fund management

The factors that marked the economic performance of the Group included the following:

- **direct insurance premiums**, gross of reinsurance, totalled €13,329m (€12,210m at 31/12/2020, +9.2%). Non-Life direct premiums amounted to €7,943m (€7,882m at 31/12/2020, +0.8%) and Life direct premiums amounted to €5,386m (€4,328m at 31/12/2020, +24.4%), of which €1,272m related to investment products in the Life business (€569m at 31/12/2020);
- **premiums earned**, net of reinsurance, were €11,879m (€11,349m at 31/12/2020, +4.7%), of which €7,780m from the Non-Life business (€7,605m at 31/12/2020, +2.3%) and €4,098m from the Life business (€3,744m at 31/12/2020, +9.4%);
- **net charges relating to claims**, net of reinsurance, were €9,737m (€8,763m at 31/12/2020, +11.1%), of which €5,095m in the Non-Life business (€4,324m at 31/12/2020, +17.8%) and €4,642m in the Life business (€4,438m at 31/12/2020, +4.6%), including €72m of net gains on financial assets and liabilities at fair value (net gains of €82m at 31/12/2020);

Holding and Other businesses Sector			Real Estate Sector (*)			Intersegment elimination		Total Consolidated		
Dec-2021	Dec-2020	% var.	**Dec-2021**	Dec-2020	% var.	**Dec-2021**	Dec-2020	**Dec-2021**	Dec-2020	% var.
								11,879	11,349	4.7
14	9	60.4				(15)	(9)	8	14	(43.2)
41	(45)	n.s.	(28)	6	n.s.	(15)	(11)	1,593	1,319	20.8
(57)	*(50)*		*(2)*	*(2)*				*1,230*	*1,206*	
77	*4*		*49*	*26*		*(15)*	*(11)*	*316*	*185*	
44	*30*			*6*				*127*	*24*	
(23)	*(30)*		*(75)*	*(25)*				*(79)*	*(96)*	
								(9,737)	(8,763)	11.1
(176)	(142)	24.3	(35)	(31)	12.5	22	18	(2,666)	(2,589)	3.0
								(1,857)	*(1,845)*	0.6
(176)	*(142)*	24.4	*(35)*	*(31)*	12.5	*22*	*18*	*(809)*	*(744)*	8.8
102	64	60.3	(1)	(9)	89.3	9	2	(126)	(305)	58.6
(19)	**(114)**	83.0	**(64)**	**(34)**	(84.4)			**951**	**1,026**	(7.3)
21	112	(80.9)	1	2	(39.9)			(155)	(162)	(4.4)
2	**(2)**	n.s.	**(63)**	**(33)**	(90.5)			**796**	**864**	(7.9)
								627	*707*	
								170	*157*	

- **operating expenses** amounted to €2,666m (€2,589m at 31/12/2020). In the Non-Life business, operating expenses amounted to €2,222m (€2,202m at 31/12/2020), €254m in the Life business (€232m at 31/12/2020), €176m in the Holding and Other Businesses sector (€142m at 31/12/2020) and €35m in the Real Estate sector (€31m at 31/12/2020);
- the **combined ratio**, net of reinsurance, of the Non-Life business was 95% (87% at 31/12/2020);
- **net gains on investments and financial income** from financial assets and liabilities (excluding net gains on financial assets and liabilities at fair value relating to Life business) amounted to €1,593m (€1,319m at 31/12/2020);
- **taxes** for the period represented a net expense of €155m (net expense of €162m at 31/12/2020);
- net of the €170m profit attributable to non-controlling interests, the **profit attributable to the owners of the Parent** at 31 December 2021 was €627m (€707m at 31/12/2020).

Insurance Sector performance

The Group's insurance business closed with a total **pre-tax profit of €1,034m** (€1,175m at 31/12/2020, -12%), of which €821m relating to the Non-Life sector (€1,104m at 31/12/2020, -25.7%) and €213m relating to the Life sector (€71m at 31/12/2020, +202.2%). Note that the pre-tax profit for the period benefits from €30m in proceeds from the transaction with former directors and statutory auditors and from €71m of the pro-rata results of BPER.

Investments and cash and cash equivalents of the Insurance sector at 31 December 2021 totalled €66,952m (€66,372m at 31/12/2020), of which €16,666m in the Non-Life business (€16,768m at 31/12/2020) and €50,286m in the Life business (€49,604m at 31/12/2020).

Technical provisions amounted to €57,128m (€57,707m at 31/12/2020), of which €14,715m in the Non-Life business (€14,388m at 31/12/2020) and €42,413m in the Life business (€43,319m at 31/12/2020).

Financial liabilities amounted to €8,732m (€7,029m at 31/12/2020), of which €1,429m in the Non-Life business (€1,947m at 31/12/2020) and €6,943m in the Life business (€5,082m at 31/12/2020). The change relates to the increase in liabilities relating to contracts with risk borne by policyholders.

Total premiums (direct and indirect premiums and investment products) at 31 December 2021 amounted to €13,600m (€12,436m at 31/12/2020), up 9.4%. Non-Life premiums amounted to €8,214m (€8,107m at 31/12/2020, +1.3%) and Life direct premiums amounted to €5,386m (€4,328m at 31/12/2020, +24.4%), of which €1,272m related to investment products (€569m at 31/12/2020).

All Non-Life premiums of the Group insurance companies are classified under insurance premiums, as they meet the requirements of the IFRS 4 standard (presence of significant insurance risk).
As for Life premiums, investment products at 31 December 2021, for €1,272m, related to Class III (Unit- and Index-Linked policies) and Class VI (pension funds).

Direct premiums amounted to €13,329m (€12,210m at 31/12/2020, +9.2%), of which Non-Life premiums totalled €7,943m (+0.8%) and Life premiums €5,386m (+24.4%).

Amounts in €m	**31/12/2021**	*% comp.*	31/12/2020	*% comp.*	*% var.*
Non-Life direct premiums	7,943	*59.6*	7,882	*64.6*	*0.8*
Life direct premiums	5,386	*40.4*	4,328	*35.4*	*24.4*
Total direct premium income	**13,329**	***100.0***	**12,210**	***100.0***	***9.2***

Non-Life and Life **indirect premiums** totalled €272m at 31 December 2021 (€226m at 31/12/2020), €271m of which referred to premiums from Non-Life business (€226m at 31/12/2020) and €0.3m to the Life business (€0.3m at 31/12/2020).

Amounts in €m	**31/12/2021**	*% comp.*	31/12/2020	*% comp.*	*% var.*
Non-Life indirect premiums	271	*99.9*	226	*99.9*	*20.2*
Life indirect premiums		*0.1*		*0.1*	*(7.2)*
Total indirect premiums	**272**	***100.0***	**226**	***100.0***	***20.2***

Group **premiums ceded** totalled €479m (€454m at 31/12/2020), €463m of which from Non-Life business (€440m at 31/12/2020) and €16m from Life business (€15m at 31/12/2020). The retention ratios remained essentially unchanged both in the Non-Life and Life businesses.

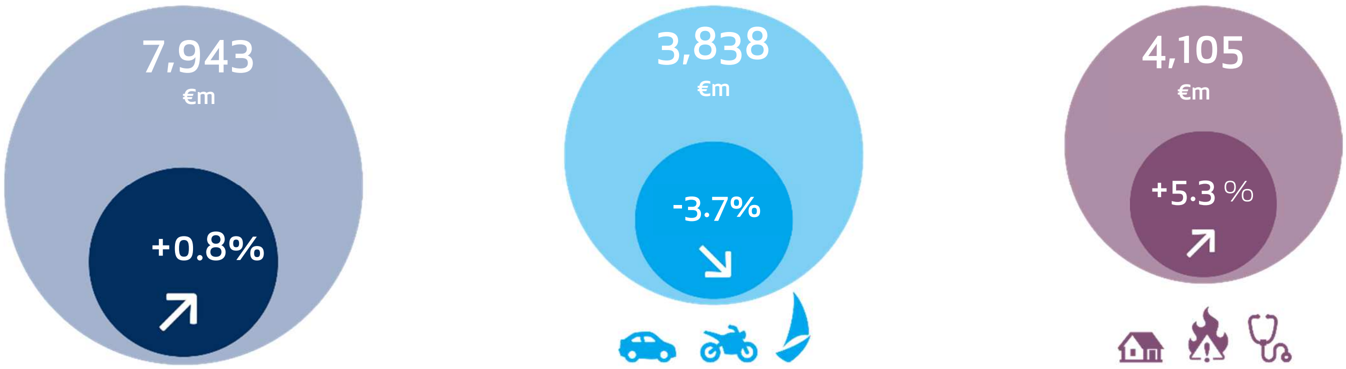
Amounts in €m	**31/12/2021**	*comp. %*	31/12/2020	*% comp.*	*% var.*
Non-Life ceded premiums	463	*96.7*	440	*96.8*	*5.3*
Retention ratio - Non-Life business (%)	*94.4%*		*94.6%*		
Life ceded premiums	16	*3.3*	15	*3.2*	*9.9*
Retention ratio - Life business (%)	*99.6%*		*99.6%*		
Total premiums ceded	**479**	***100.0***	**454**	***100.0***	***5.5***
Overall retention ratio (%)	*96.1%*		*96.2%*		

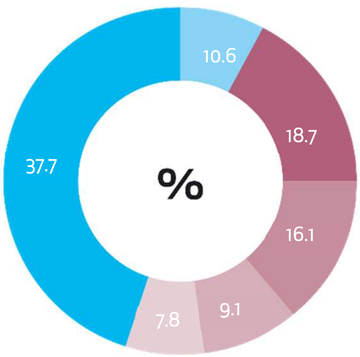
At 31 December 2021 the premiums ceded generated an overall positive result for reinsurers, both in the Non-Life and in the Life businesses.

Non-Life business

Total Non-Life premiums (direct and indirect) at 31 December 2021 were €8,214m (€8,107m at 31/12/2020, +1.3%). **Direct business** premiums alone amounted to €7,943m (€7,882m at 31/12/2020, +0.8%).

Non-Life business direct premiums





Amounts in €m	**31/12/2021**	%	31/12/2020	%	*% var.*
Land, sea, lake and river motor vehicles TPL (classes 10 and 12)	2,992		3,188		*(6.1)*
Land Vehicle Hulls (class 3)	846		797		*6.1*
Total premiums - Motor Vehicles	**3,838**	*48.3*	**3,985**	*50.6*	*(3.7)*
Accident and Health (classes 1 and 2)	1,486		1,403		*5.9*
Fire and Other damage to property (classes 8 and 9)	1,277		1,209		*5.6*
General TPL (class 13)	723		704		*2.6*
Other classes	619		580		*6.7*
Total premiums - Non-M-V	**4,105**	*51.7*	**3,896**	*49.4*	*5.3*
Total Non-Life direct premiums	**7,943**	***100.0***	**7,882**	***100.0***	***0.8***

In the **MV segment**, MV TPL premiums totalled €2,992m, down by 6.1% compared to 31 December 2020, still influenced by the drop in the average premium. An increase of 6.1% was instead reported in the Land Vehicle Hulls class with premiums equal to €846m (€797m at 31/12/2020). The **Non-MV segment**, with premiums amounting to €4,105m, recorded a 5.3% growth.

Non-Life claims

In 2021, although the year was still impacted by the pandemic, travel restrictions had a reduced impact on the claims trend compared to the previous year. In this context, from a sound and prudent management perspective, the conservative claims provision valuation policy was further reinforced.

The number of claims reported, without considering the MV TPL business, was up by 18.6%.

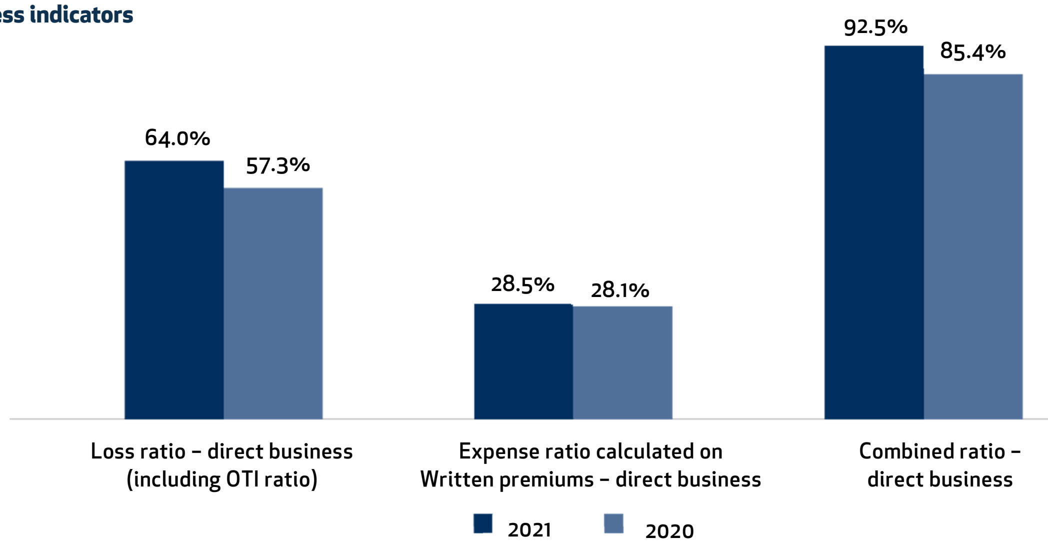
Number of claims reported (excluding MV TPL)

	31/12/2021	31/12/2020	% var.
Land Vehicle Hulls (class 3)	334,746	287,441	*16.5*
Accident (class 1)	95,738	96,228	*(0.5)*
Health (class 2)	4,437,135	3,624,701	*22.4*
Fire and Other damage to property (classes 8 and 9)	294,333	318,148	*(7.5)*
General TPL (class 13)	86,384	82,766	*4.4*
Other classes	477,413	417,550	*14.3*
Total	**5,725,749**	**4,826,834**	***18.6***

As regards the MV TPL class, where the CARD[55] agreement is applied, in 2021 cases reported relating to "fault" claims (Non-Card, Debtor Card or Natural Card) totalled 513,079, up by 11.4% (460,553 in 2020). 2021 saw a general rise in the number of claims (compared to 2020, the year marking the start of the COVID-19 pandemic), although it in any event remained at levels lower than in 2019.
Claims reported that present at least a Debtor Card claims handling numbered 297,254, up by 13.4% compared to the same period in the previous year.
Handler Card claims were 373,337 (including 81,531 Natural Card claims, i.e. claims between policyholders at the same company), up by 11.8% compared to the previous year. The settlement rate in 2021 was 79.4%, down from the same period of last year (81.5%).
The weight of cases to which the Card agreement may be applied (both Handler Card and Debtor Card claims) out of total cases (Non-Card + Handler Card + Debtor Card) in 2021 was equal to 83.3% (82.9% in 2020).
The average cost (paid plus reserved) for claims reported (inclusive of claims reported late) decreased by 0.9% in 2021 (+6.8% in 2020), with the average cost of the amount paid down 1.2% (+4.2% in 2020), also due to the lower incidence of claims reported with injuries compared to the previous year.

[55] CARD - Convenzione tra Assicuratori per il Risarcimento Diretto - Agreement between Insurers for Direct Compensation: MV TPL claims may be classified as one of three cases of claims managed:
- Non-Card claims: claims governed by the ordinary regime, to which CARD is not applied;
- Debtor Card claims: claims governed by CARD where "our" policyholder is fully or partially liable, which are settled by the counterparty's insurance companies, to which "our" insurance company must pay a flat rate pay-out ("Debtor Flat Rate");
- Handler Card claims: claims governed by CARD where "our" policyholder is fully or partially not liable, which are settled by "our" insurance company, to which the counterparty's insurance companies must pay a flat rate pay-out ("Handler Flat Rate").
However, it must be noted that this classification is a simplified representation because, in reality, each individual claim may contain damages included in each of the three above-indicated cases.

Non-Life business indicators



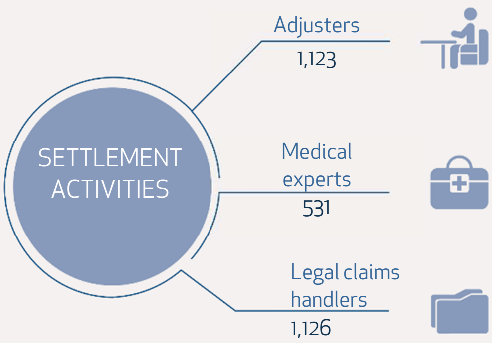
The net profit (loss) of the claims experience for the main businesses is provided in the following table (in €m):

Non-Life business	Net breakdown at 31/12/2021	Net breakdown at 31/12/2020
MV TPL (classes 10 and 12)	97	165
Land Vehicle Hulls (class 3)	6	12
General TPL (class 13)	76	186
Other Classes	157	187
TOTAL	**336**	**550**

Settlement performance

Settlement activities involve various entities with which close area partnership agreements are in place. The partnerships operate by applying the key values of our services

- FAIRNESS
- EFFICIENCY
- QUALITY



New products

In the MV TPL and Land Vehicle Hulls sectors, in 2021 the new MV product "Contratto Base" was released, created following the initiation on 3 May 2021 of a complex online comparison system between insurance companies operating in Italy in the MV TPL business. This is the MV TPL contract relating to vehicles, motorcycles and mopeds for private use developed by the Ministry of Economic Development, which provides the minimum cover required by law for compulsory TPL insurance for the circulation of motor vehicles according to the "standard format" defined by regulations. This cover can be supplemented with "Additional Conditions" freely offered by insurance companies. The consumer can obtain a quote by accessing PreventIvass through the Companies' websites or directly on the website of IVASS or the Ministry of Economic Development.

It is also worth noting:
- The new "Unibox Safe" electronic device, designed to guarantee even greater safety to customers as it has an Emergency Call system installed. For further details, see the chapter "The creation of value".
- The new "SuperEasy Più" telematic device, part of the self-installing device range, enabling customers to boost the level of protection of their vehicle and the likelihood of finding the vehicle if it is stolen.
- The new "UnipolSai PiùStrade" product, offered as of 1 November 2021 to meet the specific insurance needs of car makers, banks and financial companies that intend to offer their customers insurance guarantees and services to complement their primary business.

In the Non-MV segment, the year 2021 was characterised by the following activities:
- The new product "UnipolSai InViaggio", for trips taken for any reason and valid all over the world, which provides standard guarantees as well as the possibility for a reimbursement of travel expenses in the event of pandemics or epidemics and in the case of a medical or administrative block required due to quarantine or document irregularities.
- The new product "UnipolSai Trasporto sicuro e semplice" is dedicated to the world of Goods Transport by Road, which includes Road Carrier TPL cover (Carrier TPL) combined with cover relating to Damages to the Goods transported on behalf of the party entitled (DPC). This is therefore an essentially new product as it includes both guarantees ("dual policy"). The product is intended for small goods transport companies that operate as road carriers.

Non-Life premiums of the main Group insurance companies

The direct premiums of **UnipolSai**, the Group's main company, stood at €6,721m (-0.7%), of which €3,583m in the MV classes (-4.1%) and €3,138m in the Non-MV classes (+3.4%).

UnipolSai Assicurazioni Spa - Non-Life business direct premiums

Amounts in €m	**31/12/2021**	*% comp.*	31/12/2020	*% comp.*	*% var.*
Land, sea, lake and river motor vehicles TPL (classes 10 and 12)	2,784		2,980		*(6.6)*
Land Vehicle Hulls (class 3)	799		756		*5.6*
Total premiums - Motor Vehicles	**3,583**	***53.3***	**3,736**	***55.2***	***(4.1)***
Accident and Health (classes 1 and 2)	804		801		*0.4*
Fire and Other damage to property (classes 8 and 9)	1,199		1,144		*4.8*
General TPL (class 13)	701		685		*2.3*
Other classes	435		406		*7.1*
Total premiums - Non-M-V	**3,138**	***46.7***	**3,036**	***44.8***	***3.4***
Total Non-Life premiums	**6,721**	***100.0***	**6,772**	***100.0***	***(0.7)***

In the **MV** classes, €2,784m related to premiums in the MV TPL class and Sea, Lake and River Vessels TPL class (€2,980m at 31/12/2020, -6.6%).

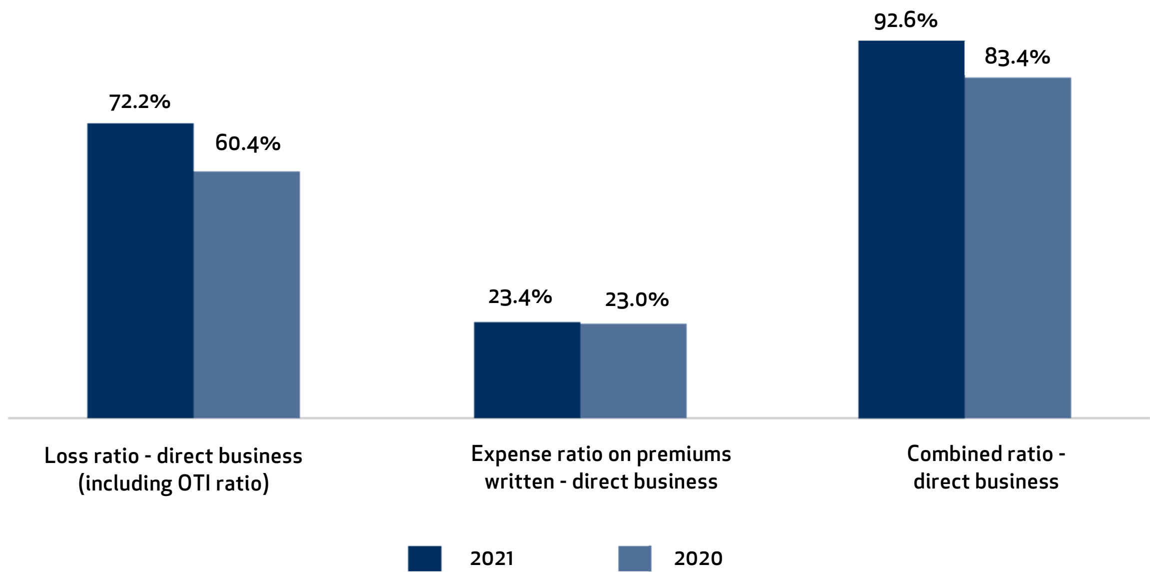
The results in 2021 were impacted by the continuation of the COVID-19 health emergency in the initial months of the year. The comparison with 2020 is not always representative in terms of current trends, as last year there was a considerable decline in claims on the one hand and a slowdown in premiums on the other, due to the block on production activities and the restrictions adopted to limit infection.
In particular, in the **MV** sector, MV TPL premiums were down, due to the contraction in the average premium, also impacted by the #UnMesePerTe campaign discount, as well as the portfolio reduction. The number of vehicles insured in the single policy segment declined, primarily as a result of a lower contribution of new business. Instead, the growth recorded in the company car fleets segment, consistent with market trends, which reward innovative vehicle use methods (long-term rental and car sharing in particular), made it possible to ensure the overall stability of the portfolio.
On the other hand, the significant growth for Land Vehicle Hulls is confirmed, caused by development in single as well as cumulative policies. The increase in the number of contracts in the portfolio as well as the recovery in the average premium, particularly on several significant guarantees, such as Natural Events, are amongst the main factors impacting premium growth.

Also in 2021, actions were put into place to improve settlement processes for MV claims.
For example, the **Black Box** project continued, in addition to the release of the new telematic portal **Unico 2.0** and the **Video appraisal** service. For further details, see the chapter "The Creation of Value".
In 2021, the improvement in the criteria adopted to identify fraud continued, to guarantee the Company an adequate and constantly growing system to combat fraudulent phenomena, through development of the new **Anti-Fraud Engine**. For further details, see the chapter "Governance".
As part of the improvement of the current injury management process, in September 2021 the new **Injuries sheet** was released, with the entry of a function associated with the Injuries calculator, also making it possible to perform different calculations for individual damage items.
The process of booking visits at the **Medical Report Centres (Centro Perizia Medica, CPM)** was also optimised, a service offered to injured parties with minor injuries (MV, Accident or General TPL), who are given the possibility of performing medical-legal exams directly at the offices of the Company, to then receive prompt settlement, enhancing the customer contact service and introducing the use of an electronic agenda for the booking of medical visits. In addition to the CPMs located in the Territorial Settlement offices, covering particularly vast areas or with a high incidence of examinations, the Company relies on **Medical Booking Services (Servizi di Prenotazione Medica, SPM)**, for which the service is instead performed directly at the doctor's office of the independent expert, where the adjuster also goes with the required settlement tools. In order to improve the customer experience by offering innovative services, it is now possible to make direct CPM and SPM bookings from the UnipolSai App. At the end of 2021, geographical coverage was guaranteed by 78 CPMs and 332 SPMs.
Aside from continuous adjuster network monitoring, as of April 2021 the **Prompt Settlement** function was introduced, with the separation of damage item costs (estimate, towing, etc.) for increasingly accurate management of claims and the relative costs.

In the Non-MV segment, premium growth was spread across all classes, with the exception of Goods, down slightly, and Accident, stable at 2020 levels.

As regards the General Classes, note that in addition to use of the Lorentz advanced weather data collection tool (see the chapter "The Creation of Value"), the Direct Repair process was also established for General Classes (piped water, research and damage repair, weather, plates and electrical) to repair the damage without the customer having to pay anything, and with consequent elimination of the excess, where present, introduced to offer an innovative service to customers in a similar manner to the MV classes.

MV TPL indicators - UnipolSai



UniSalute confirms its leadership in the Healthcare segment, increasing direct premiums by 7.5%. Total premiums (including indirect business) amounted to €553.0m (€509.5m at 31/12/2020), up by 8.5%.
In terms of claims, the number of claims reported rose by 21.2%, from 3,256,143 in 2020 to 3,944,808 in the period under review. The increase can be attributed to the Health class and is due primarily to the extraordinary nature of 2020 figures (particularly following the lockdown) as well as the incidence of the settlement of COVID claims. 2021 posted a profit of €44.7m, in line with the €44.3m recorded at the end of 2020.

Linear, a company specialised in direct sales (online and call centre) of MV products, in 2021 generated a profit of €13.2m, down compared to 31 December 2020 (€23.8m) due to the increase in the MV TPL claims frequency and the resulting rise in the loss ratio. Total gross premiums at €185.5m remained in line with 2020 (€185.3m). The partnership for the sale of Home Assistance insurance with Hera, an Italian multiutility based in Bologna, generated premiums written for €2.5m in 2021 (€2.2m at 31/12/2020). The contribution of the product "Poste Guidare Sicuri LN", placed through the Poste Italiane network, was also positive, recording premiums of €3.1m. Contracts in the portfolio at the end of 2021 were close to 674k units (+1.9%), an all-time high for the Company.

SIAT recorded a roughly €4.6m profit in 2021 (€4m at 31/12/2020) with total gross premiums (direct and indirect) at €151.2m (€149.4m in 2020). The increase is primarily attributable to the Goods and Aviation sectors, while for the Hulls segment there was a decrease (primarily ascribable to direct business) correlated with the portfolio reform, following the actions undertaken for the necessary improvement of the technical balance.

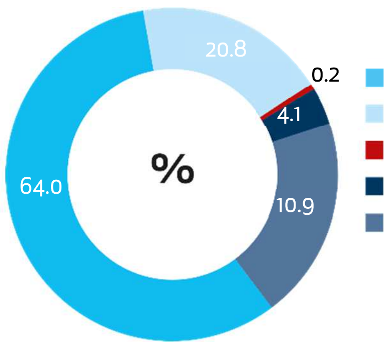
Arca Assicurazioni achieved a net profit at 31 December 2021 of €30.5m (€35.1m at 31/12/2020), recording direct premiums for €190.1m (+35.4%), with a significant increase in the Non-MV classes (+39.2%) and in the MV segment (+23%). The breakdown of the portfolio among the distribution channels is almost totally focused on the banking channel which, at 31 December 2021, recorded 99% of the total Non-Life premiums (98.5% at 31/12/2020). Overall, the banking channel recorded a 36% increase in premiums compared to the previous year, with premiums written totalling approximately €188.1m.

Incontra Assicurazioni recorded a €15.6m profit at 31 December 2021 (profit of €15m at 31/12/2020), with premiums equal to €109.2m, up compared to the previous year (€84.3m in 2020, +29.5%), mainly concentrated in the Health and Pecuniary Losses classes (54% and 24%, respectively, of the total gross premiums written). The loss ratio in any event remained at rather limited levels (24%, in line with what was recorded in 2020). At 31 December 2021, the volume of total investments reached €277m (€262m at 31/12/2020), almost entirely concentrated in available-for-sale financial assets, while gross technical provisions amounted to €342m (€326m at 31/12/2020).

DDOR Novi Sad recorded a €6m profit (Non-Life and Life businesses) at 31 December 2021 (down from €10.8m at 31/12/2020) following growth in premiums (Non-Life and Life businesses), from €105.4m at the end of 2020 (of which €88.4m in the Non-Life segment) to €110.5m at 31 December 2021 (of which €92.2m in the Non-Life business). Although the pandemic is not over yet, macroeconomic conditions in Serbia in 2021 were better than in 2020, with GDP up by roughly 7% and the insurance market showing positive trends, with the MV TPL, Life and Other Damage to Property lines of business representing roughly 75% of total premiums. In this context, the company continues to be a sector leader, with Non-Life premium growth of 4.3% and Life premium growth of 7.2%.

Life business

Total Life premiums (direct and indirect) were €5,386m (€4,328m at 31/12/2020, +24.4%). The **direct premiums**, which represent almost all of the premiums, are broken down as follows:



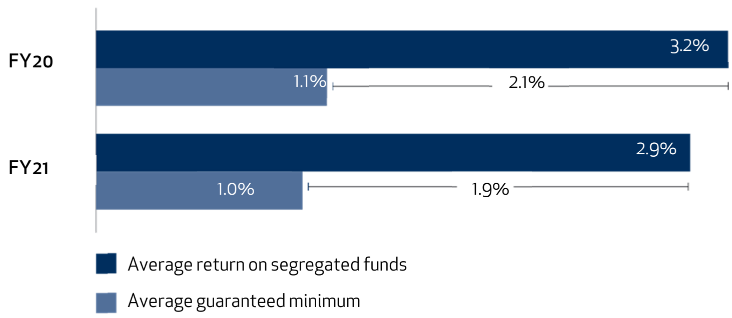
Amounts in €m	**31/12/2021**	%	31/12/2020	%	% var.
I - Whole and term Life insurance	3,449	64.0	2,732	63.1	26.3
III - Unit-linked/index-linked policies	1,119	20.8	522	12.1	114.6
IV - Health	9	0.2	7	0.2	27.3
V - Capitalisation insurance	224	4.2	361	8.3	(38.0)
VI - Pension funds	585	10.9	707	16.3	(17.2)
Total Life business direct premium income	**5,386**	**100.0**	**4,328**	**100.0**	**24.4**
- of which Life investment products	*1,272*	*100.0*	*569*	*100.0*	*123.4*

At 31 December 2021, the direct premium volume was equal to €5,386m, an increase of 24.4% with respect to 31 December 2020. Investment products, totalling €1,272m (€569m at 31/12/2020), were primarily related to class III.

At 31 December 2021, new business in terms of **APE**, net of non-controlling interests, amounted to €465m (€397m at 31/12/2020, +17.2%), of which €136m contributed by bancassurance companies (+106.9%) and €330m by traditional companies (-0.6%).

The **expense ratio** of Life direct business was 5.1% (5.0% at 31/12/2020).

Returns on Segregated Funds and guaranteed minimums



Pension Funds

Even within the current difficult economic context, the Unipol Group has maintained its strong position in the supplementary pensions market.

At 31 December 2021, with the subsidiary UnipolSai Assicurazioni, it managed a total of 21 mandates for **Occupational Pension Funds** (17 of them for accounts "with guaranteed capital and/or minimum return"). At the same date, resources under management totalled €4,032m (€3,389m of which with guaranteed capital). At 31 December 2020, a total of 21 occupational pension funds were managed (17 of them for accounts "with guaranteed capital and/or minimum return") and resources came to €4,012m (of which €3,414m with guaranteed capital).

At 31 December 2021, the assets of the **Open Pension Funds** managed by UnipolSai and BIM (UnipolSai Previdenza FPA, Fondo Pensione Aperto BIM Vita) reached a total of €963m with 41,370 members. At 31 December 2020, the Open Pension Funds managed total assets of €914m and a total of 41,427 members.

New products

In 2021, with a view to continuing to optimise the allocation of new business, the Group updated the Segregated Funds of the class I and Multisegment products and, specifically, the Segregated Fund was updated for "Investimento Garantito Fidelity" products, dedicated to policyholders that decide to reinvest the sums deriving from settlements of benefits from other insurance contracts. The new version of the product differs from the previous one only due to the reference Segregated Fund, while the other features of the product have remained the same.
In the second half of 2021, the Company updated the fund underlying the "Multiramo Investimento MixSostenibile" product.

Starting from 10 February 2021, the offer of Protection products was enhanced with a new individual product with long-term care coverage, "UnipolSai Autonomia Costante"[56], which joins the previous one and requires a constant premium throughout the term of the contract.

July 2021 saw the marketing launch of the product "TCM Gruppi Easy", which consists in 1-year insurance in the event of death for groups of employees, with fixed premium amounts for all employees and with simplified underwriting. The product offers three premium amounts, each of which envisaging a different level of insured capital that varies according to age bracket.

Life premiums of the main Group insurance companies

Direct premiums for **UnipolSai** were equal to €2,870m (€3,099m at 31/12/2020, -7.4%).

UnipolSai Assicurazioni Spa - Life business direct premiums

	Amounts in €m	**31/12/2021**	% comp.	31/12/2020	% comp.	% var.
I	Whole and term life insurance	1,784	*62.2*	1,862	*60.1*	*(4.2)*
III	Unit-linked/index-linked policies	272	*9.5*	165	*5.3*	*64.7*
	- of which investment products	*271*	*9.5*	*164*	*5.3*	*65.0*
IV	Health	9	*0.3*	7	*0.2*	*27.3*
V	Capitalisation insurance	224	*7.8*	361	*11.6*	*(38.0)*
VI	Pension funds	582	*20.3*	704	*22.7*	*(17.4)*
	- of which investment products	*183*	*6.4*	*59*	*1.9*	*n.s.*
Total Life business		**2,870**	***100.0***	**3,099**	***100.0***	***(7.4)***
- of which investment products		**454**	*15.8*	*224*	*7.2*	*102.9*

The individual policy sector recorded a 9.2% decrease compared to 31 December 2020, which had benefited from a number of non-recurring contracts for significant amounts.
Please also note that premiums for single-premium revaluable products remained limited to customers reinvesting sums deriving from the benefits due from the Company on the basis of other insurance contracts. Again in the individual sector, Class IV premiums continued to increase (+27.3%), which shows the growing interest in products with long-term care coverage. Class III premiums increased (+64.7%) as a result of the good performance of the Multisegment and Unit-linked products.

The increase in first year premiums compared to the previous year (+20.4%) can be attributed to a general growth in business across all classes: Class I premiums increased by 12.4%, Class III by 52.3% and Class IV by 77.2%.

Premiums on collective policies showed a slight decrease compared with the same period of the previous year (-4.7%), due entirely to Class VI (-17.4%).

[56] The product characteristics are summarised in the paragraph "Satisfaction of security and social well-being requirements" above.

In the bancassurance channel, **Arca Vita** and its subsidiary **Arca Vita International** recorded premiums (including investment products) amounting to €2,423m (€1,140m at 31/12/2020). The volume of total investments reached the amount of €13,894m (€12,473m at 31/12/2020). The profit of Arca Vita, net of dividends collected from the subsidiaries, was €39.4m (up compared to €31.4m recognised at 31/12/2020), and that of Arca Vita International was €0.8m (€1.3m at 31/12/2020).

BIM Vita recorded a profit of roughly €1.9m at the end of 2021, up compared to 31 December 2020 (€1.5m). Gross premiums written amounted to around €51m (approximately €46m at 31/12/2020). The volume of total investments reached the amount of €704m (€675m at 31/12/2020).

Reinsurance

Unipol Group outwards reinsurance policy

With regard to the risks underwritten in the Non-Life business, the reinsurance strategy proposed the same cover structures in place in 2020, maximising the effectiveness of the most operational of the main non-proportional treaties. Considering the Azzurro REII CAT Bond issued in 2020, the renewal in 2021 took place in continuity with the expiring bond, aside from having acquired Bridge cover to protect from Earthquake events with a view to risk mitigation.

At Group level, the following cover was negotiated and acquired in 2021:
- excess of loss treaties for the protection of MV TPL, General TPL, Fire (by risk and by event), Land Vehicle Hulls weather, Theft, Accident and Transport portfolios;
- stop loss treaty for the Hail class;
- proportional treaties for: Technological risk (C.A.R. - Contractors' All Risks -, Erection all Risks and Decennale Postuma - Ten-year Building Guarantee), Bonds (the retention of which is then protected by a "risk attaching" excess of loss), Aviation (Accident, Aircraft and TPL, the retention of which is protected by a "loss attaching" excess of loss), Legal Expenses, "D&O" and "Cyber" third-party liability.

The risks underwritten in the Life business in 2021 are mainly covered at Group level with two proportional treaties, one for individual risks and one for collective risks in excess of the risk premium. Retention is protected with a non-proportional cover in excess of loss by event that regards the Life and/or Accident classes. There are also three proportional covers for LTC guarantees, one proportional cover for Individual Serious Illnesses and one for Weighted Risks.

To minimise counterparty risk, reinsurance coverage continued to be spread out and placed with the major professional reinsurers that have been given a high credit rating by major rating agencies, in order to provide a comprehensive and competitive service. As regards: Legal Expenses and part of Transport risks, these were instead ceded to specialised reinsurers and/or specialist Group companies.

Real Estate Sector performance

The main **income statement figures for the Real Estate sector** are summarised below:

Income Statement - Real Estate Sector

Amounts in €m	**31/12/2021**	31/12/2020	*% var.*
Gains on other financial instruments and investment property	68	48	*42.9*
Other revenue	37	23	*59.5*
Total revenue and income	**105**	**71**	***48.3***
Losses on other financial instruments and investment property	(96)	(42)	*128.3*
Operating expenses	(35)	(31)	*12.5*
Other costs	(38)	(32)	*17.2*
Total costs and expenses	**(169)**	**(105)**	***60.1***
Pre-tax profit (loss) for the year	**(64)**	**(34)**	***(84.4)***

The pre-tax result at 31 December 2021 was a loss of €64m (-€34m at 31/12/2020). The increase in the pre-tax loss can be attributed primarily to the increased incidence of amortisation, depreciation and write-downs (€93m at 31/12/2021 and €40m at 31/12/2020).

Investments and cash and cash equivalents for the Real Estate sector (including instrumental properties for own use) totalled €2,342m at 31 December 2021 (€2,384m at 31/12/2020), consisting of Investment property amounting to €1,619m (€1,702m at 31/12/2020) and Properties for own use totalling €595m (€592m at 31/12/2020).

Financial liabilities at 31 December 2021 totalled €202m (€207m at 31/12/2020).

Group real estate business[57]

In the course of 2021, within a difficult, albeit recovering, scenario, driven by the logistics and residential and high-value office segments, the Unipol Group continued to enhance and develop its real estate assets. Furthermore, its activities aimed at reducing the vacancy rate of the portfolio of real estate for third-party use became more incisive.

As regards sales, aside from the finalisation of the sale of the Piazza Velasca property (Torre Velasca) in Milan for a price of €160m, more than thirty properties or property units deemed non-performing were sold as well. The reduction was facilitated by the support received by the sector from tax incentives promoted by the Italian government, which sustained the market of real estate to be renovated.

Thanks to the context of economic recovery, lease activities are seeing an appreciable resumption, which will reduce vacant spaces, generating an increase in rent. In particular, the entire Milan via De Castillia property has now been rented as, thanks to its location and the redevelopment performed in recent years, it encountered an excellent response from the market.

Investment geographical diversification continued with the selective acquisition of pan-European core funds, for €100m, with a view to optimising the portfolio's risk/return profile, while real estate investment activity focused on real estate assets rented out in the logistics sector, with an initial acquisition of a property of that type located in Desio, on via Oslavia for roughly €5m.

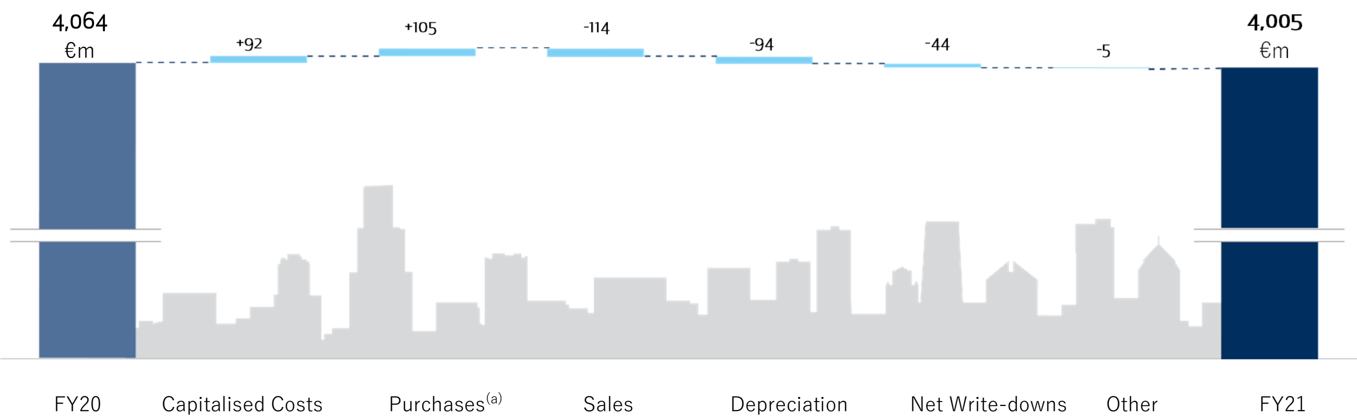
The requalification and development of real estate assets continued, regarding over 130 properties for an amount in excess of €90m, a trend which in Italy was accentuated by the tax incentives promoted by the government, despite the difficulty in obtaining raw materials and the resulting international increase in prices.
The main projects developed over the course of the period regard office real estate located in the areas of Milan and Turin.
In particular, please note that continuation of the construction of a new multi-storey headquarters building in Piazza Gae Aulenti (Porta Nuova Garibaldi area). The project calls for constructing a building in an elliptical shape, roughly 100 metres tall, with 23 floors above ground and 3 floors underground, for a total surface area of 31,000 m2. The tower was designed to receive the best certification in terms of energy and water saving and ecological quality of the spaces (Leed Platinum certification).

[57] The scope of the disclosure on Group real estate business also includes properties owned by the companies in sectors other than the Real Estate sector.

In this context, please note that three properties owned by the Group located in Milan at Corso di Porta Romana 19, Via De Castillia 23 and Via Fara 39 (Torre Galfa) obtained the BREEAM Certification with a level of Excellent in February 2021. The three buildings were recently renovated and upgraded with high quality standards, combining respect for sustainability and energy efficiency parameters to make it possible to obtain the BREEAM Certification, currently recognised as the top Sustainability Assessment Method for buildings, demonstrating - along with the recognition of the Leed Gold Certification for Torre di Via Larga in Bologna - the Group's continuous commitment to making real estate investments enhancing its assets in compliance with the highest sustainability standards.

Evolution of the real estate assets (*)

(*Amounts in €m*)



(a) 68 completed at 31 December 2021 (28 in 2020)

(*) Operating figures and excluding real estate accounted for on the basis of IFRS 16

The balance of €4,005m at 31 December 2021 includes properties managed directly by Group companies for €3,588m, properties held for sale for €132m and €284m investments in real estate funds managed by third parties.

Holding and Other Businesses Sector Performance

The main **income statement figures for the Holding and Other Businesses sector** are summarised below:

Income Statement - Holding and Other Businesses Sector

Amounts in €m	**31/12/2021**	31/12/2020	*% var.*
Commission income	15	9	*57.7*
Gains (losses) on financial instruments at fair value through profit or loss	24	3	*n.s.*
Gains on investments in subsidiaries, associates and interests in joint ventures	79	8	*n.s.*
Gains on other financial instruments and investment property	71	73	*(3.2)*
Other revenue	176	124	*41.9*
Total revenue and income	**364**	**218**	***67.3***
Commission expense	(1)	(1)	*29.6*
Losses on other financial instruments and investment property	(133)	(130)	*2.7*
Operating expenses	(176)	(142)	*24.3*
Other costs	(74)	(60)	*22.3*
Total costs and expenses	**(384)**	**(332)**	***15.6***
Pre-tax profit (loss) for the year	**(19)**	**(114)**	***83.0***

The **pre-tax result** at 31 December 2021 was a loss of €19m (loss of €114m at 31/12/2020). Note that the pre-tax result for the period benefited by €73m from the pro-rata result of BPER.
The items Other revenue and Other costs include revenue and costs for secondment of personnel and for services provided to and received from companies of the Group belonging to other sectors, eliminated during the consolidation process.

At 31 December 2021, **Investments and cash and cash equivalents** of the Holding and Other Businesses sector (including properties for own use of €155m) totalled €3,183m (€3,483m at 31/12/2020).

Financial liabilities amounted to €2,981m (€3,460m at 31/12/2020) and mainly consist of the following:
- for €2,515m by three senior bond loans issued by Unipol with a total nominal value of €2,500m (€2,741m at 31/12/2020, nominal value €2,731m);
- for €434m by loans payable in place with Unipol by its subsidiaries (€700m at 31/12/2020), subject to netting outside the segment.

In 2021, sector companies continued to face the COVID-19 emergency which, particularly for Gruppo UNA, heavily impacted turnover, directing significant efforts towards the systematic reduction of the cost structure, although it maintained qualitative leadership over its competitors.

As regards the hotel sector, the revenues of the subsidiary **Gruppo UNA** rose compared to 31 December 2020 by 94% (from around €34.4m to around €66.8m), reflecting the recovery in the tourism market starting from June and until November. In the second half of the year, nearly all facilities reopened, and year-end was reached with just 5 hotels closed (with the exception of 3 seasonal hotels) out of 34. Despite the actions implemented to limit operating costs, the still low business levels entailed a loss of around €14.5m.

As concerns agricultural activities, packaged wine sales of the company **Tenute del Cerro** recorded an increase of 28.9% compared to 31 December 2020 - from €7.3m to €9.4m - while total revenues rose by 26.3%, from €8.5m to €10.7m. This trend, along with the limitation of operating costs, made it possible to close the period with a profit of €0.1m.

Casa di Cura Villa Donatello closed 2021 with revenue of €37.3m, up by around 23.5% compared to 2020 (€30.2m). Revenue trends show a continuation of the positive performance in the core business, for hospitalisation (hospital stays and outpatient surgery) as well as clinic activities (visits and diagnostics). The company earned a profit of €1m, more than double that of 2020.

The pre-tax profit of the holding **Unipol** at 31 December 2021 was €317m (€208m at 31/12/2020) and, among the most significant items, includes dividends collected from Group companies, netted in the consolidation process, for €435m (€308m at 31/12/2020) and interest expense on bond loans issued for €82m (€68m at 31/12/2020).

Asset and financial performance

Investments and cash and cash equivalents

At 31 December 2021, Group **Investments and cash and cash equivalents** totalled €71,692m, after reclassifying €132m in properties held for sale to the item Non-current assets or assets of a disposal group held for sale pursuant to IFRS 5 (€71,271m at 31/12/2020):

Investments and cash and cash equivalents - Breakdown by business segment

Amounts in €m	**31/12/2021**	*% comp.*	31/12/2020	*% comp.*	*% var.*
Insurance sector	66,952	*93.4*	66,372	*93.1*	*0.9*
Holding and other businesses sector	3,183	*4.4*	3,483	*4.9*	*(8.6)*
Real Estate sector	2,342	*3.3*	2,384	*3.3*	*(1.8)*
Intersegment eliminations	(785)	*(1.1)*	(967)	*(1.4)*	*(18.9)*
Total Investments and cash and cash equivalents	**71,692**	***100.0***	**71,271**	***100.0***	***0.6***

The breakdown by investment category is as follows:

Amounts in €m	**31/12/2021**	*comp. %*	31/12/2020	*% comp.*	*% var.*
Property (*)	**3,656**	***5.1***	**3,709**	***5.2***	***(1.4)***
Investments in subsidiaries, associates and interests in joint ventures	**1,304**	***1.8***	**1,154**	***1.6***	***13.1***
Held-to-maturity investments	**367**	***0.5***	**421**	***0.6***	***(12.8)***
Loans and receivables	**4,754**	***6.6***	**4,519**	***6.3***	***5.2***
Debt securities	4,019	*5.6*	3,936	*5.5*	*2.1*
Deposits with ceding companies	106	*0.1*	86	*0.1*	*22.6*
Other loans and receivables	629	*0.9*	497	*0.7*	*26.7*
Financial assets at at amortised cost	**357**	***0.5***	**423**	***0.6***	***(15.5)***
Loans and receivables from bank customers	357	*0.5*	423	*0.6*	*(15.5)*
Available-for-sale financial assets	**50,194**	***70.0***	**50,899**	***71.4***	***(1.4)***
Financial assets at fair value through OCI	**495**	***0.7***	**1,601**	***2.2***	***(69.1)***
Financial assets at fair value through profit or loss	**8,625**	***12.0***	**7,450**	***10.5***	***15.8***
of which held for trading	230	*0.3*	257	*0.4*	*(10.8)*
of which at fair value through profit or loss	8,345	*11.6*	7,178	*10.1*	*16.3*
of which mandatorily at fair value	51	*0.1*	15	*0.0*	*n.s.*
Cash and cash equivalents	**1,939**	***2.7***	**1,095**	***1.5***	***77.1***
Total investments and cash and cash equivalents	**71,692**	***100.0***	**71,271**	***100.0***	***0.6***

(*) including properties for own use

Transactions carried out in the year[58]

Again in 2021, in line with previous years, investment policies adopted the general criteria of prudence and of preserving asset quality over the medium/long term.

[58] The scope of the disclosure on financial transactions, in terms of the breakdown of investments, does not include investments the risk of which is borne by the policyholders and customers and, in terms of companies, does not include the foreign companies DDOR and DDOR Re, the investment values of which are of little significance on the whole within the Group's overall portfolio.

In this regard, operations were geared towards reaching profitability targets consistent with the asset return profile and with the trend in liabilities over the long-term, as well as the maintenance of a high-quality portfolio through a process of selecting issuers on the basis of their diversification and strength, placing particular attention on the liquidity profile.

Transactions in the **bond segment** concerned Italian government bonds and non-government bonds, applying a medium/long-term investment approach.
During 2021, a prudent approach was maintained with respect to bonds, assuming a positioning consistent with a context of an increase in interest rates and growing inflation. The decision was also made to maintain a consistent amount of liquidity, or cash securities, to offset the increase in securities which by their very nature have limited liquidity, such as alternative funds. Throughout 2021, the requalification of exposure to bonds of government issuers continued.
The non-government bond component recorded an increase in exposure in the Life segment (for €327m) and in the portfolio of the holding (for €25m), while there was a reduction of €64m in the Non-Life segment. Sales concerned primarily financial issuers in the category of subordinated securities and were intended to reduce the portfolio risk profile, also in view of the now upcoming transition to the new accounting standard IFRS 9.

Asset portfolio simplification activities continued in 2021. There was an overall reduction of €20m in exposure to Level 2 and 3 structured bonds.

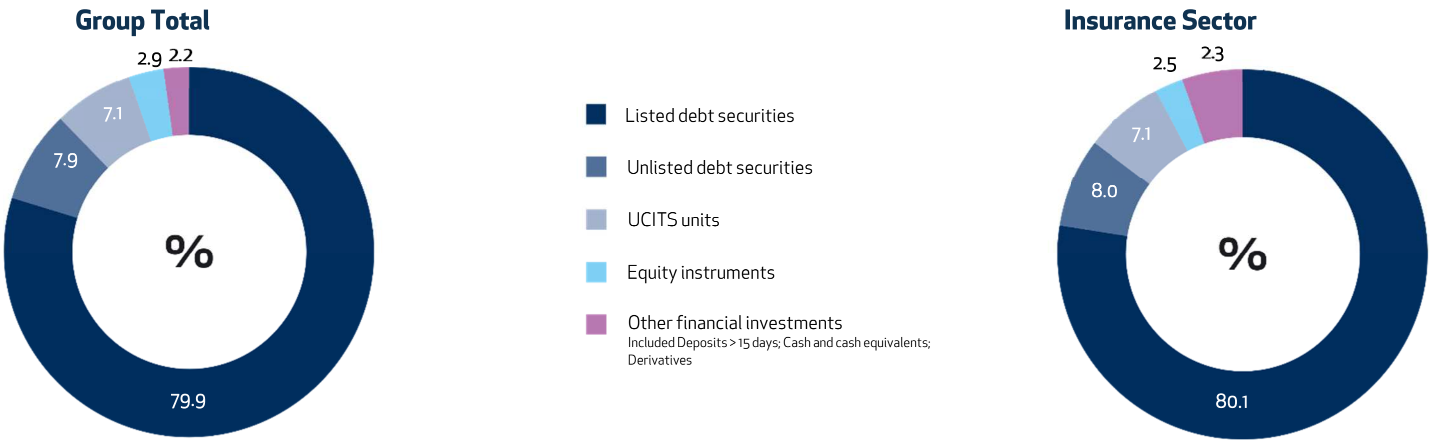
	31/12/2021			31/12/2020			*variation*	
Amounts in €m	Carrying amount	Market value	Implied +/-	Carrying amount	Market value	Implied +/-	*Carrying amount*	*Market value*
Structured securities - Level 1	40	40	1	40	40			
Structured securities - Level 2	262	262		282	289	7	*(20)*	*(27)*
Structured securities - Level 3	2	1	(1)	2	1	(1)		
Total structured securities	**303**	**303**		**323**	**330**	**6**	***(20)***	***(27)***

Share exposure rose in the course of 2021 by around €558m. Purchases concerned securities of issuers diversified in terms of both sector criteria and geographic factors, reducing the exposure to ETFs (Exchange Traded Funds) and privileging single stock purchases. The equity instruments belong to the main developed country share indexes.
Strategies in options (calls and call spreads) at 3 and 5 years were also carried out, replicating the acquisition of the Eurostoxx50 index, for a total value of roughly €500m. This strategy makes it possible to benefit from any market increase over the next 5 years, limiting negative impacts to only the expense incurred for the acquisition of the premium.

Exposure to **alternative funds**, a category that includes Private Equity Funds, Hedge Funds and investments in Real Assets, amounted to €1,573m, an increase by approximately €408m compared to 31 December 2020.

Breakdown of financial investments by type

(excluding financial assets for which the investment risk is borne by policyholders/customers and arising from pension fund management)



Currency transactions were carried out mainly to hedge the currency risk of outstanding equity and bond positions.

The overall ***duration*** of the Group portfolio was 6.46 years, down on the 7.22 years recorded at the end of 2020. With reference to the Group insurance portfolio, the Non-Life duration was 3.14 years (3.69 years at the end of 2020); the Life duration was 7.80 years (8.68 years at the end of 2020). The Holding and Other Businesses portfolio duration was 0.75 years, down slightly compared to the end of the previous year (0.94 years).

The fixed rate and floating rate components of the bond portfolio amounted to 89.3% and 10.7% respectively. The government component accounted for approximately 62.4% of the bond portfolio whilst the corporate component accounted for the remaining 37.6%, split into 26.6% financial and 11% industrial credit.

88.9% of the bond portfolio was invested in securities with ratings above BBB-. 7.6% of the total is positioned in classes rated AAA and AA-, while 18.7% of securities had an A rating. The exposure to securities in the BBB rating class was 62.7% and includes Italian government bonds, which make up 44% of the total bond portfolio.

Net gains on investments and financial income

The breakdown of net gains (losses) on investments and financial income is shown in the table below:

Net investment income

Amounts in €	**31/12/2021**	% comp.	31/12/2020	% comp.	*% var.*
Gains/losses on investment property	26	1.5	10	0.7	*164.0*
Gains/losses on investments in subsidiaries and associates and interests in joint ventures	151	8.6	19	1.3	*n.s.*
Net gains on held-to-maturity investments	17	1.0	18	1.2	*(5.9)*
Net gains on loans and receivables	128	7.3	26	1.7	*n.s.*
Net gains on financial assets recognised at amortised cost	15	0.9	24	1.6	*(37.0)*
Net gains on available-for-sale financial assets(*)	1,411	80.1	1,422	95.1	*(0.8)*
Net gains on financial assets at fair value through OCI	12	0.7	10	0.6	*30.1*
Net gains on financial assets at fair value through profit or loss (**)	(1)	(0.0)	(35)	(2.4)	*n.s.*
Balance on cash and cash equivalents	1		1	0.1	*(30.6)*
Total net gains on financial assets, cash and cash equivalents	**1,761**	**100.0**	**1,495**	**100.0**	***17.8***
Net losses on held-for-trading financial liabilities and at fair value through profit or loss (**)					*40.3*
Net losses on other financial liabilities	(168)		(176)		*(4.5)*
Total net losses on financial liabilities	**(168)**		**(176)**		***(4.5)***
Total net gains (***)	**1,593**		**1,319**		***20.8***
Net gains on financial assets at fair value (****)	365		157		
Net losses on financial liabilities at fair value (****)	(293)		(76)		
Total net gains on financial instruments at fair value (****)	**72**		**82**		
Total net gains on investments and net financial income	**1,666**		**1,401**		***18.9***

(*) Excluding the valuations of financial assets available for sale subject to hedge accounting
(**) Excluding net gains and losses on financial instruments at fair value through profit or loss for which investment risk is borne by customers (index- and unit- linked) and arising from pension fund management, including the valuations of financial assets available for sale subject to hedge accounting
(***) Excluding net gains and losses on financial instruments at fair value through profit or loss for which investment risk is borne by customers (index- and unit- linked) and arising from pension fund management
(****) Net gains and losses on financial instruments at fair value through profit or loss with investment risk borne by customers (index-and unit-linked) and arising from pension fund management.

Net gains at 31 December 2021, for €1,593m, include the net gains for €143m deriving from the pro-rata consolidation of BPER Banca's result, in turn affected by extraordinary accounting items following the acquisition in the first half of the year of former UBI Banca and Intesa Sanpaolo business units and the recognition of costs for optimisation of the workforces.

Impairment losses on financial instruments classified in the Available-for-sale asset category amounted to €7m (€10m at 31/12/2020). The item Gains/losses on investment property included €50m in depreciation and €43m in net write-downs (respectively €36m and €3m in net reversals at 31/12/2020).

Shareholders' equity

At 31 December 2021, Shareholders' equity amounted to €9,722m (€9,525m at 31/12/2020), recording an increase in Shareholders' equity attributable to the owners of the Parent (+€166m) and in non-controlling interests (+€30m).

Shareholders' equity attributable to the owners of the Parent, standing at €7,780m (€7,614m at 31/12/2020), was composed of:

Amounts in €m	**31/12/2021**	31/12/2020	*variation in amount*
Share capital	3,365	3,365	
Capital reserves	1,639	1,639	
Income-related and other equity reserves	1,055	771	*284*
(Treasury shares)	(1)	(3)	*2*
Reserve for foreign currency translation differences	3	3	
Gains/losses on available-for-sale financial assets	1,139	1,174	*(35)*
Gains/losses on financial assets at fair value through OCI	20	9	*11*
Other gains or losses recognised directly in equity	(67)	(53)	*(14)*
Profit (loss) for the year	627	707	*(81)*
Total shareholders' equity attributable to the owners of the Parent	**7,780**	**7,614**	*166*

The main changes over the year were as follows:
- a decrease due to dividend distribution for €401m;
- a decrease of €35m as a result of the decrease in the reserve for gains and losses on available-for-sale financial assets;
- an increase of €627m in profit for 2021.

The **Shareholders' equity attributable to non-controlling interests** amounted to €1,942m (€1,912m at 31/12/2020), composed of one perpetual regulatory capital instrument (Restricted Tier 1) for €496m issued by UnipolSai in 2020. The main changes over the year were as follows:
- a decrease of €107m for payment of dividends to third parties;
- an increase of €170m as profit attributable to non-controlling interests, including remuneration (net of related tax effect) referring to Restricted Tier 1 noteholders for €25m.

Treasury shares

At 31 December 2021, the treasury shares held by Unipol and its subsidiaries totalled 279,298 (776,631 at 31/12/2020), of which 83,050 shares were held directly. Changes concerned:
- 2,695,000 ordinary shares acquired in execution of the Compensation plans based on financial instruments
- assignment of 2,092,674 shares in execution of the 2016-2018 Compensation plan based on financial instruments, 673,423 shares for the Short Term Incentive compensation plan relating to 2020 and, only for executives categorised as significant risk takers, 426,236 shares in execution of the Short Term Incentive compensation plan for the year 2019.

Reconciliation statement for the Group result for the year and shareholders' equity showing the corresponding figures for the Parent

In accordance with Consob Communication 6064293 of 28 July 2006 the statement reconciling the Group result for the year and shareholders' equity, including the corresponding figures for the Parent, is shown below:

Amounts in €m	Share capital and reserves	Profit (loss) for the year	**Shareholders' equity at 31/12/2021**
Parent balances in accordance with Italian GAAP	**5,583**	**335**	**5,918**
IAS/IFRS adjustments to the Parent's financial statements	74	3	77
Differences between net carrying amount and shareholders' equity and profit (loss) for the year of consolidated investments, of which:	626	1,027	1,653
- Translation reserve	*3*		*3*
- Gains or losses on available-for-sale financial assets and at fair value through OCI	*1,359*		*1,359*
- Other gains or losses recognised directly in equity	*208*		*208*
Consolidation differences	1,324		1,324
Companies measured using the equity method	571	151	722
Intragroup elimination of dividends	727	(727)	
Other adjustments	22	7	28
Consolidated total	**8,925**	**796**	**9,722**
Non-controlling interests	1,772	170	1,942
Consolidated balances - portion attributable to the owners of the Parent	**7,153**	**627**	**7,780**

Technical provisions and financial liabilities

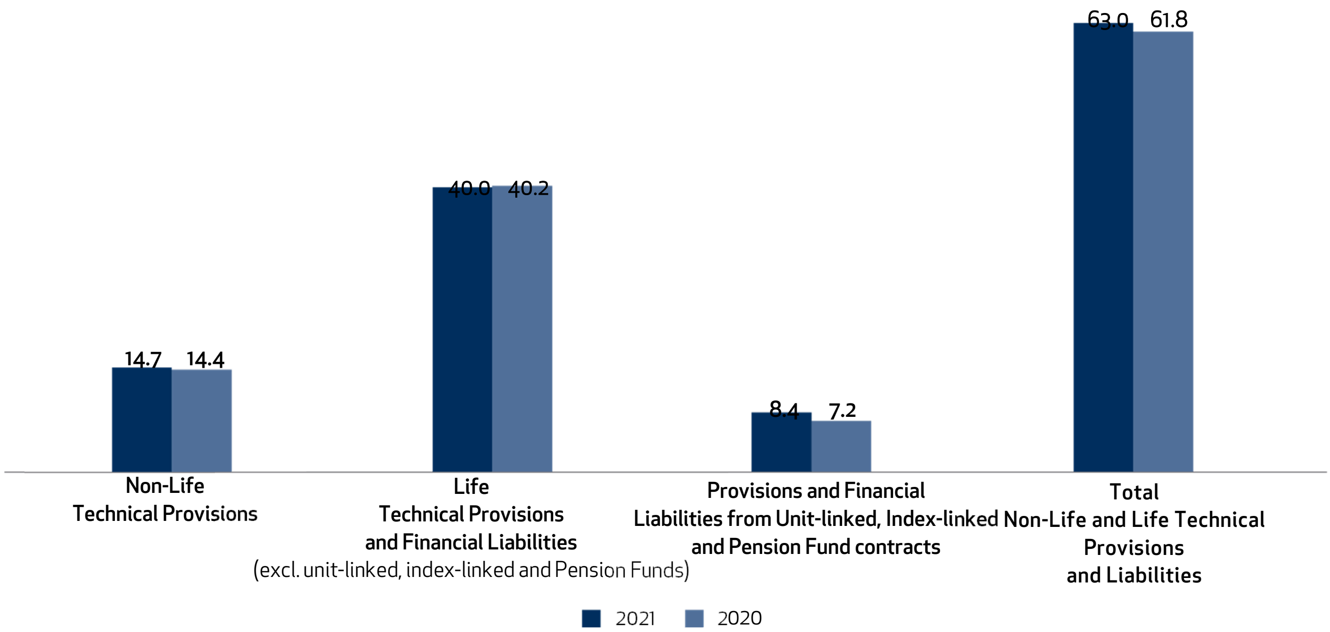
At 31 December 2021, Technical provisions amounted to €57,128m (€57,707m at 31/12/2020). Financial liabilities amounted to €10,771m (€9,730m at 31/12/2020).

Technical provisions and financial liabilities

Amounts in €m	**31/12/2021**	31/12/2020	% var.
Non-Life technical provisions	14,715	14,388	2.3
Life technical provisions	42,413	43,319	(2.1)
Total technical provisions	**57,128**	**57,707**	***(1.0)***
Financial liabilities at fair value	**6,357**	**4,379**	***45.2***
Investment contracts - insurance companies	*5,911*	*4,055*	*45.8*
Other	*446*	*324*	*37.5*
Financial liabilities at amortised cost	**4,414**	**5,351**	***(17.5)***
Subordinated liabilities	*1,446*	*2,088*	*(30.8)*
Other	*2,968*	*3,263*	*(9.0)*
Total financial liabilities	**10,771**	**9,730**	***10.7***
Total	**67,899**	**67,437**	***0.7***

Breakdown of Non-Life and Life reserves

(Amounts in €bn)



Unipol Group Debt

For a correct representation of the accounts under examination, information is provided below of financial debt only, which is the total amount of the financial liabilities not strictly associated with normal business operations. Therefore, liabilities constituting operating debt, i.e. liabilities directly or indirectly associated with assets, are excluded.

Group debt structure

Amounts in €m	**31/12/2021**	31/12/2020	*variation in amount*
Subordinated liabilities issued by UnipolSai	1,446	2,088	*(642)*
Debt securities issued by Unipol	2,515	2,741	*(226)*
Other loans	322	386	*(64)*
Total debt	**4,283**	**5,216**	***(933)***

With regard to the **Subordinated liabilities**, during the year, UnipolSai Assicurazioni S.p.A., after obtaining the authorisation of the Supervisory Authority on 22 January 2021, exercised its right of early call on the 2 subordinated bonds issued in 2001 and 2003, both with a twenty-year maturity, for a total nominal value at issue of €300m each.

The **Debt securities issued by Unipol**, net of intragroup subscriptions, amounted to €2,515m and relate to two senior unsecured bond loans listed on the Luxembourg Stock Exchange, with a total nominal value of €1,500m, and a 10-year senior green bond loan with a nominal value of €1,000m, listed on the Luxembourg Stock Exchange, issued in two tranches in 2020. The change from the figure at 31 December 2020 is due to the repayment of the senior bond for €231m on 5 March 2021.

The issues described above were implemented as part of the Euro Medium Term Notes (EMTN Programme), with a maximum total nominal amount of €3,000m, established in December 2009 for €2,000m with the latest renewal and increase to €3,000m in September 2020.

With respect to **Other loans** amounting to €322m (€386m at 31/12/2020), these primarily related to the loan taken out for property purchases and improvement works by the Athens R.E. Closed Real Estate Fund for €151m and loans taken out by Unipol*Rental* from banks and other lenders for a total of €85m. The item also includes the financial liabilities deriving from the present value of future lease payments due for lease agreements accounted for on the basis of IFRS 16 for a total of €84m at 31 December 2021.

OTHER INFORMATION

Transactions with related parties

The Procedure for related-party transactions (the "Procedure") - prepared pursuant to Art. 4 of Consob Regulation no. 17221 of 12 March 2010 as amended (the "Consob Regulation") and updated most recently by the Unipol Board of Directors on 24 June 2021, effective as of 1 July 2021, in order to incorporate the amendments made to the Consob Regulation with resolution no. 21624 of 10 December 2020 - defines the rules, methods and principles that ensure the transparency and substantive and procedural fairness of the transactions with related parties carried out by Unipol, either directly or through its subsidiaries.

The Procedure is published in the "Corporate Governance/Related Party Transactions" section of the Unipol Group's website (www.unipol.it).

In 2021, Unipol did not approve, or carry out, directly or through subsidiaries, any related party transactions qualified as of "Major Significance", or which significantly influenced the financial position or profit and loss of the companies, pursuant to Art. 5, paragraph 8 of the CONSOB Regulation.

The information required by IAS 24 and Consob Communication DEM/6064293/2006 is provided in paragraph 5.6 of the Notes to the financial statements - Transactions with related parties.

Solvency II solvency position

The values relating to own funds and to the solvency capital requirement, calculated on the basis of the information available as of today, are illustrated below:

In €m	**Total**
Eligible own funds to cover the Solvency Capital Requirement	9,726.9
Tier 1 - unrestricted	*7,892.9*
Tier 1 - restricted	*1,310.9*
Tier 2	*490.4*
Tier 3	*32.8*
Solvency Capital Requirement	4,551.6
Ratio between Eligible own funds and the Solvency Capital Requirement	**2.14**

The solvency situation of the Group will be subject to a specific disclosure to the market and to the Supervisory Authority by the current regulatory deadline, as part of the publication of the Solvency and Financial Condition Report (SFCR) envisaged in Art. 359 of Regulation (EU) 35/2015.

Report on corporate governance and ownership structures pursuant to Art. 123-bis of Italian Legislative Decree 58 of 24 February 1998

The information required by Art. 123-bis, Italian Legislative Decree 58 of 24 February 1998 as amended is included in the Annual Report on Corporate Governance, approved by the Board of Directors and published together with the Management Report.

The Annual Report on Corporate Governance is available in the "Governance/Corporate Governance System" Section on the Company's website (www.unipol.it).

Ethics Report

NFS

General considerations

In 2020, due to the critical issues generated by the health emergency, the operations of the Ethics Officer were marked by a strong increase in recourse by stakeholders (especially customers) to the Department to report problems of various kinds, mainly business-related and in any case not related to profiles of compliance with the Code of Ethics. It should be emphasised that this role as "facilitator" is performed as standard by the Ethics Officer, also as an expression of coherence with the values and principles that inspire the Group, particularly from the profile of listening to all stakeholders, attention to customer requirements and efficiency of the service.

Following the interventions adopted by the Group from a managerial, operational and communication perspective, 2021 was characterised by a return to normal levels of commitment on this front by the Ethics Officer, allowing him to focus on the activities involved in his institutional role.

Particular and constant attention was reserved throughout the year to *EticaMente!*, the online training course for Employees, Agents and Agency Staff, implemented through "Unica - Unipol Corporate Academy" and launched in the second half of the previous year.

In terms of the ordinary activity of analysis and any investigation of reports of alleged and specific breaches of the Code of Ethics, no well-founded situations were identified in 2021.

Therefore, the general consistency between the principles stated in the Code of Ethics and company operations was confirmed.

Activities carried out and launched in 2021 with reference to the Charter of Values and the Code of Ethics

During 2021, the Ethics Committee met on 9 February, 3 August and 15 December. The main activities carried out related to the following issues:

a) Reporting and requests

The Code of Ethics envisages that anyone may send reports to the Ethics Officer, in writing, via ordinary mail or by sending an e-mail to the address responsabile.etico@unipol.it; such reports may concern criticisms, suggestions, requests for opinions/information and alleged violations of the Code of Ethics.

In 2021, a total of **145** reports and requests were received in the dedicated e-mail inbox, as opposed to 264 in 2020 and 143 in 2019. As a result of the strong decline in "complaint"-like reports (**125**, down 42% on 2020), the function's activities in 2021 were in line with those of 2019. The stability over time of the figure relating to reports under the specific responsibility of the Ethics Officer (**9**) is significant, particularly in terms of alleged violations of the Code of Ethics (7 in 2021, as in 2020, with 9 in 2019). In 2 cases, the Ethics Officer was consulted for information or opinions on company "ethics" issues. Contact of a generic nature (**11**) completes the overview. More specifically:

- *reports related to alleged and specific violations of the Code of Ethics*: these were dealt with in accordance with the Code and with consolidated practices, bringing to light no cases of violation of the Charter of Values and Code of Ethics (two cases were archived with no further action). These were situations that the Ethics Officer was able to manage under his delegated independent powers or with support from the Chairman of the Ethics Committee, and therefore of an extent that did not require an Ethics Committee decision;
- *requests for opinions/information*: a number of queries were addressed to the Ethics Officer on matters under his/her specific responsibility (on potential conflict of interest, actual consistency between business-related situations and the value system);
- *"complaint"- like reports:* these were reports of disservices, settlement problems or other issues not strictly the responsibility of the Ethics Officer, who managed them by bringing them to the attention of the structures concerned, collaborating in particular with the Customer Complaints and Specialist Assistance Department. As mentioned previously, in 2021, as a result of remedial action adopted by the Company, the anomalous increase in these reports in 2020 due to the health emergency was not repeated. If the complaint contains general references to the Code of Ethics (not sufficient to constitute a true report of a violation) and in cases deemed appropriate, the Ethics Officer cooperates with the Customer Complaints and Specialist Assistance Department in preparing the response. In this respect, no situations were identified in 2021 in which reference to the Code of Ethics was well-founded.

b) Training

Aware of the importance of a project aimed at spreading broad knowledge of the Charter of Values and the Code of Ethics within the Group, the Ethics Officer and "Unica" have activated a continuous monitoring process of the user trends of the *EticaMente!* course (launched in July 2020) and have implemented the most appropriate interventions to raise the awareness of the recipients. Within the space of a year and a half, there has been a constant increase in interest for *EticaMente!*, which is now, among the courses of voluntary nature made available to Employees and the Agency Network, the one that has obtained the highest number of participants (5,499 completed, 3,551 in progress). The Ethics Officer, with "Unica" and in collaboration with all Group departments through the fundamental figures of the Managers, will therefore continue to give it the maximum visibility in the future and to stimulate further the use of a fundamental tool aimed at strengthening a common culture in the Group, based upon the agreement of the principles of the Charter of Values and the Code of Ethics.

c) Other activities

Among the other activities, note the definition by the Ethics Officer, in collaboration with Sustainability, of a new classification model for reports of alleged violations of the Code of Ethics, supplementing the annual Ethics Report (in its full version), for use in reporting according to international standards on the usual relations with non-financial analysts.

For detailed information, please refer to the full Ethics Report, available in the "Sustainability" section of the Unipol Group's website.

Business outlook

After the robust economic recovery seen in Europe and in Italy in 2021, a slowdown in growth is forecast for 2022, intensified by the current geopolitical scenario. Having overcome domestic political uncertainties earlier in the year and, thanks to the success of the vaccination campaign and the limitation of the infection curve, reduced concerns relating to pandemic variants, tensions have progressively increased in relation to a number of factors of instability. Indeed, in the initial months of 2022, the international scenario was impacted by the deterioration of the conflict between Russia and Ukraine, which transformed into a large-scale clash of military forces following Russia's invasion of Ukrainian territory. Aside from the heavy price in terms of human life and refugees, the effects of the conflict and the ensuing economic and financial sanctions imposed on Russia by the international community are affecting the global economy. Some of the main impacts are expected to be difficulties in the procurement of raw materials, with additional increases in the relative prices, and the risk of an already stressed supply chain becoming even more compromised.
These situations of uncertainty and fears of the potential impacts are creating financial market tensions, with plummeting international share prices and upward trends in interest rates. All this reflects on the Group's financial investments, which have marked a reduction in their implicit capital gains, and on financial management, which in any event continues to be aimed at the consistency of assets and liabilities and optimising the risk/return profile of the portfolio, also with regard to the maintenance of an adequate level of solvency.
The uncertainty of the current context and, especially, its future evolution, does not make it possible to fully determine its effects on the financial situation and economic results of the Group. However, the Group does not carry out relevant economic activities in the area concerned by the conflict, does not hold, except to an extremely marginal extent, financial investments in securities of Russian or Ukrainian issuers and is not a contractual party to any relevant financial transactions with subjects or entities subject to the international sanctions.

With regard to the trends of the business sectors in which the Group operates, there are no particularly significant events to report with respect to the trends recorded throughout 2021.

Of particular note was the invitation submitted to UnipolSai to become a founding member of two of the five National Centres of Excellence established within the National Recovery and Resilience Plan (the "NRRP"). In particular, one located in Bologna concerns the establishment of the "National Centre for HPC supercomputing and the cloud" and "Quantum Computing", and the other, in Milan, regards the establishment of the "National Centre for sustainable mobility". UnipolSai immediately decided to participate in both initiatives, which moreover involve areas in which the Company is developing technological innovations for some time now.

The Group is completing activities for the preparation of the new 2022-2024 Strategic Plan, which will be presented to the financial markets this May.

Excluding unforeseeable events, also given the uncertainties in the reference context, the operating result for 2022 is expected to remain positive.

Bologna, 24 March 2022

The Board of Directors

Synoptic table with non-financial information

Subjects of Italian Legislative Decree 254/2016	Material Issue	Relevant GRI Topic *
Material topics (Art. 3 par.1)		GRI 102: General disclosures (v. 2016)
Organisation and management model (Art. 3, par. 1a)	Product and service innovation; Development of partnerships with public and private players; Customer centricity; Farsightedness in responsible capital and remuneration management; Group relations with the agency network	GRI 102: General disclosures (v. 2016); GRI 207: Tax (v. 2019)
Business policies, results, indicators (Art. 3, par. 1b)	Fair and transparent business competition; Fairness in the sale of products and services	GRI 102: General disclosures (v. 2016)
	Relations with the local community; Profitability of the Group's activities; Responsible supply chain management	GRI 200 Economic: GRI 201: Economic performance (v. 2016); GRI 203: Indirect economic impacts (v. 2016); GRI 204: Procurement practices (v. 2016)
	Financial inclusion	SECTOR SPECIFIC ASPECT - SOCIETY: Product Portfolio; Active Ownership; Local Communities
Main risks (Art. 3, par. 1c)	Risk and control culture; Farsightedness in responsible capital and remuneration management	GRI 102: General disclosures (v. 2016)
Energy resources, water resources, emissions Impact on the environment, health and safety (Art. 3, par. 2a; (Art. 3, par. 2b; Art. 3, par. 2c)	Actions for the adaptation to and mitigation of climate change; Contribution to sustainable development in the various spheres of influence	GRI 300 Environmental: GRI 302: Energy (v. 2016); GRI 303: Water and effluents (v. 2018); GRI 305: Emissions (v. 2016); GRI 306: Effluents and waste (v. 2016) GRI 307: Environmental compliance (v. 2016)
		GRI 200 Economic: GRI 201: Economic performance (v. 2016); GRI 203: Indirect economic impacts (v. 2016); GRI 204: Procurement practices (v. 2016)
Human Resource management and gender balance (Art. 3, par. 2d)	Development of human capital; Sharing of a common corporate culture; Diversity management	GRI 102: General disclosures (v. 2016); GRI 400 Social: GRI 401: Employment (v. 2016); GRI 402: Labour/Management relations (v. 2016); GRI 403: Occupational health and safety (v. 2018); GRI 404: Training and education (v. 2016); GRI 405: Diversity and equal opportunity (v. 2016)
Respect for human rights (Art. 3, par. 2e)	Risk and control culture; Data protection and leveraging	GRI 102: General disclosures (v. 2016)
		GRI 400 Social: GRI 406: GRI 408: Child labour (v. 2016); GRI 412: Human rights assessment (v. 2016)
Fight against corruption (Art. 3, par. 2f)	Fair and transparent business competition	GRI 200 ECONOMIC: GRI 205: Anti-corruption (v. 2016) GRI 206: Anti-competitive behaviour (v. 2016) GRI 400 SOCIAL: GRI 419: Socioeconomic compliance (v. 2016)
	Fair and transparent business competition; Fairness in the sale of products and services	GRI 400 SOCIAL: GRI 417: Marketing and labelling (v. 2016); GRI 418: Customer privacy (v. 2016)
Reporting standard adopted (Art. 3, par. 3, 4 and 5)		GRI 102: General disclosures (v. 2016)
Diversity among members of the administration bodies (Art. 10 par.1 letter a)	Diversity management	GRI 102: General disclosures (v. 2016)

GRI Disclosure	Page reference of the Integrated Report	SDGs
102-40, 102-42, 102-43, 102-44, 102-45, 102-46, 102-47, 102-48, 102-49	Pages 14-15: "Information on the Annual Integrated Report" Page 38: "Material stakeholder engagement topics and processes"	
102-1, 102-2, 102-3, 102-4, 102-5, 102-6, 102-7, 102-8, 102-9, 102-10, 102-11, 102-12, 102-13	Page 18: "Activities and sectors"; Pages 20-21: "Group highlights" Pages 48-51: "Human Capital"; Pages 52-56: "Social and Relational Capital"; Pages 64-68: "Support to the realisation of the 2030 Agenda and contribution to combating the climate emergency"; Pages 76-87: "Internal Control and Risk Management System";	
102-14, 102-18, 102-22, 102-23, 102-29, 207-1, 207-2, 207-3	Pages 9-11: "Letter from the Chairman and Letter from the Chief Executive Officer" Pages 33-34: "Future orientation in the use of capital" Pages 61-73: "Shared value: the impacts generated by the Unipol Group" Pages 74-75: "Corporate Governance"	3, 8, 9, 10, 12, 17
201-1, 203-2, 204-1	Pages 42-43: "Financial Capital" Pages 50-54: "Social and Relational Capital" Pages 121-127: Appendix	
FS07, FS08, FS11, FS14	Pages 42-43: "Financial Capital" Pages 61-73: "Shared value: the impacts generated by the Unipol Group"	
102-11, 102-15	Pages 33-34: "Future orientation in the use of capital" Pages 36-37: "The Unipol Group's climate strategy" Pages 76-87: "Internal Control and Risk Management System"	13
302-1, 303-3, 305-1, 305-2, 305-3, 305-4, 307-1	Pages 57-60: "Natural Capital" Page 87: "Sanctions" Pages 131-139: Appendix	6, 7, 12, 13
201-1, 203-2, 204-1	Pages 42-43: "Financial Capital" Pages 52-56: "Social and Relational Capital"	11, 12
401-1, 403-1, 403-5 403-9 404-1, 404-2, 405-1, 405-2, 102-35, 102-41	Pages 48-51: "Human Capital" Pages 74-75: "Corporate Governance" Pages 89-90: "Remuneration system and incentives"; Pages 131-139: Appendix	4, 5, 8
102-16, 102-17	Pages 16-17: "Unipol Group Vision, Mission and Values"; Pages 77-83: "The monitoring of social, environmental and governance risks ("ESG risks")" Pages 131-139: "Ethics Report"; Page 128: "CoP"	8
408-1, 412-3	Pages 77-83: "The monitoring of social, environmental and governance risks ("ESG risks")"	
205-1, 205-2, 205-3, 206-1, 419-1	Pages 77-83: "The monitoring of social, environmental and governance risks ("ESG risks")" Pages 83-84: "Personal data protection" Page 86: "Anti-corruption" Pages 87: "Sanctions" Pages 131-139: Appendix	16
417-3, 418-1		
102-50, 102-51, 102-52, 102-53, 102-54, 102-55, 102-56	Pages 14-15: "Information on the Annual Integrated Report" Pages 128-129: "Synoptic table with non-financial information"	
102-18, 102-22, 102-35	Pages 74-75: "Corporate Governance" Pages 76-87: "Internal Control and Risk Management System" Pages 89-90: "Remuneration system and incentives"	5

Summary table of climate change-related disclosures (TCFD)

TCFD Area	Specific Topic	Page reference of the Integrated Report
Governance	a. Board Oversight	Pages 76-87: "Internal Control and Risk Management System"
	b. Management's Role	Pages 76-87: "Internal Control and Risk Management System"
Strategy	a. Risks and Opportunities	Pages 38: "Material topics" Pages 61-73: "Shared value: the impacts generated by the Unipol Group" Pages 76-87: "Internal Control and Risk Management System"
	b. Impact on Organization	Pages 33-34: "Future orientation in the use of capital" Pages 36-37: "The Unipol Group's climate strategy"
	c. Resilience of Strategy	Pages 33-34: "Future orientation in the use of capital"
Risk Management	a. Risk ID & Assessment Processes	Pages 76-87: "Internal Control and Risk Management System"
	b. Risk Management Processes	Pages 76-87: "Internal Control and Risk Management System"
	c. Integration into Overall Risk Management	Pages 76-87: "Internal Control and Risk Management System"
Indicators and Objectives	a. Climate-Related Metrics	Pages 57-60: "Natural capital" Pages 64-68: "Support to the realisation of the 2030 Agenda and contribution to combatting the climate emergency"
	b. Scope 1,2,3 GHG Emissions	Pages 57-60: "Natural capital" Pages 64-68: "Support to the realisation of the 2030 Agenda and contribution to combatting the climate emergency"
	c. Climate-Related Targets	Pages 36-37: ""The Unipol Group's climate strategy"

Appendix - Unipol in numbers

GRI indicator	Description	M.U.	2021	2020	%change/p.p.	Notes
CORPORATE DATA						
EMPLOYEES						
102-7	**Total number of employees**	**No.**	**11,946**	**11,836**	**1%**	
405-1	**Total number of employees by gender**	**No.**	**11,946**	**11,836**	**1%**	
	Men	No.	5,467	5,441	0%	
	Women	No.	6,479	6,395	1%	
405-1	**Total number of employees by age brackets**	**No.**	**11,946**	**11,836**	**1%**	
	Over 60 years	No.	811	736	10%	
	Aged 51-60	No.	3,896	3,900	0%	
	Aged 41-50	No.	3,965	3,938	1%	
	Aged 31-40	No.	2,474	2,570	-4%	
	Up to 30 years	No.	800	692	16%	
102-8	**Employees by contract type: permanent**	**No.**	**11,473**	**11,413**	**1%**	
	Men	No.	5,282	5,272	0%	
	Women	No.	6,191	6,141	1%	
102-8	**Employees by contract type: fixed term**	**No.**	**473**	**423**	**12%**	
	Men	No.	185	169	9%	
	Women	No.	288	254	13%	
102-8	**Full-time employees**	**No.**	**9,935**	**9,780**	**2%**	
	Men	No.	5,205	5,170	1%	
	Women	No.	4,730	4,610	3%	
102-8	**Part-time employees**	**No.**	**2,011**	**2,056**	**-2%**	
	Men	No.	262	271	-3%	
	Women	No.	1,749	1,785	-2%	
102-8	**Staff leasing**	**No.**	**82**	**49**	**67%**	
	Men	No.	25	13	92%	
	Women	No.	57	36	58%	
102-41	**Collective bargaining agreements**	%	100	100	0	For employees of companies in Italy
TURNOVER						
401-1	**Recruitments by gender**	**No.**	**1,322**	**885**	**49%**	
	Men	No.	665	461	44%	
	Women	No.	657	424	55%	
401-1	**Recruitments by age brackets**	**No.**	**1,322**	**885**	**49%**	
	Over 60 years	No.	48	46	4%	
	Aged 51-60	No.	203	140	45%	
	Aged 41-50	No.	263	185	42%	
	Aged 31-40	No.	350	254	38%	
	Up to 30 years	No.	458	260	76%	
401-1	**Recruitments by geographic area**	**No.**	**1,322**	**885**	**49%**	
	North-West	No.	233	111	110%	
	North-East	No.	261	200	31%	
	Centre	No.	222	126	76%	
	South and Islands	No.	349	239	46%	
	Abroad	No.	257	209	23%	
401-1	**Terminations by gender**	**No.**	**1,212**	**1,385**	**-12%**	
	Men	No.	635	715	-11%	
	Women	No.	577	670	-14%	
401-1	**Terminations by age brackets**	**No.**	**1,212**	**1,385**	**-12%**	See "Capital performance"
	Over 60 years	No.	274	541	-49%	
	Aged 51-60	No.	311	311	0%	
	Aged 41-50	No.	214	200	7%	
	Aged 31-40	No.	211	189	12%	
	Up to 30 years	No.	202	144	40%	
401-1	**Terminations by geographic area**	No.				
	North-West	No.	226	353	-36%	
	North-East	No.	186	220	-15%	
	Centre	No.	193	246	-22%	
	South and Islands	No.	365	293	25%	
	Abroad	No.	242	273	-11%	
401-1	**Recruitment rate by gender**					
	Men	%	12.2%	8.5%	3.7 p.p.	
	Women	%	10.1%	6.6%	3.5 p.p.	

GRI indicator	Description	M.U.	2021	2020	%change/p.p.	Notes
401-1	**Recruitment rate by age brackets**					
	Over 60 years	%	5.9%	6.3%	-0.4 p.p.	
	Aged 51-60	%	5.2%	3.6%	1.6 p.p.	
	Aged 41-50	%	6.6%	4.7%	1.9 p.p.	
	Aged 31-40	%	14.1%	9.9%	4.2 p.p.	
	Up to 30 years	%	57.3%	37.6%	19.7 p.p.	
401-1	**Recruitment rate by geographic area**					
	North-West	%	18%	13%	5 p.p.	
	North-East	%	20%	23%	-3 p.p.	
	Centre	%	17%	14%	3 p.p.	
	South and Islands	%	26%	27%	-1 p.p.	
	Abroad	%	19%	24%	-5 p.p.	
401-1	**Termination rate by gender**					
	Men	%	11.6%	13.1%	-1.5 p.p.	
	Women	%	8.9%	10.5%	-1.6 p.p.	
401-1	**Termination rate by age brackets**					
	Over 60 years	%	33.8%	73.5%	-39.7 p.p.	
	Aged 51-60	%	8.0%	8.0%	0 p.p.	
	Aged 41-50	%	5.4%	5.1%	0.3 p.p.	
	Aged 31-40	%	8.5%	7.4%	1.1 p.p.	
	Up to 30 years	%	25.3%	20.8%	4.5 p.p.	
401-1	**Termination rate by geographic area**					
	Over 60 years	%	19%	25%	-6 p.p.	
	Aged 51-60	%	15%	16%	-1 p.p.	
	Aged 41-50	%	16%	18%	-2 p.p.	
	Aged 31-40	%	30%	21%	9 p.p.	
	Up to 30 years	%	20%	20%	0 p.p.	
402-1	**Minimum period of notice for operational changes in Italy**	ql	The minimum period of notice for significant operational changes in Italy is 4 weeks (30 days), as specified in the collective labour agreements.			
TRAINING						
404-1	**Training hours completed by gender**	**Hours**	**169,990**	**109,239**	**56%**	
	Men	Hours	82,765	57,091	45%	
	Women	Hours	87,225	52,218	67%	
404-1	**Training hours completed by job-level category**	**Hours**	**169,990**	**109,239**	**56%**	
	Senior Executives	Hours	2,280	2,520	-10%	
	Officers and middle management	Hours	46,381	34,592	34%	
	Administrative staff	Hours	107,321	61,709	74%	
	Blue-collar workers/Other	Hours	290	216	34%	
	Call Centre personnel	Hours	13,718	10,204	34%	
404-1	**Average training hours completed by gender**	**Hours**	**14.7**	**9.23**	**59%**	
	Men	Hours	15.6	10.49	49%	
	Women	Hours	13.8	8.17	69%	
404-1	**Average training hours completed by job-level category**	**Hours**	**14.7**	**9.23**	**59%**	
	Senior Executives	Hours	9.2	10.95	-16%	
	Officers and middle management	Hours	18.1	11.00	65%	
	Administrative staff	Hours	14.7	8.28	78%	
	Blue-collar workers/Other	Hours	1.1	1.46	-25%	
	Call Centre personnel	Hours	12.5	8.03	56%	
404-1	**Training method**					
	No. of classroom courses, webinars, videoconferencing	No.	546	538	1%	
	No. of distance training courses	No.	451	439	3%	
	No. of attendees in classroom courses, webinars, videoconferencing	No.	17,789	12,879	38%	
	No. of attendees in distance training courses	No.	75,296	51,432	46%	
	Man-hours of classroom courses, webinars, videoconferencing	No.	72,990	57,022	28%	
	Man-hours distance training courses	No.	97,011	51,869	87%	
	Headcount in classroom courses, webinars, videoconferencing	No.	6,222	5,367	16%	
	Headcount in distance training courses	No.	10,551	10,694	-1%	

GRI indicator	Description	M.U.	2021	2020	%change/p.p.	Notes
404-1	**Training by contract type**					
	Training hours completed by contract: Full time	Hours	136,546	81,144	68%	
	Training hours completed by contract: Part time	Hours	33,444	28,094	19%	
	Average training hours completed by contract: Full time	%	6.9	8.3	-17%	
	Average training hours completed by contract: Part time	%	8.3	13.7	-39%	
404-1	**Safety training (Italy)**					
	„Ruolo lavoratore" Trained	No.	9,183	n.a.	n.a.	
	„Ruolo preposto" Trained	No.	1,096	n.a.	n.a.	
	„Ruolo dirigente" Trained	No.	151	n.a.	n.a.	
404-1	**Safety training (Abroad)**					
	Senior Executives trained	No.	67	n.a.	n.a.	
	Employees triained	No.	639	n.a.	n.a.	
ACCIDENTS						
403-9a	**Accidents by gender**	**No.**	**65**	**46**	**41%**	
	Men	No.	25	20	25%	
	Women	No.	40	26	54%	
403-9a	**Accidents by type**	**No.**	**65**	**46**	**41%**	
	Non-commuting	No.	29	22	32%	
	Commuting	No.	36	24	50%	
403-9a	**Recordable workplace accident rate by sector**					Rates calculated on the basis of millions of hours worked in theory
	Total	No.	1.13	0.97	17%	
	Insurance	No.	0.73	0.62	18%	
	Real Estate	No.	10.68	21.37	-50%	
	Tourism	No.	6.69	5.14	30%	
	Healthcare	No.	2.15	3.68	-42%	
	Other	No.	4.36	2.32	88%	
403-9a	**Accident severity by sector**					Rates calculated on the basis of thousands of hours worked in theory
	Total	No.	0.07	0.07	0%	
	Insurance	No.	0.06	0.05	20%	
	Real Estate	No.	0.43	1.18	-64%	
	Tourism	No.	0.23	0.37	-39%	
	Healthcare	No.	0.06	0.11	-47%	
	Other	No.	0.10	0.03	230%	
403-9a	**Number of hours worked by sector**					Theoretical hours as per national collective labour agreement of the various sectors
	Total	No.	25,595,710	22,765,589	12%	
	Insurance	No.	23,382,174	20,995,769	11%	
	Real Estate	No.	93,600	93,600	0%	
	Tourism	No.	1,196,000	973,440	23%	
	Healthcare	No.	465,296	271,440	71%	
	Other	No.	458,640	431,340	6%	
COMPLAINTS						
103-3	**Breakdown of complaints by phase (Italy)**	**No.**	**18,559**	**20,525**	**-10%**	
	Accepted	No.	7,748	7,589	2%	
	Rejected	No.	7,725	9,354	-17%	
	Settled	No.	2,109	2,487	-15%	
	Under investigation	No.	977	1,095	-11%	
103-3	**Breakdown of complaints by area (Italy)**	**No.**	**18,559**	**20,525**	**-10%**	
	Claims	No.	13,779	14,422	-4%	
	Legal	No.	193	146	32%	
	Administrative	No.	616	731	-16%	
	Commercial	No.	1,283	1,327	-3%	
	Industrial	No.	2,305	3,337	-31%	
	Information Systems	No.	364	545	-33%	
	Other	No.	19	17	12%	
103-3	**Percentage of complaints by phase (Italy)**					
	Accepted	%	41.7%	37%	4.7 p.p.	
	Rejected	%	41.6%	46%	-4.4 p.p.	
	Settled	%	11.4%	12%	-0.6 p.p.	
	Under investigation	%	5.3%	5%	0.3 p.p.	

E-MARKET SDIR CERTIFIED

GRI indicator	Description	M.U.	2021	2020	%change/p.p.	Notes
103-3	**Percentage of complaints by area (Italy)**					
	Claims	%	74.2%	70.3%	3.9 p.p.	
	Legal	%	1.0%	0.7%	0.3 p.p.	
	Administrative	%	3.3%	3.6%	-0.3 p.p.	
	Commercial	%	6.9%	6.5%	0.4 p.p.	
	Industrial	%	12.4%	16.2%	-4.2 p.p.	
	Information Systems	%	2.0%	2.6%	-0.6 p.p.	
	Other	%	0.1%	0.1%	0 p.p.	
417-3	**Incidents of non-compliance concerning marketing communications**	No.	0	0	0%	Incidents of non-compliance linked to the IDD Directive
PENSION FUND						
201-3	**Percentage subscribed**					
	Senior Executives	%	100%	100%	0 p.p.	
	Employees	%	80%	81%	-1 p.p.	
201-3	**Total contributions paid**	**€**	**58,639,583**	**57,485,929**	**2%**	
201-3	**Contributions paid by the company**	**€**	**22,200,497**	**20,645,785**	**8%**	
	Senior Executives	€	2,988,700	2,992,608	0%	
	Employees	€	19,211,797	17,653,177	9%	
201-3	**Contributions paid by personnel**	**€**	**36,439,086**	**36,840,144**	**-1%**	
	Senior Executives	€	2,870,523	2,319,605	24%	
	Employees	€	33,568,563	34,520,539	-3%	
201-3	**Incidence of company contributions**	**%**	**38%**	**36%**	**2 p.p.**	
	Senior Executives	%	51%	56%	-5 p.p.	
	Employees	%	36%	34%	2 p.p.	
WELFARE FUND						
201-3	**Percentage subscribed**					
	Senior Executives	%	100%	97%	3 p.p.	
	Employees	%	96%	86%	10 p.p.	
201-3	**Total contributions paid**	**€**	**22,705,071**	**22,184,405**	**2%**	
201-3	**Contributions paid by the company**	**€**	**20,187,245**	**19,739,585**	**2%**	
	Senior Executives	€	2,342,024	2,370,980	-1%	
	Employees	€	17,845,221	17,368,605	3%	
201-3	**Contributions paid by personnel**	**€**	**2,517,826**	**2,444,820**	**3%**	
	Senior Executives	€	156,141	158,030	-1%	
	Employees	€	2,361,685	2,286,790	3%	
201-3	**Incidence of company contributions**	**%**	**89%**	**89%**	**0**	
	Senior Executives	%	94%	94%	0	
	Employees	%	88%	88%	0	

GOVERNANCE DATA

GRI indicator	Description	M.U.	2021	2020	%change/p.p.	Notes
ANTI-FRAUD						
	Total reports	**No.**	**11,926**	**8,735**	**37%**	
	Settlement cases reported	No.	7,883	7,688	3%	
	Underwriting cases reported	No.	4,043	1,047	286%	
	Total complaints	**No.**	**569**	**539**	**6%**	
	No. settlement complaints filed	No.	425	427	0%	
	No. underwriting complaints filed	No.	144	112	29%	
	No. files opened on cases reported	**No.**	**2,102**	**2,160**	**-3%**	
ANTI-CORRUPTION						
205-2	**Governance body members that received anti-corruption training**	ql	The members of the Board of Directors approve the update of the Organisation, Management and Control Model pursuant to Italian Legislative Decree 231/2001, which also contains requirements regarding the prevention of the risk of committing the crimes of corruption and abuse of position.			
205-2	**Employees specifically trained on anti-corruption policies and procedures (Italy)**					
	Total	%	61%	88%	-27 p.p.	Training on renewal of OMM
	Senior Executives	%	53%	95%	-42 p.p.	
	Officers and middle management	%	69%	97%	-28 p.p.	
	Administrative staff	%	65%	89%	-24 p.p.	
	Call Centre personnel	%	25%	72%	-47 p.p.	
	Blue-collar workers/Other	%	61%	47%	14 p.p.	
ANTI-MONEY LAUNDERING						
	Percentage of employees specifically trained on anti-money laundering policies and procedures (Italy)					
	Total	%	93%	85%	8 p.p.	

E-MARKET SDIR CERTIFIED

GRI indicator	Description	M.U.	2021	2020	%change/p.p.	Notes
REMUNERATION DIFFERENCES BY GENDER						
405-2	**Italy - Remuneration differences - Fixed**					Differences by gender and job-level category relating to median values of gross annual fixed remuneration of employees
	W/M - Senior Executives	No.	1.02	0.99	0.03 p.p.	
	W/M - Officers and middle management	No.	0.95	0.95	-	
	W/M - Administrative staff	No.	0.93	0.93	-	
	W/M - Call Centre personnel	No.	1.00	1.03	-0.03 p.p.	
	W/M - Blue-collar workers/Other	No.	0.94	0.96	-0.02 p.p.	
405-2	**Serbia - Remuneration differences - Fixed**					Differences by gender and job-level category relating to median values of gross annual fixed remuneration of employees
	W/M - Senior Executives	No.	1.16	1.45	-0.29 p.p.	
	W/M - Officers and middle management	No.	1.03	1.03	-	
	W/M - Administrative staff	No.	0.87	0.88	-0.01 p.p.	
	W/M - Call Centre personnel	No.	0.67	0.57	0.10 p.p.	
	W/M - Blue-collar workers/Other	No.	0.90	0.74	0.16 p.p.	
405-2	**Italy - Remuneration differences - Fixed+Variable**					Differences by gender and job-level category relating to median values of gross annual fixed+variable remuneration of employees
	W/M - Senior Executives	No.	0.95	0.95	-	
	W/M - Officers and middle management	No.	0.94	0.94	-	
	W/M - Administrative staff	No.	0.93	0.92	0.01 p.p.	
	W/M - Call Centre personnel	No.	1.00	1.01	-0.01 p.p.	
	W/M - Blue-collar workers/Other	No.	0.94	0.96	-0.02 p.p.	
405-2	**Serbia - Remuneration differences - Fixed+Variable**					Differences by gender and job-level category relating to median values of gross annual fixed+variable remuneration of employees
	W/M - Senior Executives	No.	1.21	1.54	-0.33 p.p.	
	W/M - Officers and middle management	No.	1.04	1.00	0.04 p.p.	
	W/M - Administrative staff	No.	0.87	0.87	-	
	W/M - Call Centre personnel	No.	0.67	0.56	0.11 p.p.	
	W/M - Blue-collar workers/Other	No.	0.90	0.74	0.16 p.p.	
405-2	**Ireland - Remuneration differences**					Differences by gender and job-level category relating to median values of annual remuneration
	W/M - Fixed - Employees	No.	0.80	0.74	0.06 p.p.	Breakdown by job-level category is insignificant
	W/M - Fixed+Variable- Employees	No.	0.78	0.74	0.04 p.p.	Breakdown by job-level category is insignificant
ECONOMIC DATA						
DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED						
201-1	**Direct economic value generated**	**€m**	**14,903**	**14,203**	**5%**	
	Net premiums earned	€m	11,879	11,349	5%	
	Financial income	€m	2,572	2,243	15%	
	Commission income	€m	45	34	32%	
	Gains on sale of assets	€m	407	577	-29%	
201-1	**Economic value distributed**	**€m**	**12,359**	**13,327**	**-7%**	
	Payment to policyholders	€m	8,067	9,127	-12%	
	Payment to other stakeholders	€m	4,292	4,200	2%	
201-1	**Economic value retained**	**€m**	**2,545**	**876**	**191%**	
PREMIUMS BY CHANNEL						
102-7	**Percentage breakdown of premiums by channel**					
	Agency Network	%	60%	66%	-9%	
	Management/Broker	%	17%	20%	-14%	
	Bancassurance Network	%	21%	12%	76%	
	Other	%	1%	2%	-27%	

GRI indicator	Description	M.U.	2021	2020	%change/p.p.	Notes
VALUE DISBURSED TO SUPPLIERS						
102-9	Value disbursed to suppliers by type					
	Total	€m	940	1,158	-19%	
	Printing and stationery	€m	4	8	-50%	
	Marketing, advertising and sponsorship	€m	55	51	8%	
	Miscellaneous services	€m	298	294	1%	
	Transport services	€m	2	2	0%	
	Information technology	€m	226	207	9%	
	Equipment, fixtures and fittings and signs	€m	15	14	7%	
	Consultancy and services	€m	113	119	-5%	
	Utilities and operation	€m	10	10	0%	
	Real estate asset management	€m	191	186	3%	
	Other diversified categories	€m	25	267	-91%	
VALUE OF CONTRIBUTIONS TO THE COMMUNITY						
201-1	Value of contributions to the community by type					
	Total	€m	11.54	8.80	31%	In 2021, no health emergency contributions were disbursed
	Charitable donations	€m	1.32	1.80	-27%	
	Sponsorships	€m	10.22	7.00	46%	
	Contribution to Unipolis Foundation	€m	1.70	1.50	13.3%	
	Health emergency contributions	€m	0	19.50	-100%	

ENVIRONMENTAL DATA

GRI indicator	Description	M.U.	2021	2020	%change/p.p.	Notes
ENERGY						
302-1	Energy consumed					
	Gas	Gj	115,306	129,437	-11%	
	Diesel	Gj	6,400	6,543	-2%	
	Agricultural diesel	Gj	4,027	4,370	-8%	
	Electricity	Gj	257,963	272,001	-5%	
	of which renewable	Gj	241,475	249,195	-3%	
	of which non-renewable	Gj	16.488	22,806	-28%	
	LPG	Gj	1,753	1,452	21%	
	District heating/cooling	Gj	67,407	86,448	-22%	
	Energy intensity	GJ/add	37.9	42.3	-10%	
WATER						
303-3	Water drawn					
	Water drawn m^3	m^3	1,158,650	1,156,538	0.2%	Breakdown by water sources and category not available
EMISSIONS						
305	Direct GHG emissions and indirect GHG emissions from energy consumptionn					
305-1	Scope 1 - Total	TCO_2 eq.	9.321	n.c.	n.c.	not comparable due to methodological variation
305-1	Scope 1 - Property	TCO_2 eq.	7,575	8,395	-9.8%	
305-1	Scope 1 - Fleets	TCO_2 eq.	1,656	n.a.	n.a.	
305-2	Scope 2 - Indirect GHG emissions from energy purchased (Location Based)	TCO_2 eq.	26,288	29,434	-11%	
305-2	Scope 2 - Indirect emissions from energy purchased (Market Based)	TCO_2 eq.	7,345	9,148	-20%	
305-3	Scope 3 Total	TCO_2 eq.	7.680.530	n.c.	n.c.	not comparable due to methodological variation
305-3	Scope 3 – employee mobility	TCO_2 eq.	668	947	n.c.	not comparable due to methodological variation
305-3	Scope 3 - customer mobility	TCO_2 eq.	6,767,546	5,759,805	17%	In 2020 there were no LTR vehicles
305-3	Scope 3 - Corporate portfolio	TCO_2 eq.	904,724	n.c.	n.c.	not comparable due to methodological variation
305-3	Scope 3 – employee homeworking	TCO_2 eq.	7.592	n.c.	n.c.	not comparable due to methodological variation
305-4	Intensity of emissions	TCO_2 eq./add	2.83	3.20	-12%	Scope 1 + Scope 2 location based
WASTE						
306-3	Waste by type					** The figure does not include waste generated by Unipol Re DAC and Arca Vita International Dac, Unipol*Rental* and Dyadea Medical Centres.
	Total waste	Tons	1,425	885	n.c.	Compared to 2020, the total volume increased due to the expansion in scope and due to major renovation works completed, profiting from the absence of personnel in the offices.
	Non-hazardous waste	Tons	1,226	680	n.c.	
	Hazardous waste	Tons	199	205	n.c.	

Breakdown of assets by business sector (€m)

	31/12/2021	% AuM
SECTION A - AGRICULTURE, FORESTRY AND FISHING	0.0	0.00%
SECTION B - MINING AND QUARRYING	77.36	0.12%
SECTION C - MANUFACTURING	1,762.59	2.82%
SECTION D - ELECTRICITY, GAS, STEAM AND AIR CONDITIONING SUPPLY	1,071.22	1.71%
SECTION E - WATER SUPPLY; SEWERAGE, WASTE MANAGEMENT AND REMEDIATION ACTIVITIES	41.83	0.07%
SECTION F - CONSTRUCTION	372.14	0.60%
SECTION H - TRANSPORTATION AND STORAGE	286.38	0.46%
SECTION G - WHOLESALE AND RETAIL TRADE; REPAIR OF MOTOR VEHICLES AND MOTORCYCLES	218.12	0.35%
SECTION I - ACCOMMODATION AND FOOD SERVICE ACTIVITIES	27.98	0.04%
SECTION J - INFORMATION AND COMMUNICATION SERVICES	1,328.60	2.30%
SECTION K - FINANCIAL AND INSURANCE ACTIVITIES	21,557.38	34.47%
SECTION L - REAL ESTATE ACTIVITIES	550.45	0.88%
SECTION M - PROFESSIONAL, SCIENTIFIC AND TECHNICAL ACTIVITIES	41.04	0.07%
SECTION N - ADMINISTRATIVE AND SUPPORT SERVICE ACTIVITIES	13.67	0.02%
SECTION O - PUBLIC ADMINISTRATION AND DEFENCE; COMPULSORY SOCIAL SECURITY	34,420.50	55.04%
SECTION P - EDUCATION	0.0	0.00%
SECTION Q - HUMAN HEALTH AND SOCIAL WORK ACTIVITIES	159.30	0.25%
SECTION R - ARTS, ENTERTAINMENT AND RECREATION	2.32	0.00%
SECTION S - OTHER SERVICE ACTIVITIES	0.0	0.00%
SECTION U - ACTIVITIES OF EXTRATERRITORIAL ORGANISATIONS AND BODIES	496.32	0.79%
Total Assets Under Management	**62,537.21**	**100.0%**

% High-carbon intensive sectors (Sections A, B, C, D, E, F, H): 6.23%

High-carbon intensive	% Asset Classes
Equity	1.22%
Bonds	4.99%
Infrastructure	0.00%
Real estate	0.00%
Structure Products	0.02%
MBS	0.00%
Derivatives	0.00%

Breakdown of Non-Life premiums by main business sectors (UnipolSai S.p.A. only)*

ATECO code	31/12/2021
SECTION L - Real estate activities	14.4%
SECTION F - Building construction	5.2%
SECTION G - Retail commerce	4.6%
SECTION G - Wholesale commerce	3.8%
SECTION F - Specialist construction works	3.7%
SECTION C - Metalworking	2.7%
SECTION S - Trade association activities	2.6%
SECTION H - Storage and transport support services	2.4%
SECTION H - Land and pipeline transportation	2.3%
SECTION D - Electricity, gas, steam and air conditioning supply	2.2%
SECTION I - Catering services	2.1%
SECTION G - Wholesale and retail commerce; vehicle and motorcycle repairs	2.0%
SECTION A - Agricultural crops and animal product production, hunting and related services	2.0%
SECTION R - Arts, entertainment and recreation	2.0%
SECTION M - Business management and management consulting activities	1.9%
SECTION C - Manufacture of machines and equipment	1.8%
SECTION F - Civil engineering	1.7%
SECTION S - Other personal service activities	1.6%
SECTION K - Financial services	1.5%
SECTION Q - Healthcare	1.5%

* This figure differs, by type of phenomenon represented and therefore by calculation method, from those published in the "Disclosure on the European Taxonomy of environmentally sustainable economic activities" section, and consequently cannot be considered in any way comparable.
The representation considers portfolio premiums relating to legal entities with allocated ATECO code equal to 87% (€1,486m) of the total legal entities.
The table only includes sectors with total premiums of more than €25m, equal to 70% of €1,486m.
Among these, the business activities indicated pertain to sectors with a high potential impact on climate change, the presence of which in the portfolio could influence the Company's strategy for the transition to a low-carbon economy in accordance with recommendations of the EU Policy "2030 climate and energy framework" and the Sasb FN-IN-450a.3 standard.
Considering the total premiums on SME and Corporate customers, the value of the business activities pertaining to these sectors was 14.2%.
To analyse the business sectors present in the insurance portfolio, with the aim of demonstrating awareness of the present business exposure in sectors impacted by climate change to varying degrees, the ATECO codes were identified that correspond to the NACE codes identifiable as activities contributing to the mitigation of and/or adaptation to climate change, where possible using the more precise NACE code (level 4).
However, note that this initial analysis did not take into consideration the business activities that could potentially be considered neutral from an environmental perspective (schools, hospitals, public administration services, etc.).

E-MARKET SDIR CERTIFIED

Index and Rating

Index SRI for Unipol Gruppo S.p.A. (ISIN IT0004810054)	
ECPI	• ECPI Global Developed ESG High Yield Corporate Bond
MSCI	• EUROPE SMALL ex CONTROV WEAPONS
Standard Ethics Italian Index	• SE Italian Index
SOLACTIVE ISS	• Solactive ISS ESG Screened Europe Small Cap Index NTR • Solactive ISS ESG Screened Paris Aligned Developed Markes Small Cap • Solactive Europe Total Market 675 Index
STOXX	• STOXX Italy 45 ESG-X • EURO STOXX Total Market ESG-X • EURO STOXX Total Market Climate Transition Benchmark • EURO STOXX Total Market Paris-Aligned Benchmark • STOXX Developed Markets Total Market Mid ESG-X • STOXX Europe Total Market ESG-X
EURONEXT	• Mib ESG

Rating ESG Unipol Gruppo S.p.A.	
	Rating
ECPI (MIN F;MAX EEE)	EE+
FTSE Russell (MIN 0;MAX 5)	2,2
Standard Ethics (MIN F;MAX EEE)	EE
MSCI (MIN 1/CCC;MAX 10/AAA)	5,7 / A
Sustainalytics (MIN 0:MAX 40+)	28,6
S&P (MIN 0;MAX 100)	UNDERGOING
ISS – Oekom (MIN 0/D-;MAX 100/A+)	C/Prime (50,01)
CDP (MIN D-; MAX A)	B
MOODYS (MIN 0;MAX 100)	60

NFS

CoP - United Nations Global Compact

Table of contents relating to relevant information for the United Nations Global Compact

The Communication on Progress (CoP) highlights the implementation of the UN Global Compact Principles in the Unipol Group's business conduct. Initiatives to implement respect for human rights, socially compatible working conditions, promotion of environmental protection and anti-corruption can be found in the 2021 Integrated Report. The following table identifies for each Principle the links to the GRI Standard, to the chapters of the 2021 Integrated Report (outcome measurements are indicated in the chapter "The impacts generated by the Unipol Group") as well as the website www.unipol.it For detailed information on the United Nations CoP 2020, please refer to the "Sustainability" section of the Unipol Group's website.

Global Compact Areas	Global Compact Principles	GRI STANDARDS	Reference in the Integrated Report	Link
High-level Commitment & Strategy	CEO statement of continued support	GRI102-14 GRI102-15		• Statement of continued support –CoP long Version
Principles on Human Rights	**Principle 1:** Businesses should support and respect the protection of internationally proclaimed human rights within their respective spheres of influence. **Principle 2:** Businesses should make sure they are not complicit in human rights abuses, including indirectly.	GRI102-16 GRI102-17 GRI408-01 GRI412-03 GRI-FS11	"Unipol Group Vision, Mission and Values" "Financial Capital" "Internal Control and Risk Management System" "Ethics Report"	• Unipol Group Identity Vision, Mission and Values • Policies • ESG risk management
Labour principles	**Principle 3:** Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining. **Principle 4:** Businesses should uphold the elimination of all forms of forced and compulsory labour. **Principle 5:** Businesses should uphold the effective abolition of child labour. **Principle 6:** Businesses should uphold the elimination of discrimination in respect of employment and occupation.	GRI102-06 GRI102-07 GRI102-08 GRI102-09 GRI102-16 GRI102-17 GRI102-22 GRI102-35 GRI102-41 GRI201-03 GRI204-01 GRI205-02 GRI305-03 GRI401-01 GRI403-01 GRI403-05 GRI403-09 GRI 404-01 GRI 404-02 GRI405-01 GRI405-02	"Unipol Group Vision, Mission and Values" "Future orientation in the use of capital" "Material topics" "Human Capital" "Social and Relational Capital" "Internal Control and Risk Management System" "Remuneration system and incentives" "Ethics Report" "Appendix"	• Unipol Group Identity Vision, Mission and Values • Shared Value • ESG risk management
Environmental Principles	**Principle 7:** Businesses should support a precautionary approach to environmental challenges. **Principle 8:** Businesses should undertake initiatives to promote greater environmental responsibility. **Principle 9:** Businesses should encourage the development and diffusion of environmentally friendly technologies.	GRI102-09 GRI102-11 GRI102-15 GRI102-30 GRI201-01 GRI203-02 GRI204-01 GRI302-01 GRI303-03 GRI305-01 GRI305-02 GRI305-03 GRI305-04 GRI306-02 GRI307-01 GRI-FS14	"Future orientation in the use of capital" - "Climate change" "Financial Capital" "Social and Relational Capital" "Natural Capital" "Shared value: the impacts generated by the Unipol Group" "Sanctions" "Appendix"	• Reputational & Emerging Risk Observatoryhttp://www.unipol.it/it/la-nostra-identita/osservatorio-reputational-emerging-risk • Results and Strategy • Policies • Shared Value • Climate change • ESG risk management • Derris Project
Anti-corruption principles	**Principle 10:** Businesses should work against corruption in all its forms, including extortion and bribery.	GRI102-09 GRI102-29 GRI102-30 GRI102-43 GRI 205-1 GRI 205-2 GRI 205-3 GRI 206-1 GRI 417-3 GRI 418-1 GRI 419-1 GRI-FS11	"Unipol Group Vision, Mission and Values" "Material topics" "Internal Control and Risk Management System" - "Personal data protection" - "Anti-corruption" - "Sanctions" "Ethics Report" "Appendix"	• Unipol Group Identity Vision, Mission and Values • Anti-corruption Procedures • Policies • ESG risk management

Glossary

ALM: Asset and Liability Management, referring to the integrated management of assets and liabilities for the purpose of allocating resources in such a way as to optimise the risk/return ratio.

APE – Annual Premium Equivalent: the new Life business expressed in APE is a measurement of the volume of business relating to new policies and corresponds to the sum of periodic premiums of new products and one tenth of single premiums. This indicator is used to assess the business along with the in force value and the Life new business value of the Group.
Premium retention ratio is the ratio of premiums retained (total direct and indirect premiums net of premiums ceded) to total direct and indirect premiums. Investment products are not included in calculating this ratio.

ASviS - Italian Alliance for Sustainable Development: set up in 2016, on the initiative of the Unipolis Foundation and the "Tor Vergata" University of Rome, whose objective is to increase awareness in Italian society, economic entities and institutions, of the importance of the 2030 Agenda for sustainable development and to empower them to achieve the Sustainable Development Goals.
The Alliance currently incorporates more than 200 of the most important institutions and networks of civil society, such as associations representing social parties (business, trade union and Third Sector associations), networks of associations of civil society which concern specific objectives (health, economic well-being, education, labour, quality of the environment, gender equality, etc.), associations of regional authorities, universities and public and private research centres, and the associated networks, associations of entities active in the worlds of culture and information, foundations and networks of foundations, Italian entities belonging to international associations and networks active in sustainable development matters.

BVPS – Book Value Per Share: ratio between the Group's Shareholders' equity and the total number of shares.

Capital: stocks of value on which all organisations depend for their success. Used as inputs to the business model, and are increased, decreased or transformed through the organisation's business activities and outputs. The capitals are categorised in the <IR> Framework as financial, productive, intellectual, human, social and relational, and natural. (International <IR> Framework).

CARD - Convenzione tra Assicuratori per il Risarcimento Diretto - Agreement between Insurers for Direct Compensation:
MV TPL claims may be classified as one of three cases of claims managed:
Non-Card claims: claims governed by the ordinary regime, to which CARD is not applied;
Debtor Card claims: claims governed by CARD where "our" policyholder is fully or partially liable, which are settled by the counterparty's insurance companies, to which "our" insurance company must pay a flat rate pay-out ("Debtor Flat Rate");
Handler Card claims: claims governed by CARD where "our" policyholder is fully or partially not liable, which are settled by "our" insurance company, to which the counterparty's insurance companies must pay a flat rate pay-out ("Handler Flat Rate").
However, it must be noted that this classification is a simplified representation because, in reality, each individual claim may contain damages included in each of the three above-indicated cases.

Combined ratio: indicator that measures the balance of Non-Life technical management, represented by the sum of the loss ratio and the expense ratio.

Value Creation: the process that results in increases, decreases or transformations of the capital caused by the organisation's business activities and outputs. (International <IR> Framework).

CSI (Customer Satisfaction Index): overall satisfaction index based on 13 factors pertaining to two macro areas: Relations with agents and Service provided by the company. The sum of weighted scores obtained for each of the 13 factors determines the arithmetic mean representing the overall CSI.

CS OVERALL (Customer Satisfaction Overall for retail and companies): an indicator of overall satisfaction with the reference company (sole or main) that takes into account all aspects of the relationship (policies subscribed, personnel, service, innovation, reputation, etc.). It is calculated by using a 6-step numeric scale from 3 to 8, where 3 is the lowest score, 6 is satisfactory and 8 is the highest score. The percentage score is calculated on the two highest scores on the scale.

Non-Financial Statement (NFS): a separate or consolidated statement of a non-financial nature as envisaged in Italian Legislative Decree no. 254 of 30 December 2016, which introduced new transparency obligations to Italian law in line with the European regulations on environmental and social issues, human resources, respect for human rights, the fight against active and passive corruption, which are relevant taking into account the activities and characteristics of the company.

Environmental, social and governance (ESG): an acronym that refers to the organisational aspects of a company, linked to environmental, social and good governance policies, objectives and implementation procedures.

EPS – Earning per share: ratio between the Group's net profit and the total number of shares.

Expense ratio: percentage indicator of the ratio of total operating expenses to premiums written as far as direct business is concerned, and the premiums as far as retained business, net of reassurance, is concerned.

FSB - Financial Stability Board, the international body that controls and formulates recommendations on the global financial system.

FTSE4Good Index: the index evaluates the performances of companies that are globally recognised for their high standards of social responsibility. The index is reviewed twice per year, in March and in September, to include any new companies and instead exclude any that have not maintained the required sustainability standards.

Global Compact: United Nations initiative launched in 2000 to encourage companies all over the world to adopt sustainable policies, comply with corporate social responsibilities and publicly disclose the results of the actions undertaken. It envisages compliance with 10 Principles divided into 4 areas: Human Rights, Labour, Environment and Anti-corruption.
To date, over 18,000 companies from 160 countries worldwide have adopted the initiative, in support of the United Nations Sustainable Development Goals (SDGs) for 2030.

SRIs: the sustainability indexes or SRIs are summary indexes that monitor the performance trends of a basket of companies listed in the Stock Exchange in accordance not only with financial and economic criteria, but also criteria relating, as applicable, to environmental, social and good corporate governance aspects, employed by investors that intend to adopt sustainable and responsible investment (SRI) strategies.
Sustainable and responsible investment refers to a medium/long-term investment strategy which, in assessments of companies and institutions, combines financial analysis with environmental, social and good governance analysis so as to create value for the investor and for the company as a whole.

Inputs: the capitals (resources and relationships) that an organisation draws upon for its business activities. (International <IR> Framework).

IPCC - Intergovernmental Panel on Climate Change: the scientific body of the United Nations that is responsible for assessing climate change, its implications and potential future risks, as well as proposing options for adaptation and mitigation.

ISO 50001: a voluntary international standard that provides organisations of any size with a system for optimising the energy performance of all of their processes and for promoting more efficient energy management.

ESG Guidelines: Guidelines for the ex ante assessment of ESG risks that could arise in the business processes (investments, recruitment, credit), annexed to the related Policies and useful to supporting correct assessment of the risks in line with the sustainability guidelines.

Loss ratio: primary indicator of the cost-effectiveness of operations of an insurance company in the Non-Life business. This is the ratio of the cost of claims for the period to premiums for the period.

Materiality: a matter is material if it could substantively affect the organisation's ability to create value in the short, medium or long term. (International <IR> Framework).

Mission: establishes what the Company does. It expresses the Company's day-to-day activities.

Business model: an organisation's system of transforming inputs through its business activities into outputs and outcomes that aims to fulfil the organisation's strategic purposes and create value over the short, medium and long term. (International <IR> Framework).

MRO (Main Refinancing operations): open market operations carried out by the Eurosystem.

MSCI ESG Index: the index supports the evaluation of the environmental, social and governance (ESG) investments and helps institutional investors to perform a more effective benchmarking for the performances of ESG investments.

NPS (Net Promoter Score): an indicator that measures the proportion of product/service "promoters" vs. "detractors".
It is based on the question "Would you recommend the company to your best friend?". The answers are rated on a scale of 0 to 10.
The indicator is calculated by subtracting the percentage of detractors from the percentage of promoters.

OTI (Other Technical Items) ratio: ratio of the sum of the balance of other technical charges/income and the change in other technical provisions to net premiums for the period.

Outcomes: the internal and external consequences (positive and negative) for the capitals as a result of an organisation's business activities and outputs (International <IR> Framework).

Outputs: an organisation's products and services, and any by-products and waste. (International <IR> Framework).

Paris Agreement: it defines a global framework to avoid dangerous climate changes, limiting the rise in the global temperature to well below 2 °C and continuing efforts to limit this increase to 1.5 °C (compared to pre-industrial levels). It was agreed at the Paris Climate Conference (COP21) in December 2015 and is currently ratified by roughly 190 parties, including the EU and its Member States.

PRI: principles promoted in 2006 by the United Nations to favour the spreading of sustainable and responsible investment amongst institutional investors, which are signed and implemented by financial sector companies. The companies commit to incorporating ESG concerns within investment analyses and decision-making processes, as well as their company policies and practices.

UNEP - United Nations Environment Programme is the main global environmental authority which establishes the global environmental agenda, promotes consistent implementation of environmental approaches to sustainable development within the UN system and acts as the authoritative defender of the global environment.

Taxonomy Regulation: Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020, on the establishment of a framework to facilitate sustainable investment.

Reputation Index: an index developed by the Reputation Institute to measure and manage the reputation of companies and their brands as a lever for business growth, valid at international level. The reputation of the Unipol Group consists in a series of expectations, perceptions and opinions developed over time by the reference Stakeholders (customers, employees, agents, financial community, institutions, opinion makers, public opinion) on the qualities of the Group, its characteristics and its conduct, which derive from experience, word of mouth or observation of the Group's shares. The consistency of Group conduct with its promises and resulting response to expectations formulated by its Stakeholders determine how the corporate reputation is formed

ROE – Return on Equity: ratio between the Group's net profit for the year and the average of the Group's Shareholders' equity (calculated as the semi-sum of Net Shareholders' equities at the start and end of the period), excluding Other comprehensive income (expense) (OCI).

Scope of GHG emissions: classification of the organisational confines in which the direct and indirect GHG (Greenhouse Gas) emissions generated by an organisation's activities are produced. There are 3 Scope classes: Scope 1, Scope 2 and Scope 3. The classification derives from the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD). Scope 1 refers to direct GHG emissions from installations owned or controlled by the organisation. Scope 2 refers to indirect GHG emissions deriving from the generation of electricity, steam energy, heating and cooling, imported and consumed within the organisation. Scope 3 refers to other indirect emissions not covered by Scope 2, such as emissions associated with business travel.

SDGs - Sustainable Development Goals: the 2030 Agenda for Sustainable Development is a plan of action for people, the planet and prosperity, signed in September 2015 by the governments of 193 UN Member States. It encompasses 17 Sustainable Development Goals - SDGs - as listed below:

Goal 1:
End poverty in all its forms everywhere.

Goal 2:
End hunger, achieve food security and improved nutrition and promote sustainable agriculture.

Goal 3:
Ensure healthy lives and promote well-being for all at all ages.

Goal 4:
Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.

Goal 5:
Achieve gender equality and empower all women and girls.

Goal 6:
Ensure availability and sustainable management of water and sanitation for all.

Goal 7:
Ensure access to affordable, reliable, sustainable and modern energy for all.

Goal 8:
Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.

Goal 9:
Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.

Goal 10:
Reduce inequality within and among countries.

Goal 11:
Make cities and human settlements inclusive, safe, resilient and sustainable.

Goal 12:
Ensure sustainable consumption and production patterns.

Goal 13:
Take urgent action to combat climate change and its impacts.

Goal 14:
Conserve and sustainably use the oceans, seas and marine resources for sustainable development.

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.

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.

Goal 17:
Strengthen the means of implementation and revitalize the global partnership for sustainable development.

TCFD - Task Force on Climate-related Financial Disclosures develops voluntary and consistent recommendations on climate-related financial risks to be used by companies in providing information to investors, lenders, insurers and other interested parties

TEG - Technical Expert Group on Sustainable Finance - The Commission has established this group to assist in particular in the development of a standardised classification system for sustainable business activities, an EU green obligations standard, methods for low carbon emissions indicators and metrics for reporting on climate change issues

TLTRO - Targeted Long Term Refinancing Operations: financial interventions carried out by the European Central Bank, introduced for the first time during the sovereign debt crisis that took place in Eurozone countries. Under the TLTRO programme, 4-year loans with very low interest rates are disbursed through auctions to Eurozone banks, with a view to injecting liquidity into the real economy. Indeed, banks are required to use this liquidity to support lending to small and medium sized enterprises.

Values: represent the Company's conduct. They describe the expectations and principles for specific interaction between the internal and external environment of the Company.

Vision: describes the impact that the Company intends to have, the result expected of the organisation from achieving its purpose.

2

CONSOLIDATED FINANCIAL STATEMENTS AT 31/12/2021 TABLES OF CONSOLIDATED FINANCIAL STATEMENTS

Statement of Financial Position

Assets

		Amounts in €m	31/12/2021	31/12/2020
1	**INTANGIBLE ASSETS**		**2,080.8**	**2,038.9**
1.1	Goodwill		1,630.8	1,630.8
1.2	Other intangible assets		450.0	408.1
2	**PROPERTY, PLANT AND EQUIPMENT**		**2,514.7**	**2,365.7**
2.1	Property		1,584.0	1,532.9
2.2	Other tangible assets		930.7	832.9
3	**TECHNICAL PROVISIONS - REINSURERS' SHARE**		**831.3**	**835.3**
4	**INVESTMENTS**		**68,169.0**	**68,643.6**
4.1	Investment property		2,072.5	2,176.0
4.2	Investments in subsidiaries, associates and interests in joint ventures		1,304.4	1,153.7
4.3	Held-to-maturity investments		366.7	420.8
4.4	Loans and receivables		4,754.0	4,519.3
4.4bis	Financial assets at amortised cost		357.2	422.7
4.5	Available-for-sale financial assets		50,194.4	50,899.5
4.5bis	Financial assets at fair value through OCI		494.6	1,601.4
4.6	Financial assets at fair value through profit or loss		8,625.2	7,450.2
4.6.1	*Held-for-trading financial assets*		*229.5*	*257.2*
4.6.2	*Financial assets at fair value*		*8,344.5*	*7,177.8*
4.6.3	*Other financial assets mandatorily at fair value*		*51.2*	*15.2*
5	**SUNDRY RECEIVABLES**		**3,432.9**	**3,241.0**
5.1	Receivables relating to direct insurance business		1,398.0	1,482.4
5.2	Receivables relating to reinsurance business		204.5	166.9
5.3	Other receivables		1,830.4	1,591.6
6	**OTHER ASSETS**		**1,290.8**	**1,187.2**
6.1	Non-current assets or assets of a disposal group held for sale		132.6	203.3
6.2	Deferred acquisition costs		100.1	99.2
6.3	Deferred tax assets		427.0	330.9
6.4	Current tax assets		9.6	9.0
6.5	Other assets		621.4	544.7
7	**CASH AND CASH EQUIVALENTS**		**1,938.9**	**1,094.8**
	TOTAL ASSETS		**80,258.5**	**79,406.5**

Statement of Financial Position

Shareholders' equity and liabilities

		Amounts in €m	31/12/2021	31/12/2020
1	SHAREHOLDERS' EQUITY		**9,721.5**	**9,525.3**
1.1	**attributable to the owners of the Parent**		**7,780.0**	**7,613.6**
1.1.1	Share capital		3,365.3	3,365.3
1.1.2	Other equity instruments			
1.1.3	Capital reserves		1,639.4	1,639.4
1.1.4	Income-related and other equity reserves		1,054.9	771.0
1.1.5	(Treasury shares)		(1.1)	(2.7)
1.1.6	Reserve for foreign currency translation differences		3.3	3.4
1.1.7	Gains or losses on available-for-sale financial assets		1,138.6	1,173.9
1.1.7bis	Gains or losses on financial assets at fair value through OCI		20.0	8.8
1.1.8	Other gains or losses recognised directly in equity		(67.0)	(53.0)
1.1.9	Profit (loss) for the year attributable to the owners of the Parent		626.6	707.4
1.2	**attributable to non-controlling interests**		**1,941.5**	**1,911.7**
1.2.1	Share capital and reserves attributable to non-controlling interests		1,554.3	1,525.8
1.2.2	Gains or losses recognised directly in equity		217.7	229.2
1.2.3	Profit (loss) for the year attributable to non-controlling interests		169.6	156.7
2	PROVISIONS		**446.9**	**479.6**
3	TECHNICAL PROVISIONS		**57,128.3**	**57,707.0**
4	FINANCIAL LIABILITIES		**10,770.8**	**9,730.2**
4.1	Financial liabilities at fair value through profit or loss		6,356.9	4,379.3
4.1.1	*Financial liabilities held-for trading*		445.9	324.3
4.1.2	*Financial liabilities at fair value*		5,911.0	4,055.1
4.2	Other financial liabilities		4,413.9	5,350.8
5	PAYABLES		**1,095.5**	**918.1**
5.1	Payables arising from direct insurance business		187.6	162.8
5.2	Payables arising from reinsurance business		104.5	77.0
5.3	Other payables		803.5	678.3
6	OTHER LIABILITIES		**1,095.4**	**1,046.3**
6.1	Liabilities associated with disposal groups held for sale		3.1	3.2
6.2	Deferred tax liabilities		115.3	118.0
6.3	Current tax liabilities		40.3	41.1
6.4	Other liabilities		936.6	884.1
	TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**80,258.5**	**79,406.5**

E-MARKET SDIR CERTIFIED

Income Statement

		Amounts in €m	**31/12/2021**	31/12/2020
1.1	Net premiums		11,878.5	11,349.2
1.1.1	*Gross premiums earned*		*12,349.1*	*11,810.4*
1.1.2	*Earned premiums ceded to reinsurers*		*(470.6)*	*(461.2)*
1.2	Commission income		45.3	34.4
1.3	Gains and losses on financial instruments at fair value through profit or loss		212.4	(183.9)
1.4	Gains on investments in subsidiaries, associates and interests in joint ventures		152.6	19.4
1.5	Gains on other financial instruments and investment property		1,910.8	2,282.4
1.5.1	*Interest income*		*1,386.8*	*1,363.1*
1.5.2	*Other income*		*231.4*	*183.9*
1.5.3	*Realised gains*		*270.7*	*487.5*
1.5.4	*Unrealised gains*		*22.0*	*247.9*
1.6	Other revenue		937.8	820.3
1	**TOTAL REVENUE AND INCOME**		**15,137.6**	**14,321.7**
2.1	Net charges relating to claims		(9,809.2)	(8,844.3)
2.1.1	*Amounts paid and changes in technical provisions*		*(9,992.1)*	*(9,015.2)*
2.1.2	*Reinsurers' share*		*183.0*	*170.9*
2.2	Commission expense		(37.4)	(20.4)
2.3	Losses on investments in subsidiaries, associates and interests in joint ventures		(1.6)	(0.5)
2.4	Losses on other financial instruments and investment property		(608.8)	(716.7)
2.4.1	*Interest expense*		*(160.8)*	*(163.5)*
2.4.2	*Other charges*		*(35.1)*	*(38.8)*
2.4.3	*Realised losses*		*(125.1)*	*(425.6)*
2.4.4	*Unrealised losses*		*(287.7)*	*(88.8)*
2.5	Operating expenses		(2,665.9)	(2,588.8)
2.5.1	*Commissions and other acquisition costs*		*(1,856.6)*	*(1,844.6)*
2.5.2	*Investment management expenses*		*(125.8)*	*(120.4)*
2.5.3	*Other administrative expenses*		*(683.6)*	*(623.8)*
2.6	Other costs		(1,064.0)	(1,125.2)
2	**TOTAL COSTS AND EXPENSES**		**(14,186.8)**	**(13,295.9)**
	PRE-TAX PROFIT (LOSS) FOR THE YEAR		**950.7**	**1,025.8**
3	Income taxes		(154.6)	(161.7)
	PROFIT (LOSS) FOR THE YEAR AFTER TAXES		**796.2**	**864.1**
4	PROFIT (LOSS) FROM DISCONTINUED OPERATIONS			
	CONSOLIDATED PROFIT (LOSS)		**796.2**	**864.1**
	of which attributable to the owners of the Parent		*626.6*	*707.4*
	of which attributable to non-controlling interests		*169.6*	*156.7*

Comprehensive Income Statement

Amounts in €m	**31/12/2021**	31/12/2020
CONSOLIDATED PROFIT (LOSS)	**796.2**	**864.1**
Other income items net of taxes not reclassified to profit or loss	**32.2**	**(45.4)**
Change in the shareholders' equity of the investees	21.7	(8.2)
Change in the revaluation reserve for intangible assets		
Change in the revaluation reserve for property, plant and equipment		
Gains and losses on non-current assets or disposal groups held for sale		
Actuarial gains and losses and adjustments relating to defined benefit plans	0.4	(5.0)
Gains or losses on equity instruments at fair value through OCI	11.4	(32.1)
Reserve deriving from variation on credit risk on financial liabilities at fair value through profit or loss		
Other items	(1.3)	
Other income items net of taxes reclassified to profit or loss	**(81.9)**	**260.2**
Change in the reserve for foreign currency translation differences	(0.1)	(1.1)
Gains or losses on available-for-sale financial assets	(42.9)	231.2
Gains or losses on financial assets (other than equity instruments) at fair value through OCI	(0.2)	10.7
Gains or losses on cash flow hedges	(42.1)	4.2
Gains or losses on hedges of a net investment in foreign operations		
Change in the shareholders' equity of the investees	3.5	15.2
Gains and losses on non-current assets or disposal groups held for sale		
Other items		
TOTAL OTHER COMPREHENSIVE INCOME (EXPENSE)	**(49.7)**	**214.9**
TOTAL CONSOLIDATED COMPREHENSIVE INCOME (EXPENSE)	**746.5**	**1,079.0**
of which attributable to the owners of the Parent	*588.4*	*929.7*
of which attributable to non-controlling interests	*158.1*	*149.2*

Statement of Changes in Shareholders' equity

	Amounts in €m	**Balance at 31/12/2019**	Changes to closing balances	Amounts allocated	Adjustments from reclassification to profit or loss	Transfers	Changes in investments	**Balance at 31/12/2020**
Equity attributable to the owners of the Parent	Share capital	3,365.3						3,365.3
	Other equity instruments							
	Capital reserves	1,639.4						1,639.4
	Income-related and other equity reserves	(127.2)		920.1			(21.8)	771.0
	(Treasury shares)	(3.4)		0.7				(2.7)
	Profit (loss) for the year	902.5		(195.1)				707.4
	Other comprehensive income (expense)	910.9		323.8	(147.6)		46.1	1,133.2
	Total attributable to the owners of the Parent	**6,687.5**		**1,049.4**	**(147.6)**		**24.3**	**7,613.6**
Equity attributable to non-controlling interests	Share capital and reserves attributable to non-controlling interests	1,196.4		554.5			(225.1)	1,525.8
	Profit (loss) for the year	184.1		74.3		(101.7)		156.7
	Other comprehensive income (expense)	236.6		71.9	(33.2)		(46.1)	229.2
	Total attributable to non-controlling interests	**1,617.1**		**700.7**	**(33.2)**	**(101.7)**	**(271.2)**	**1,911.7**
Total		**8,304.6**		**1,750.1**	**(180.8)**	**(101.7)**	**(246.9)**	**9,525.3**

	Amounts in €m	**Balance at 31/12/2020**	Changes to closing balances	Amounts allocated	Adjustments from reclassification to profit or loss	Transfers	Changes in investments	**Balance at 31/12/2021**
Equity attributable to the owners of the Parent	Share capital	3,365.3						3,365.3
	Other equity instruments							
	Capital reserves	1,639.4						1,639.4
	Income-related and other equity reserves	771.0		486.4		(200.7)	(1.8)	1,054.9
	(Treasury shares)	(2.7)		1.5				(1.1)
	Profit (loss) for the year	707.4		119.9		(200.7)		626.6
	Other comprehensive income (expense)	1,133.2		(162.6)	125.3		(0.8)	1,095.0
	Total attributable to the owners of the Parent	**7,613.6**		**445.2**	**125.3**	**(401.4)**	**(2.7)**	**7,780.0**
Equity attributable to non-controlling interests	Share capital and reserves attributable to non-controlling interests	1,525.8		24.7			3.7	1,554.3
	Profit (loss) for the year	156.7		119.6		(106.7)		169.6
	Other comprehensive income (expense)	229.2		(38.4)	26.0		0.8	217.7
	Total attributable to non-controlling interests	**1,911.7**		**106.0**	**26.0**	**(106.7)**	**4.6**	**1,941.5**
Total		**9,525.3**		**551.2**	**151.3**	**(508.1)**	**1.9**	**9,721.5**

Statement of Cash Flows (indirect method)

Amounts in €m	31/12/2021	31/12/2020
Pre-tax profit (loss) for the year	950.7	1,025.8
Change in non-monetary items	(135.7)	(1,788.8)
Change in Non-Life premium provision	(20.2)	62.4
Change in claims provision and other Non-Life technical provisions	347.5	(600.1)
Change in mathematical provisions and other Life technical provisions	(902.0)	831.7
Change in deferred acquisition costs	(0.9)	2.1
Change in provisions	(32.6)	2.6
Non-monetary gains and losses on financial instruments, investment property and investments	(365.2)	1,060.1
Other changes	837.7	(3,147.6)
Change in receivables and payables generated by operating activities	**(295.8)**	**(133.0)**
Change in receivables and payables relating to direct insurance and reinsurance	16.3	(50.3)
Change in other receivables and payables	(312.2)	(82.7)
Paid taxes	**(72.4)**	**(83.3)**
Net cash flows generated by/used for monetary items from investing and financing activities	**1,196.9**	**1,687.5**
Liabilities from financial contracts issued by insurance companies	1,723.2	1,360.4
Payables to bank and interbank customers		
Loans and receivables from banks and interbank customers		
Other financial instruments at fair value through profit or loss	(526.4)	327.1
TOTAL NET CASH FLOW FROM OPERATING ACTIVITIES	**1,643.7**	**708.2**
Net cash flow generated by/used for investment property	22.4	(399.8)
Net cash flow generated by/used for investments in subsidiaries, associates and interests in joint ventures	0.1	1.9
Net cash flow generated by/used for loans and receivables	(366.4)	(719.3)
Net cash flow generated by/used for financial assets at amortised cost	81.8	116.4
Net cash flow generated by/used for held-to-maturity investments	56.7	37.0
Net cash flow generated by/used for available-for-sale financial assets	(184.2)	289.2
Net cash flow generated by/used for financial assets at fair value through OCI	1,122.7	(936.5)
Net cash flow generated by/used for property, plant and equipment and intangible assets	(235.1)	(205.1)
Other net cash flows generated by/used for investing activities	96.8	15.8
TOTAL NET CASH FLOW GENERATED BY/USED FOR INVESTING ACTIVITIES	**594.8**	**(1,800.4)**
Net cash flow generated by/used for equity instruments attributable to the owners of the Parent		
Net cash flow generated by/used for treasury shares	2.2	0.1
Dividends distributed attributable to the owners of the Parent	(401.4)	
Net cash flow generated by/used for share capital and reserves attributable to non-controlling interests	(106.7)	398.3
Net cash flow generated by/used for subordinated liabilities and equity instruments	(641.7)	(80.0)
Net cash flow generated by/used for financial liabilities at amortised cost	(246.7)	861.5
TOTAL NET CASH FLOW GENERATED BY/USED FOR FINANCING ACTIVITIES	**(1,394.3)**	**1,179.9**
Effect of exchange rate gains/losses on cash and cash equivalents	**(0.0)**	**0.0**
CASH AND CASH EQUIVALENTS AT 1 JANUARY (*)	1,094.9	1,007.2
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	844.2	87.7
CASH AND CASH EQUIVALENTS AT 31 DECEMBER (**)	1,939.1	1,094.9

(*) Include cash and cash equivalents of non-current assets or those of a disposal group held for sale (2021 €0.1m, 2020 €0.2m).
(**) Include cash and cash equivalents of non-current assets or those of a disposal group held for sale (2021 €0.2m, 2020 €0.1m).

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NOTES TO THE FINANCIAL STATEMENTS

1. Basis of presentation

The Unipol Group, consisting of the Parent Unipol Gruppo ("Unipol") and its subsidiaries, operates in all Non-Life and Life insurance and reinsurance and capitalisation business; it may issue investment contracts and may set up and manage open pension funds, in compliance with the provisions of Art. 9 of Italian Legislative Decree 124 of 21 April 1993 and subsequent amendments.
To support the insurance business, it has developed instrumental commercial activities relating in particular to vehicle repair and vehicle glass replacement, the management of black boxes and other telematic devices, the management of payments in mobility and long-term vehicle rental.
It also carries out real estate, and to a lesser extent, financial, hotel, agricultural and healthcare activities.
The Unipol Group mainly operates in Italy: outside Italy, the Group operates in Serbia, through the subsidiary DDOR Novi Sad and the dedicated captive reinsurance company Ddor Re, and in Ireland with UnipolRe, a professional reinsurance company.

The Parent Unipol, head of the Unipol Insurance Group, is a joint-stock company with registered office in Bologna, via Stalingrado 45 (Italy) and is listed on the Milan Stock Exchange.

The Unipol Group's Consolidated Financial Statements were drawn up in accordance with Art. 154-ter of Italian Legislative Decree 58/1998 (Consolidated Law on Finance) and of ISVAP Regulation no. 7 of 13 July 2007, as amended. They conform to the IAS/IFRS standards issued by the IASB and endorsed by the European Union, along with the interpretations issued by IFRIC, in accordance with the provisions of Regulation (EC) no. 1606/2002 in force on the closing date of the financial statements.

The Consolidated Financial Statements consist of:
- Statement of Financial Position;
- Income Statement and Comprehensive Income Statement;
- Statement of Changes in Shareholders' Equity;
- Statement of Cash Flows;
- Notes to the Financial Statements;
- Tables appended to the notes to the financial statements.

The layout conforms to the provisions of ISVAP Regulation no. 7 of 13 July 2007, Part III as amended, relating to the layout of the Consolidated Financial Statements of insurance and reinsurance companies that must adopt international accounting standards.

The information requested by Consob Communications DEM/6064293 of 28 July 2006 and DEM/11070007 of 5 August 2011 is also provided.

The Consolidated Financial Statements are drawn up on the assumption that the company will continue as a going concern, in application of the principles of accrual accounting, materiality and truthfulness of accounting information, in order to provide a true and fair view of the equity-financial position and economic result, in compliance with the principle of the prevalence of the economic substance of transactions over their legal form.
The going concern assumption is considered to be confirmed with reasonable certainty given that companies belonging to the Unipol Group have sufficient resources to ensure that they will continue to operate for the foreseeable future. In addition, the liquidity risk is deemed to be very remote.

The layout of the financial statements offers a comparison with the figures of the previous year. Where necessary, in the event of a change to the accounting standards, measurement or classification criteria, the comparative data are re-stated and reclassified in order to provide homogeneous and consistent information.

The presentation currency is the euro and all the amounts shown in the financial statements and these notes are in €m, except when specifically indicated, rounded to one decimal place; therefore the sum of the individual amounts is not always identical to the total.

The Consolidated financial statements of Unipol are subject to audit by the independent auditors EY S.p.A., the company tasked with performing the legally-required audit of the consolidated financial statements for the years 2021-2029.

EU ESEF Regulation - Financial statements in the single electronic reporting format

The Transparency Directive (2004/109/EC) requires listed companies to publish their annual financial report in the "single electronic reporting format". To this end, Regulation (EU) 2019/815 of 2018 (the "ESEF Regulation") imposed the obligation of drafting such reporting in XHTML format, also marking up certain information in the consolidated financial statements (financial statements and certain identifying data of the issuer) using XBRL specifications. The obligation of applying this preparation method, following an extension adopted at national level, comes into force starting from the 2021 financial year. In the course of 2021, XBRL Italia published "Adaptation to the ESMA taxonomy for Italian insurance companies" in order to reflect the specific characteristics of the insurance sector and to guarantee the uniform application of the marking up rules at national level. This document defines the marking up rules for financial statements required under IVASS Regulation 7, through basic taxonomy items or the creation of specific extensions.
The Unipol Group has applied the guidelines set forth in the document published by XBRL Italia for the mark up of numerical data contained in the statement of financial position, the income statement and the comprehensive income statement, the statement of changes in shareholders' equity and the statement of cash flows.

Consolidation scope

The Unipol Group's Consolidated Financial Statements at 31 December 2021 have been drawn up by combining the figures of the Parent Unipol and those of the 55 direct and indirect subsidiaries (IFRS 10). At 31 December 2020, 56 companies were consolidated on a line-by-line basis. Subsidiaries deemed to be too small to be of relevance are excluded from line-by-line consolidation.

There are no jointly-controlled interests.

Associates, in which the investment percentage ranges between 20% and 50%, and subsidiaries considered immaterial (20 companies), are measured using the equity method (IAS 28) or maintained at the carrying amount. At 31 December 2020, a total of 21 associates and subsidiaries were considered immaterial.

Investments consolidated on a line-by-line basis and those measured using the equity method are listed in the tables showing the Consolidation scope and Details of unconsolidated investments, respectively, which are appended to these Notes.

Changes in the consolidation scope compared with 31 December 2020 and other transactions

Changes in the consolidation scope

On 1 March 2021, UnipolSai Assicurazioni SpA sold its entire holding in Servizi Immobiliari Martinelli SpA consisting of 200 shares, i.e. 20% of the share capital.

On 26 April 2021, the decision to liquidate UnipolSai Servizi Consortili Scrl was entered into the Register of Companies and its name was changed to UnipolSai Servizi Consortili Scrl in liquidazione. To conclude the voluntary liquidation process, on 23 December 2021, the consortium members approved the final liquidation financial statements and the relative distribution plan.

On 22 June 2021, the company MNTTN SpA was established by full payment of the share capital of €120,000 which is held entirely by UnipolSai. The company, after enrolling in the Single Register of Intermediaries at IVASS, will carry out insurance brokerage activities.

On 5 July 2021, after obtaining authorisation to operate on 30 June 2021 from the Bank of Italy, the deed of incorporation of the company UnipolPay SpA was registered with the Register of Companies. The Company's purpose is the issue of electronic money (IMEL) and the provision of operating and accessory services closely connected to the issue of electronic currency, as well as the provision of payment services, also not connected to the issue of electronic currency and the relative accessory activities. At 31 December 2021, the company had not yet started operating.

On 6 December 2021, after filing of the merger deed and related entries in the relevant Register of Companies, the merger of Unipol Reoco SpA into UnipolReC SpA became effective, with accounting and tax effects starting from 1 January 2021.

It should be noted that, as of 1 July 2021, some Group companies have changed their company business name. More specifically, APB Car Service Srl has changed its business name to UnipolGlass Srl, Auto Presto & Bene SpA has changed its business name to UnipolService SpA, Pronto Assistance Service Scrl has changed its business name to UnipolAssistance Scrl and finally Alfaevolution Technology SpA has changed its business name to UnipolTech SpA. These companies are listed in the notes to the financial statements and related annexes under their new business names.

Capital transactions of investee companies

On 19 January 2021, the subsidiary Meridiano Secondo Srl requested a capital account payment for a total of €60m, intended to finance owned real estate initiatives. On 25 January, on 20 April and on 20 December, three tranches - for a total of €45m - were disbursed linked to the construction of the Unipol Tower, the renovation of the Via De Castillia property and the renovation of the Via Sassetti property.

On 4 June 2021, UnipolSai made a capital account payment of €40m in favour of the subsidiary Gruppo UNA SpA in order to replenish its shareholders' equity, which had reduced due to losses during the health emergency. The year 2020, which closed with a loss of €23m, resulted in the reduction by more than one-third of the share capital and tourism industry trends at global level in 2021 did not seem to show signs of a recovery. The capital strengthening aims to allow the subsidiary to relaunch its business and guarantee its proper positioning in the reference market.

The company UnipolPay received two share capital increases (€10m on 7 July 2021 and €17m on 29 December 2021) from the sole shareholder UnipolSai, in order to provide adequate financial resources to launch the activities of the E-Money Institution, expected to begin in the course of 2022.

The financial statements at 31 December 2020 of Ital H&R Srl closed with a negative shareholders' equity of €198.2k due to the consequences of the health emergency on the company's industry, making the subsidiary meet the conditions set forth in Art. 2482-bis and 2482-ter of the Italian Civil Code. At the request of the Board of Directors of Ital H&R, on 30 March 2021, the sole shareholder UnipolSai made a capital account payment of €300k in order to enable the company to bring its shareholders' equity back above the minimum limit established by law.

Information about business combinations

Cambiomarcia Srl

As reported in the consolidated financial statements at 31 December 2020, UnipolSai completed the purchase, on 22 December 2020, of 100% of the share capital of Cambiomarcia Srl for a consideration of €5.9m, which was provisionally accounted for in said financial statements based on the consolidated accounting position of Cambiomarcia at 31 December 2020 reported below.

Amounts in €k	31/12/2020
Other intangible assets	663.4
Property, plant and equipment	18.7
Other receivables	154.1
Deferred tax assets	20.3
Other assets	15.0
Cash and cash equivalents	237.5
Other financial liabilities	(881.7)
Other payables	(98.4)
Other liabilities	(94.5)
Total Net identifiable assets	**34.4**

In June 2021, in application of the terms of the contract for the purchase of Cambiomarcia Srl, the final price of the sale was set at €5.8m, which is €77 thousand lower than the price previously determined on a provisional basis. As a result of this reduction, and in the absence of other adjustments to be made to the identifiable net assets, the goodwill definitively recognised for the acquisition is €5.8m (€5.9m is the value of goodwill provisionally recognised in the consolidated financial statements at 31/12/2020). The final accounting effects of the acquisition have been recognised retrospectively, thus modifying the comparative figures for the previous year reported in these consolidated financial statements compared to the figures originally recognised.

Reporting date

The reporting date of the Consolidated Financial Statements is 31 December 2021, the date the separate financial statements of the Parent Unipol closed. All the consolidated companies closed their financial statements at 31 December with the exception of the following:

- the subsidiaries Unipol Finance Srl, Unipol Investment SpA, UnipolPart I SpA and the associate Pegaso Finanziaria SpA close their financial year on 30 June and prepare interim financial statements in reference to the reporting date for the consolidated financial statements;
- the associate Fin.Priv Srl closes its financial year on 30 November.

The Consolidated Financial Statements were drawn up using restatements of the separate financial statements of the consolidated companies, adjusted to comply with IAS/IFRS standards, as applied by the Parent Unipol and approved by the Boards of Directors of the companies concerned.

Basis of consolidation

Companies consolidated on a line-by-line basis

This method provides for the consolidation on a line-by-line basis of the assets, liabilities, gains and losses of the consolidated companies as from the date they were acquired, with the carrying amount of the investment being offset against the corresponding amount of the shareholders' equity of each individual subsidiary and, in the case of investments not wholly owned, the separate recognition of the amount of the equity and the profit or loss for the year attributable to non-controlling interests.
The amount of equity attributable to non-controlling interests is recognised under shareholders' equity as "Share capital and reserves attributable to non-controlling interests", whilst the corresponding share of consolidated profit or loss is shown under "Profit (loss) for the year attributable to non-controlling interests".
The financial statements of the subsidiaries are consolidated on a line-by-line basis with the exception of small subsidiaries, for which the equity method is used.

Goodwill

If the cost of acquiring investments in subsidiaries exceeds the fair value of the identifiable assets, liabilities and contingent liabilities, the excess amount is recognised as goodwill under intangible assets.
This goodwill represents a payment made in the expectation of future economic benefits arising from assets that cannot be identified individually and recognised separately.
In the years after the year of acquisition, goodwill is measured at cost, net of any impairment losses accumulated.
Ancillary acquisition costs are recognised in the income statement during the year in which the costs are incurred or the services provided.

Under IFRS 10.23 changes in investments in subsidiaries that do not lead to a loss of control are recognised as equity transactions. Any positive difference between the proportion of net fair value of identifiable assets, liabilities and contingent liabilities of the subsidiary and the fair value of the price paid or received is recognised directly in profit for the period and allocated to the members of the holding company.

Companies measured using the equity method

When this method is used the carrying amount of the investment is adjusted to the corresponding portion of shareholders' equity, including the profit/loss for the year and all the adjustments made when consolidation is on a line-by-line basis. Any difference between the portion of shareholders' equity acquired and the fair value of the price paid (goodwill) is recognised in the carrying amount of the investment. Changes in interests in an associate which do not entail the acquisition of control or the loss of significant influence are treated as purchases or sales of shares, even if due to reasons other than purchases or sales, and therefore result in income or expenses recognised in the income statement and calculated on the basis of the difference between any consideration due or received and the change in the share of the investee's shareholders' equity held by the investor.

Elimination of intragroup transactions

The amounts receivable and payable between companies included in the consolidation scope, the gains and losses relating to transactions carried out between these companies and the profits and losses resulting from transactions carried out between these companies and not yet realised with parties external to the Group are eliminated during the preparation of Consolidated Financial Statements.

Segment reporting

Segment reporting is provided according to the provisions of IFRS 8 and structured on the basis of the major business segments in which the Group operated in the year reported in these consolidated financial statements and in the previous year:

- Non-Life insurance business;
- Life insurance business;
- Real Estate business;
- Holding and Other Businesses.

Segment reporting is carried out by separately consolidating the accounting items for the individual subsidiaries and associates that belong to each identified segment, eliminating intragroup balances between companies in the same segment and cancelling, where applicable, the carrying amount of the investments against the corresponding portion of shareholders' equity.
In the column "Intersegment eliminations", the intragroup balances between companies in different sectors are eliminated.
This rule does not apply in the following cases:

- investment relations between companies in different sectors, since the elimination of the investment takes place directly in the sector of the company that holds the investment, while any consolidation difference is attributed to the sector of the investee;
- collected dividends, eliminated in the sector of the company that collects the dividend;
- realised profits and expenses, since the elimination takes place directly in the sector of the company that realises the capital gain or loss.

No segment reporting based on geographical area has been provided since the Group operates mainly at the national level and there appears to be no significant diversification of risks and rewards, for a given type of business activity, based on the economic situation of the individual regions.

The segment reporting layout conforms to the provisions of ISVAP Regulation no. 7/2007.

2. Main accounting standards

New accounting standards

The changes to the accounting standards previously in force are summarised below, whose application took effect from 1 January 2021, for which no accounting impacts worthy of note were recorded.

IBOR interest rate reform

In 2019, at the request of the EU Commission, the IASB launched a project for the replacement of the reference IBOR (Inter Bank Offered Rate) rates, structuring it into two phases:
- Phase 1 "Pre-replacement phase": to limit the accounting effects in the financial statements in the period prior to the replacement of the rates. The changes made to the international accounting standards during this phase became effective on 1 January 2020;
- Phase 2 "Replacement phase": to limit accounting impacts in subsequent periods.

With regard to Phase 2 of the project, on 14 January 2021, Regulation (EU) 2021/25 was published in the Official Journal, which concerned amendments to IFRS 9 "Financial Instruments", IAS 39 "Financial Instruments: Recognition and Measurement", IFRS 7 "Financial Instruments: Disclosures", IFRS 4 "Insurance Contracts" and IFRS 16 "Leases", issued in order to improve accounting disclosures on the effects of the IBOR reform following the introduction of the new benchmark interest rate.

Deferment of IFRS 9 - Amendment of IFRS 4

On 25 June 2020, the IASB Board issued the document "Extension of the Temporary Exemption from Applying IFRS 9" which postpones the expiry of the temporary exemption from application of IFRS 9, established for the insurance sector, to 1 January 2023, in order to align the date of entry into force of the standard with the new IFRS 17 "Insurance Contracts". On 16 December 2020, Regulation (EU) 2020/2097 was published in the Official Journal, amending IFRS 4 and confirming the extension of the exemption previously limited to 31 December 2020.
On 27 January 2021, IVASS also issued Measure no. 109 containing the amendments required to align the terms set forth in ISVAP Regulation 7/2007 with the extension of the exemption from the application of IFRS 9 to 1 January 2023.

Amendments to IFRS 16 – Leases "Effects of COVID-19"

On 31 August 2021, Regulation (EU) 2021/1421 "COVID-19-Related Rent Concessions beyond 30 June 2021 (Amendment to IFRS 16)" was published, which provides for an extension to 30 June 2022 of the period of application of the practical expedient introduced by Regulation (EU) 2020/1434 on "COVID-19-Related Rent Concessions (Amendment to IFRS 16 - Leases)" providing optional and temporary support to entities in view of the negative effects of the pandemic situation. Specifically, by virtue of a specific agreement between the parties, the lessee has the right not to evaluate the rent concession as a substantial change in the lease, and in any event is required to provide a dedicated disclosure in this regard in the financial statements. The Group relied on the right provided by the amendments to IFRS 16, the effects of which are in any event substantially immaterial.

New accounting standards not yet in force

The documents published by the International Accounting Standards Board listed below could be significant for the Group, but are still not applicable since they have not yet been endorsed by the European Union or have not yet entered into force at the reporting date.

Updates to IFRS 17 – Insurance contracts

On 23 November 2021, Regulation (EU) 2021/2036 was published, endorsing at European level the new accounting standard IFRS 17 "Insurance contracts". In the endorsement phase, in line with what is desired by the Italian and European industry, even in the absence of any definitive stance taken by EFRAG, the possibility was introduced of not applying the grouping into annual cohorts of contracts characterised by intergenerational mutualisation and cash flow consistency, unlike what is set forth in the standard issued by the IASB on 18 May 2017, as amended in June 2020. Companies that will rely on the option must specify that they have applied that exemption in the notes to the financial statements, pursuant to IAS 1 "Presentation of financial statements", but will be exempt from providing a quantitative assessment of the relative impact.

The Unipol Group has been strongly committed to planning for the future application of IFRS 17 since 2017, with extensive involvement of the main corporate functions. After a thorough assessment to determine the impact of this standard and measuring the gaps in terms of processes, IT systems, accounting, actuarial calculations, business and risk, at the beginning of 2018 the IFRS 17 transition project was launched which, under the guidance of UnipolSai, has gradually also involved the other insurance companies in the Group, with a view to implementing a single data processing and management model within the Group, leveraging common policies, processes and IT applications. In the second quarter of 2022, once the testing phase is completed, the parallel phase will be progressively initiated, which will involve first of all UnipolSai and thereafter the Group's other insurance companies.

First-time adoption of IFRS 17 and IFRS 9 - Comparative information

On 9 December 2021, the IASB issued its definitive amendments to IFRS 17 "Insurance contracts" regarding a specific transition requirement for the comparative financial statements in the initial application phase ("classification overlay"). This option was introduced in order to prevent potential accounting misalignments between financial assets (subject to IFRS 9) and insurance liabilities (subject to IFRS 17) as, unlike IFRS 17, the IFRS 9 transition rules do not entail the obligation of restating comparative values and introduced an express application prohibition on financial assets disposed of during the comparative year.
In detail, the "classification overlay" enables companies to apply the provisions of IFRS 9, instead of those of IAS 39, in the phase of initial application of IFRS 17 and IFRS 9 and, in the case of a restatement of comparative information pursuant to IFRS 9, to financial assets disposed of during the comparative period. On 31 January 2022, EFRAG issued its Endorsement Advice in favour of the adoption of the IASB's proposed amendments.

Amendments to IFRS 3, IAS 16, IAS 37 and Annual Improvements 2018-2020

Regulation (EU) 2021/1080 of 28 June 2021 endorsed several amendments to IAS/IFRS which will enter into force as of 1 January 2022 and which include some limited amendments to three accounting standards, as well as improvements to certain standards, namely:

- IFRS 3 "Business combinations": the reference present in IFRS 3 was updated to the new revised Conceptual Framework in order to resolve certain issues deriving from the distinction between the acquisition of a business and the acquisition of a group of assets. However, this specification does not make any amendment to the provisions of that standard;
- IAS 16 "Property, plant and equipment": prohibition of deducting from the cost of the asset the amount received from the sale of goods produced prior to when the asset is ready for use. These sales revenues and the relative costs should therefore be recognised in the income statement;
- IAS 37 "Provisions, contingent liabilities and contingent assets": a clarification has been included with respect to the cost items to be considered in order to evaluate whether a contract could be defined as onerous;
- Annual Improvements: minor amendments were made to IFRS 1 "First-time Adoption of International Financial Reporting Standards", IFRS 9 "Financial instruments", IAS 41 "Agriculture" and to the illustrative examples accompanying IFRS 16 "Leases".

Amendments to IAS 1 - Classification of liabilities as current or non-current

On 23 January 2020, the IASB published the document "Classification of Liabilities as Current or Non-current (Amendments to IAS 1)" defining a more general approach for the classification of payables - and other liabilities - by providing several criteria for the distinction between "current" and "non-current". Specifically, the classification should be based on the substantial right, existing at the end of the year, to defer (or otherwise) the payment by at least twelve months. These amendments establish 1 January 2022 as the initial entry into force. However, in light of the operational difficulties arising from the COVID-19 pandemic, on 15 July 2020 the IASB decided to postpone it by one year, to provide companies with more time to implement the new classification criteria made necessary by the above-mentioned amendments, which will therefore be applied as of 1 January 2023.
On 19 November 2021, the IASB also published an additional Exposure Draft "Non-current Liabilities with Covenants" proposing several amendments to IAS 1 "Presentation of financial statements", with a view to improving the information that companies provide on long-term debt with covenants.

Amendments to IAS 1 Presentation of Financial Statements, IFRS Practice Statement 2 "Making Materiality Judgements" and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors

On 12 February 2021, the IASB published amendments to several standards in order to improve the communication of the accounting policies of companies, which should privilege information that is more relevant and effective for investors and users of financial statements. Specifically, the amendments to IAS 1 and IFRS Practice Statement 2 provide guidelines on how to apply the concept of materiality to the disclosure on the accounting policy adopted, while those to IAS 8 have the dual objective of introducing a new definition of "accounting estimate" and clarifying how entities should distinguish between changes in the accounting standards applied and changes in accounting estimates. This differentiation is of fundamental importance as the latter are applied on a prospective basis only to future transactions, while amendments to accounting standards are generally applied retroactively to past events as well. The amendments will be effective as of 1 January 2023, although early application is permitted. On 8 July 2021, EFRAG expressed a positive opinion on the above-mentioned amendments.

Amendments to IAS 12 Deferred tax related to assets and liabilities arising from a single transaction

On 7 May 2021, the IASB published several amendments to IAS 12 "Income taxes" to specify how to account for deferred taxes on certain transactions that may generate assets and liabilities of an equal amount, such as leases and decommissioning obligations. These amendments will apply as of 1 January 2023, although early application is permitted. On 1 December 2021, EFRAG published its Final Endorsement Advice, providing a positive opinion on the amendments.

Update on the main activities of the IASB/Authority on accounting matters

IFRS 9 Post Implementation Review
On 30 September 2021, the IASB published its Request for information on IFRS 9 as part of the post-implementation review of IFRS 9, requesting feedback on the provisions regarding the classification and measurement of financial instruments. The review of the provisions relating to impairment and hedge accounting will take place later on. The consultation ended on 28 January 2022. On 8 November 2021, EFRAG also issued a Draft Comment Letter, in consultation until 14 January 2022, highlighting a series of relevant matters it hopes will be reviewed by the IASB, including the absence of recycling for FVOCI equity instruments and the application of the SPPI Test to sustainable financial products.

Non-Financial Reporting Standards and sustainability
In June 2020, as part of the Project for the review of the Non-Financial Reporting Directive (NFRD, Directive 2014/95/EU), the EU Commission requested technical advice from EFRAG in order to initiate its development of possible EU-wide non-financial reporting standards. In this respect, in September 2020, the EFRAG Project Task Force – Non-Financial Reporting Standards (PTF-NFRS) was established. On 8 March 2021, after organising a series of events in January with the main stakeholders on environmental sustainability topics, as well as launching a market survey for preparers and market analysts, the PTF-NFRS presented two reports to the EU Commission concerning several recommendations on the development of "sustainable" reporting standards in the EU.

The accounting standards and the most significant criteria used in drawing up the Consolidated Financial Statements are set out below.

The paragraph numbers are the same as those of the corresponding items in the Statement of Financial Position and Income Statement, which are laid out in accordance with ISVAP Regulation no. 7/2007.

Statement of financial position

Assets

1 Intangible assets - IAS 38

In accordance with the provisions of IAS 38, the only intangible assets that may be capitalised are those that can be identified and controlled by the company and from which the company will derive future financial benefits.

The following assets are recognised as intangible assets with a finite life:
- goodwill paid for the acquisition of Non-Life and Life portfolios: the value of the policies acquired is calculated by estimating the present value of the future cash flows of the existing policies. The Group amortises this value throughout the expected average residual life. This valuation is reviewed annually;
- costs incurred for the acquisition of software licences, amortised over three years;
- trademarks acquired within a business combination;
- costs incurred for consultancy on major projects for the development and implementation of IT systems, including customisation of the corresponding software, amortised over five or ten years according to its estimated useful life.

Projects under development are not amortised until the year in which they are first used.

Goodwill paid when companies are acquired or merged is also included among intangible assets, as already mentioned in the previous paragraph Basis of consolidation (also provisionally, determined on the basis of IFRS 3). As this goodwill has an indefinite useful life, it is not amortised, but it is tested for impairment at least once a year, or each time there is any indication of impairment; durable impairments are recognised in the income statement and cannot be reversed in subsequent years.

2 Property, plant and equipment - IAS 16 and IFRS 16

The item includes properties used for business purposes, plant, other machines and equipment owned by the Group and rights of use acquired through lease contracts for the use of a tangible asset, except for contracts with a duration equal to or less than 12 months or referring to assets of a modest unit value.

For recognising and measuring this category of assets the Group has adopted the cost model, which systematically depreciates the asset's depreciable amount over its useful life. With reference to property, plant and equipment deriving from right of use recognition, as envisaged in IFRS 16, the initial recognition value corresponds with the present value of future payments to the lessor over the contractual duration of the lease, also including amounts due to the lessor for the exercise of any purchase option on the asset if such exercise is considered reasonably certain.
Depreciation, which is carried out each year on a straight-line basis, begins when the asset is available and ready for use and ends when the asset has come to the end of its useful life (which in the case of property is estimated at 33.4 years). In the case of wholly-owned properties (land and buildings) depreciation is carried out only on the building.

Consolidated real estate companies include in the carrying amount the borrowing costs incurred for loans specifically for acquiring and renovating property, if this can be justified.

The costs of improvements and conversions are capitalised if they result in an increase in the useful life or the carrying amount of the assets.

Assets that suffer impairment losses are written down.
The carrying amount of property acquired as a result of business combinations is reassessed on the basis of the current value on the date of acquisition.

3 Technical provisions - Reinsurers' share - IFRS 4

This item includes reinsurers' liabilities arising from reinsurance contracts governed by IFRS 4.

4 Investments

4.1 Investment property - IAS 40

This item includes property or rights of use (IFRS 16) held either to earn rental income or for capital appreciation or for both.
Investment property is recognised by applying the cost method, as allowed by IAS 40 (an alternative to the fair value method).
If the final recoverable amount of property is estimated to be less than the carrying amount (or zero) it is depreciated annually on a straight-line basis, based on the recoverable amount and the estimated useful life (33.4 years).
If the recoverable amount of the property is estimated to exceed the carrying amount, no depreciation is applied. In the case of wholly-owned properties (land and buildings) depreciation is carried out only on the building.

The costs of improvements and conversions are capitalised if they result in an increase in the carrying amount, the useful life or the profitability of the assets.

Assets that suffer impairment losses are written down. The market value is determined at least once a year by means of expert appraisals conducted by outside companies.

The carrying amount of property acquired as a result of business combinations is reassessed on the basis of the current value on the date of acquisition.

4.2 Investments in subsidiaries, associates and interests in joint ventures - IAS 28

This item includes investments in associates as defined in IAS 28 and investments in subsidiaries that because of their size are considered immaterial, which are measured using the equity method or at cost.

Financial assets - IAS 32 and 39 - IFRS 7, 9 and 13

With effect from 2018, the year in which the conditions of Regulation (EU) 2017/1998 came into force for the parent companies of financial conglomerates, the Unipol Group exercised the option of deferring the application of IFRS 9 solely for the insurance sector. Specifically, therefore, the following were applied in these consolidated financial statements:
- IAS 39 in reference to financial instruments held by UnipolSai and its subsidiaries;
- IFRS 9 for financial instruments held by the remaining entities included in the consolidation scope (mainly consisting of the Parent and the other financial entities), and to calculate the shareholders' equity of associates required to apply IFRS 9 in their separate financial statements.

It should be mentioned that the Group recognises financial transactions on the value date.

4.3 Held-to-maturity investments - IAS 39

Investments in securities held to maturity are recognised at amortised cost, net of any impairment losses.
This category includes bonds that the Group intends and is in a financial position to hold to maturity, for example most of the fixed-yield bonds acquired to match special Life tariffs.

If a substantial number of securities in this category are sold early (or reclassified), all the remaining securities must be reclassified as Available-for-sale financial assets and the category cannot be used for the next two financial years.

4.4 Loans and receivables - IAS 39

Receivables in this category consist of agreements for which the Group holds a right to the cash flows arising from the loan agreement. They are characterised by fixed or determinable payments and are not listed on an active market.
This category includes mortgages and loans provided to the insurance companies, reinsurers' deposits, loan repurchase agreements, term deposits exceeding 15 days, receivables for agents' reimbursements, unlisted debt securities not held for sale which the Group intends to hold for the foreseeable future, including bonds reclassified following application of IAS 39 paragraphs 50D and 50E.

In accordance with the provisions of IAS 39, loans and receivables must be initially recognised at their fair value, which corresponds to the amount granted including the transaction costs and the commissions and fees chargeable directly. Following the initial recognition receivables are measured at the amortised cost, which is represented by the initial carrying amount net of repayments, plus or minus any difference between the initial amount and the amount on maturity because of amortisation calculated in accordance with the criterion of effective interest method and less any impairment loss or reduction due to non-recoverability.
Applying the effective interest rate method enables the financial effect of a loan transaction to be spread evenly over its expected life, which makes financial sense. In fact, the effective interest rate is the rate that discounts all the future cash flows of the loan and establishes a present value corresponding to the amount granted including all the transaction costs and income pertaining to it. When the cash flows and the contractual term of the loan are being estimated, all the contractual terms that can affect the amounts and the maturity dates (for instance, early repayments and the various options that may be exercised) are taken into account but not the losses expected on the loan. Following initial recognition, for the whole life of the loan the amortised cost is determined by continuing to apply the effective interest rate fixed at the start of the transaction (original interest rate). This original interest rate does not vary over time and is also used in the case of any contractual amendments to the interest rate or events as a result of which the loan has in practice stopped bearing interest (for instance, due to insolvency proceedings).

The amortised cost method is applied only to loans with an original term of at least eighteen months, on the assumption that in the case of shorter loans the application of this method does not involve significant changes to the financial effect. Loans with a term of less than eighteen months and those that have no fixed maturity date and revocable loans are therefore measured at their historical cost.

On the reporting date for each set of annual or interim financial statements, the loans are assessed to identify those for which there is objective evidence of impairment due to events that have occurred after their initial recognition.

Receivables assigned are eliminated only if the assignment involves the substantial transfer of the risks and rewards pertaining to the receivables. If this is not the case, receivables continue to be recognised even though ownership of them has been legally transferred.
The presumption is that all the risks and rewards are substantially transferred if the assignment involves transferring at least 90% of them. On the other hand, the presumption is that all the risks and rewards are substantially retained if the assignment involves transferring no more than 10% of them.
If the assignment does not involve either transferring or retaining a substantial percentage of the risks and rewards (in the event that the Group retains more than 10% but less than 90% of the risks/rewards), the receivables are eliminated provided the Group retains no control over them. Otherwise, the fact that some control over the receivables assigned is retained means that they are maintained in the financial statements in proportion to the level of residual involvement.

4.4 bis - Financial assets measured at amortised cost - IFRS 9

This financial statements item includes financial assets that meet both the following conditions:
- the financial asset is held within the context of a new business model that has the objective to collect contractual cash flows (HTC - Held to Collect);
- contractual terms of financial assets generate, at predetermined maturity, cash flows representing only principal and interests on the residual capital that meet the Solely Payments of Principal and Interest (SPPI) condition.

The initial recognition of these financial assets is carried out when the Group becomes a party in the contractual terms of the financial instrument, which usually coincides with the date of settlement. The value of the initial recognition is equal to the fair value of the financial instrument, which generally corresponds to the related purchase cost, including directly chargeable transaction costs or income.

After the initial recognition, these assets are measured at amortised cost by using the effective interest method, as well as net of impairment loss.

For the purpose of quantifying impairment, financial assets (other than purchased or originated credit impaired assets, or "POCI") are classified in three stages (credit rating):

- Stage 1: financial assets qualified as "performing", for which a significant increase in credit risk has not been recognised with respect to the initial recognition date. As permitted by IFRS 9, with reference to debt securities, regardless of the identification of a significant increase in credit risk, in Stage 1 the Unipol Group includes also financial assets that, at the measurement date, were in any case qualified as "at low credit risk" (i.e. "Low credit risk exemption");
- Stage 2: financial assets qualified as "performing", for which a significant increase in credit rating has been recognised with respect to the initial recognition date;
- Stage 3: impaired financial assets.

With reference to POCI, the amortised cost and the relative impairment adjustments are calculated in a specific manner on the basis of an effective interest rate adjusted for the credit risk determined by taking initial expected losses into account in estimated future flows.

Impairment is determined:

- on the basis of expected losses in the 12 subsequent months for assets in Stage 1;
- based on the expected losses throughout the life of the instrument for assets included in Stages 2 and 3 and for POCI.

4.5 Available-for-sale financial assets - IAS 39

Investments classified as available-for-sale financial assets are measured at fair value. The differences with respect to the carrying amount must be recognised in the shareholders' equity in a specific reserve for unrealised gains/losses (net of tax). In the event of sale or impairment established as a result of impairment testing, unrealised gains or losses accumulated in the shareholders' equity until that time are transferred to the income statement.
Information on how the fair value is determined is provided in the section "Fair value measurement criteria – IFRS 13".

The amortised cost of the debt securities in this category calculated using the effective rate of return is recognised in the income statement. The comparison with the fair value is made after the proportion of the amortised cost for the year has been recognised.

This category includes debt securities, equity securities, UCITS units, and investments deemed to be of strategic importance (less than 20% of the share capital, of commercial or corporate strategic importance).

Impairment policy for financial assets adopted by the Unipol Group

IAS 39, paragraph 58, provides for companies to carry out assessments on each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired.
In order to determine whether a financial asset or a group of financial assets shows signs of impairment, a regular impairment test must be carried out. Indicators of a possible impairment are, for instance, the issuer's significant financial difficulties, failure to pay the full amount of interest or principal, the possibility of the beneficiary becoming bankrupt or entering into another insolvency proceeding and the disappearance of an active market for the asset.
Pursuant to paragraph 61 of IAS 39, a "significant or prolonged" decline in the fair value of an equity instrument below its cost must be considered as "objective evidence of impairment".
IAS 39 does not define the two terms "significant" and "prolonged" but implies, partly on the basis of an IFRIC guideline, that their meaning should be left to the directors' judgement, whenever annual or interim financial statements must be prepared under IAS, provided that the meaning is determined in a reasonable manner and complies with paragraph 61 of IAS 39.

Without prejudice to the case of any investments in equity instruments qualified for the company holding them as Available-for-sale (AFS) financial assets and, within the consolidated financial statements of the Parent Unipol, as an equity investment in an associate, the Group has defined as "significant" a reduction of more than 50% in the market value of AFS equity instruments with respect to the initial recognised value and as "prolonged" the permanence of market value at levels below the initially recognised amount for more than 36 months.

Therefore, for **equity instruments**, the impairment test is carried out by selecting all the instruments to which at least one of the following conditions applies:

a) the market price has remained below the initially recognised amount for the last 36 months;

b) the impairment on the reporting date is more than 50% of the initial recognition amount.

The impairment of these instruments is deemed to be confirmed and the total change in fair value is recognised in the income statement, with elimination of gains or losses on the underlying available-for-sale financial assets. With reference to the equity instruments qualified for the company holding the instruments as AFS and within the consolidated financial statements of the Parent Unipol as an equity investment in an associate, the recognition of any impairment is evaluated on the basis of the economic/capital performance of the investee company, irrespective of the occurrence of the conditions applicable for all equity instruments.

For **debt securities**, whenever payment of a coupon or repayment of principal is late or missed and this is confirmed by the custodian bank, the Group Finance Department immediately notifies the Risk Management Department, so that the latter can carry out the assessments within its competence on the need to recognise an impairment on these instruments.

4.5 bis - Financial assets measured at fair value through other comprehensive income (FVOCI) - IFRS 9

Debt securities or loans, fulfilling both conditions, are recognised in this category:

- the financial assets are held within the context of a new business model that has the objective to both collect contractual cash flows and sell financial assets (HTCS - Held to Collect & Sell), and;
- contractual terms of financial assets generate, at predetermined maturity, cash flows representing only principal and interest on the residual capital that meet the SPPI condition.

The initial recognition of these financial assets is carried out at the date in which the Group becomes a party in the contractual terms of the financial instrument, which usually coincides with the date of settlement. The value of the initial recognition is equal to the fair value of the instrument, which generally corresponds to the related purchase cost, including transaction costs or income that are directly chargeable to the same.
After the initial recognition, these assets continue to be measured at fair value. The interest component resulting from the application of the amortised cost method, as well as impairment losses resulting from the measurement of credit risk, are included in the income statement, while gains and losses resulting from changes in fair value are recognised directly in Shareholders' equity under "Gains or losses on financial assets (other than equity instruments) measured at fair value through other comprehensive income".
In the event the asset is cancelled, accrued gains and losses due to changes in fair value are recognised through profit or loss.
As regards details on determining of impairment losses, reference is made to the previous item.

Equity instruments that meet the following conditions are also classified under the category Financial assets measured at fair value through other comprehensive income:

- they are not equity investments in subsidiaries, associates or jointly controlled entities;
- they are not held for trading nor represent a potential consideration for a business combination, pursuant to IFRS 3;
- an irrevocable option was exercised for their designation at fair value through other comprehensive income.

Any gains or losses consequent to the change in fair value are disclosed directly in Shareholders' equity under the item "Gains or losses on equity instruments at fair value through other comprehensive income".
Specifically, the accounting of equity instruments, classified under category FVOCI, is different from the one applicable to debt securities classified under the same category, for the following reasons:

- the impairment requirements of IFRS 9 are not applicable to equity instruments;
- all exchange differences are recognised in the OCI reserve;
- the values recorded in OCI (Other Comprehensive Income) are never reclassified to income statement (not even for cancellation/netting);
- only dividends are recognised through profit or loss.

4.6 Financial assets at fair value through profit or loss - IAS 39 and IFRS 9

Investments in this category are recognised at fair value and the differences (positive or negative) between fair value and carrying amount are recognised through profit or loss.
Information on how the fair value is determined is provided in the section "Fair value measurement criteria – IFRS 13".

There are three further sub-items:

- held-for-trading financial assets, which includes debt securities and equity instruments, mainly listed, credit positions in derivative contracts and structured financial instruments where the embedded derivative would have to be separated if they were classified in a different category;
- financial assets to be recognised at fair value through profit or loss, mainly consisting of assets linked to financial liabilities measured at fair value such as investments related to policies issued by insurance companies where the investment risk is borne by the policyholders and those arising from pension fund management;
- financial assets mandatorily measured at fair value through profit or loss (FVTPL): this category includes all financial assets that do not meet the classification criteria at amortised cost or fair value, with changes recognised in comprehensive income statement (FVOCI), that are not financial assets designated at fair value or held-for-trading financial assets[59].

The initial recognition of such financial assets is carried out at the date in which the entity becomes a party of the contractual terms related to the financial instruments, usually coinciding with the settlement date for the debt securities and equity instruments, and at the subscription date for derivatives, for a value equal to the fair value of the financial instrument, without considering transaction costs or income that are directly recognised in the income statement.
After the initial recognition, these assets are measured at fair value and changes in value are recognised in the income statement.

Derivatives

Derivatives are initially recognised at the purchase cost representing the fair value and subsequently measured at fair value. Information on how the fair value is determined is provided in the section "Fair value measurement criteria – IFRS 13".

Derivatives may be acquired for "trading" or "hedging" purposes. For hedging transactions, IAS 39 sets out cumbersome and complex rules to assess, by preparing appropriate documentation, the effectiveness of the hedge from the time it is activated and throughout its entire term (hedge accounting).

All derivatives are placed in the category "Financial assets at fair value through profit or loss".

Reclassifications of financial assets – IAS 39

If an available-for-sale financial asset is transferred to the held-to-maturity investments category, the fair value recognised on the date of transfer becomes its new cost or amortisable cost. Any previous gain or loss on this asset that has been recognised directly in equity is recognised through profit or loss throughout the remaining useful life of the investment held to maturity using the effective interest method.

If a financial asset is no longer held for sale or repurchased in the short term (although the financial asset may have been acquired or held mainly for sale or repurchase in the short term), it may be transferred from fair value through profit or loss if the following requirements are met:

- the circumstances are very unusual (IAS 39, paragraph 50B), or
- the asset to be reclassified would have come under "loans and receivables" (if the financial asset had not had to be classified as held for trading when initially recognised) and the entity has the intention and the ability to hold the financial asset for the foreseeable future or to maturity (IAS 39, paragraph 50D).

A financial asset classified as available for sale that would have come under loans and receivables (if it had not been designated as available for sale) may be transferred from "available for sale" to "loans and receivables" if the entity has the intention and the ability to hold the financial asset for the foreseeable future or to maturity (IAS 39, paragraph 50E).

[59] Definitions and accounting methods envisaged in IFRS 9 for financial assets at fair value and held-for-trading financial assets (sub-items 4.6.1 and 4.6.2 in the Consolidated Statement of Financial Position) are substantially consistent with those already envisaged in IAS 39.

If an entity reclassifies a financial asset from fair value through profit or loss or from "available for sale", it must reclassify the financial asset at its fair value on the date of reclassification and the gain or loss already recognised in the income statement must not be reversed. The fair value of the financial asset on the date of reclassification becomes its new cost or amortised cost (IAS 39, paragraphs 50C and 50F).

In the case of a financial asset reclassified from "available for sale", the previous gain or loss on the asset recognised directly in the equity must be amortised in the income statement throughout the asset's remaining useful life using the effective interest method.

If the entity has reclassified a financial asset from fair value through profit or loss or from "available for sale", the following is some of the information that must be provided (IFRS 7):

- the amount reclassified from and to each category;
- for each year until it is derecognised, the carrying amount and the fair value of all financial assets reclassified during the current and preceding year;
- whether a financial asset was reclassified in accordance with paragraph 50B of IAS 39, however unusual the situation, and the facts and the circumstances of the unusual situation;
- for the financial year in which the financial asset was reclassified, the fair value gain or loss on the financial asset;
- for each year after reclassification (including the year in which the financial asset was reclassified) until the financial asset is derecognised, the fair value gain or loss that would have been recognised if the financial asset had not been reclassified.

Reclassifications of financial assets – IFRS 9

With reference to debt securities, reclassifications among other categories of financial assets are limited to cases in which there is a change to the business model for financial asset management and forward-looking recognition is applied, i.e. without adjusting any economic component recognised previously. The reclassification of equity instruments is not permitted.

Accounting of structured bonds issued by special purpose vehicles (SPVs)

The Group invests in notes issued by SPVs with rather similar purposes and management methods as those that characterise investments in structured and unstructured bonds, made as part of the ordinary financial management of resources derived from normal business. This financial management is characterised, in relation to the Group's business sector, by a special degree of complexity, which requires, under certain circumstances, the subscription of financial assets with specific characteristics (e.g. in terms of maturity, creditworthiness and payoff) that are not always easy to find on the financial markets. The investment opportunities offered via SPVs also make it possible, owing to their specific nature, to expand the range of financial investments available.

The Unipol Group classifies and records the bonds issued by SPVs based on the instructions provided in IAS 39, deeming the circumstance that they have been issued by SPVs irrelevant, in consideration of the fact that the SPV is, in fact, considered merely a technical instrument through which to structure complex financial instruments whose risk/return profile is essentially evaluated by jointly taking into consideration the contracts that govern the notes issued by the SPV, the associated derivative contracts (generally swap agreements) and any other contractual clauses such as financial guarantee or similar clauses, or yet other "ancillary" clauses which may, in theory, make provision, when given conditions are satisfied, for the liquidation of the securities. The SPVs whose bonds are held by the Unipol Group in fact, consistently replicate, with the arranger, the positions they assume with noteholders, as the risks or returns of the transaction cannot be retained within it.

Therefore, investments in notes issued by SPVs are accounted for on the basis of IAS 39, with the same criteria applied for the investments in structured and unstructured bonds, with particular regard to the presence of embedded derivatives and valuations regarding any segregation. In fact, an entity must only consolidate an SPV in the event the entity exercises control over it pursuant to IFRS 10, paragraphs 6 and 7.

The Unipol Group, with regard to bonds issued by SPVs in the portfolio at 31 December 2021, does not exercise any form of control over the SPVs, in the sense that it is not able to govern the management process of the SPVs (which, in fact, is defined by the arrangers of the investment transaction in which the Group participates by subscribing the notes and other relevant contracts) and does not obtain any benefits from the SPVs other than those strictly dependent on the formally subscribed financial instrument. The Group holds the notes issued by the SPV and can only dispose of these autonomously, as it does not have the power to dispose of the financial instruments held by the vehicle. It is reasonable to infer, from this, that the Group holds no form of control of the SPVs pursuant to IFRS 10.

In cases where, through the SPV internal segments, which segregate the risks and benefits of issues, the majority of said risks and benefits are transferred to the Unipol Group, the consolidation of the segments would lead to the need to replace the debt securities issued by the SPV and subscribed by the Group with a financial asset which, in terms of the associated risks and returns, exactly replicates the financial profile of the notes cancelled as a result of the consolidation.
In fact, the segments consistently replicate, with the arranger, the positions the latter assume with noteholders, as the risks or benefits of the transaction cannot be retained within it. The result is that the financial asset to be recognised due to the consolidation of the segments would have, substantively speaking and therefore for the purposes of classification and measurement pursuant to IAS 39, characteristics identical to those of the notes cancelled as a result of the consolidation of said segment; the result being that, in the case of consolidation of segments in which the risks/benefits of the asset pertain fully to the Unipol Group, there would be no substantive effects on the accounting representation of the transaction, essentially confirming the fact that, in effect, the SPVs are technical instruments for realising an investment in financial assets with characteristics which are, for all intents and purposes, equivalent to those of the notes issued by the SPV itself and segregated in the segment.

5 Sundry receivables

Sundry receivables are recognised at their nominal value and subsequently assessed at their estimated realisable value.

The item Sundry receivables includes receivables due within twelve months, in particular Receivables relating to direct insurance business, Receivables relating to reinsurance business and Other receivables, such as trade receivables and tax receivables.

6 Other assets

6.1 Non-current assets or assets of a disposal group held for sale - IFRS 5

This item includes Non-current assets held for sale and any discontinued operations as defined by IFRS 5.

Assets held for sale are recognised at the carrying amount or fair value, whichever is the lower, less costs to sell.
If an investment in a subsidiary consolidated using the line-by-line method is to be sold within the time limit set by IFRS 5, all the assets of the company to be sold are reclassified as "Non-current assets or assets of a disposal group held for sale" in the consolidated statement of financial position (item 6.1 of the Assets) and the liabilities are similarly reclassified under the single item "Liabilities associated with disposal groups" (item 6.1 of the Liabilities). Both items appear in the consolidated financial statements net of intragroup transactions with the company to be sold.

If a group continues to operate in the business of the company to be sold, income statement items relating to the assets held for sale or disposal groups are recognised in accordance with the normal rules of consolidation on a line-by-line basis.

6.2 Deferred acquisition costs

This item includes acquisition costs for multiyear insurance contracts, paid in advance and amortised on a straight-line basis over the maximum life of the contracts.

6.3 Deferred tax assets - IAS 12

This item includes deferred tax assets based on the deductible temporary differences between the carrying amounts and the amounts for tax purposes of the assets and liabilities of the individual consolidated companies and on the consolidation adjustments. If there are any tax losses, deferred tax assets are also recognised provided there is a probability that taxable income for which they can be used will be available in future.
Deferred taxes are based on the tax rates applied at the end of the year or on the rates that are expected to be applied in the future according to the information available at the end of the financial year.

If assets are revalued solely for tax purposes and relate neither to a revaluation of the carrying amount for a previous year nor to one that is to be carried out in a subsequent year, the tax effects of the adjustment for tax purposes must be recognised in the income statement.

Deferred tax assets and liabilities, distinguished by type of tax, are offset at the level of single Group company or at the consolidated level, within the limits of the scope of the tax consolidation agreement set up by Unipol.

6.4 Current tax assets - IAS 12

This item includes assets related to current taxation.

6.5 Other assets

Among other things, this item includes prepayments and accrued income and deferred commission expense for investment contracts with no discretionary participation feature, as these are additional costs incurred to acquire the contract, amortised on a straight-line basis over the whole life of the contract. As recommended by Bank of Italy/Consob/IVASS document no. 9 of the Coordination Group on the application of IAS/IFRS, this item also includes tax credits relating to tax subsidies (such as the *ecobonus* and the *sismabonus*) acquired from third parties (direct beneficiaries or previous purchasers) and recoverable by offsetting future payments according to methods and timing established in the reference regulation.

7 Cash and cash equivalents - IAS 7

Cash and cash equivalents include cash on hand, cash in current accounts available on demand, and term deposits for periods not exceeding 15 days.

Liabilities

1 Shareholders' equity - IAS 32

1.1.1 Share capital

The item includes the share capital of the consolidating company.

1.1.2 Other equity instruments

This item includes perpetual regulatory capital instruments qualifiable as Restricted Tier 1 issued by the Parent, which do not envisage in any case any obligation on the part of the issuer to reimburse the principal or interest to subscribers (without prejudice to cases of liquidation or the exercise of the right to early redemption by the issuer). These instruments are recognised at the issue value, net of issue expenses and the relative tax benefits. In line with this classification, coupon payments to subscribers are recognised, similar to what takes place for the payment of dividends, as a direct reduction from the equity reserves. Note that similar perpetual capital instruments issued by subsidiaries (if not held by the Parent and therefore eliminated in the consolidation process) are recognised in item 1.2.1 Share capital and reserves attributable to non-controlling interests.

1.1.3 Capital reserves

This item includes in particular the share premium reserve of the company that carries out the consolidation. It includes the direct costs of issuing equity instruments, net of tax, and any commission income, net of tax, received for the sale of option rights not exercised by shareholders.

1.1.4 Income-related and other equity reserves

In addition to the income-related and other reserves of the consolidating company, this item includes in particular gains or losses arising from the first-time application of IAS/IFRS (IFRS 1), gains or losses resulting from changes in accounting standards or accounting estimates (IAS 8), equalisation and catastrophe provisions eliminated under IFRS 4, provisions arising from equity-settled share-based payment transactions (IFRS 2) and consolidation reserves.

1.1.5 Treasury shares

This item includes the equity instruments of the undertaking that draws up the consolidated financial statements owned by the undertaking itself and the consolidated companies. The item was negative. The gains or losses resulting from their subsequent sale are recognised as changes in shareholders' equity.

1.1.6 Reserve for foreign currency translation differences

The item includes the exchange rate differences to be charged to shareholders' equity pursuant to IAS 21, whether they arise from transactions in foreign currency or from conversion into the currency of presentation of the financial statements stated in foreign currency.

1.1.7 Gains or losses on available-for-sale financial assets

This item includes gains or losses on available-for-sale financial assets, net of tax and amounts pertaining to policyholders as a result of the application of shadow accounting.

1.1.7 bis Gains or losses on financial assets measured at fair value through other comprehensive income

This item includes gains or losses on financial assets measured at fair value through other comprehensive income, net of related taxes.

1.1.8 Other gains or losses recognised directly in equity

This item includes, inter alia, gains or losses on cash flow hedges, revaluation reserves of property, plant and equipment and intangible assets and gains or losses on financial assets measured at fair value through other comprehensive income.

2 Provisions - IAS 37

Provisions are made for risks and charges only when they are deemed necessary to meet an obligation arising from a past event and when it is likely that the amount of resources required can be reliably estimated.

3 Technical provisions - IFRS 4

Classification of insurance contracts

According to IFRS 4 insurance contracts are contracts that transfer significant insurance risks. Such contracts may also transfer financial risks.
An insurance risk is significant if, and only if, there is a reasonable possibility that the occurrence of the insured event will cause a significant change in the current value of the insurer's net cash flows.
Investment contracts are contracts that transfer financial risks but involve no significant insurance risks.
Some insurance and investment contracts may include discretionary participation features.

As for the Non-Life sector, all the policies in the portfolio were classified as insurance contracts.

As regards the Life sector, the principal criteria used for classifying Life products as insurance policies were:

- the presence of a significant insurance risk, i.e. the reasonable possibility that the occurrence of the insured event would give rise to the payment of significant "additional benefits" compared with those that would have been payable if the insured event had not taken place. The criteria for identifying the presence of significant insurance risk are structured as follows:
  - above 10% the contract is an insurance contract;
  - under 5% the contract is a financial contract;
  - between 5% and 10% specific product analyses are carried out;
- the presence of options or guarantees, such as the coefficient of conversion into a guaranteed rate annuity.

Some contracts provide for discretionary participation features (DPF) i.e. the policyholder's right to receive a benefit in addition to the guaranteed minimum. The benefit must fulfil specific contractual terms and represent a significant part of the total payments. In particular, contracts subject to revaluation and linked to segregated funds were classified as investment products with DPF and were therefore measured and recognised as insurance contracts.

A contract classified as an insurance contract continues to be an insurance contract until terminated, whereas under certain circumstances an investment contract may be subsequently classified as an insurance contract.

However, the following types of contract were classified as investment contracts with no DPFs. For this reason, according to paragraph 3 of IFRS 4, contracts of this type do not produce premiums but are measured and recognised in accordance with IAS 39:

- index-linked, where the sum insured in the event of death corresponds to the value of the asset plus a small percentage;
- unit-linked, where the sum insured in the event of death corresponds to the NAV plus a small percentage;
- mixed, where funding is specific and the technical rate is zero;
- capital redemption, where funding is specific and the technical rate is zero;
- pension funds with guaranteed benefit when the policy matures or when certain events occur.

In the case of unit-linked products the loading and the acquisition commissions for the asset management service are recognised and amortised separately over the life of the contract. In the case of index-linked policies, which are not managed over time but only administered, these deferments are not necessary.

Non-Life business technical provisions

Premium provision

The direct insurance premium provision is established analytically for each policy using the pro rata temporis method, as provided by paragraph 5 of Annex no. 15 to ISVAP Regulation no. 22 of 4 April 2008 (former ISVAP Regulation no. 16 of 4 March 2008 as amended), on the basis of the gross premiums written less acquisition commissions and the other acquisition costs that are chargeable directly, with the exception of risks included in the Credit class for contracts stipulated or renewed on or before 31 December 1991, for which the calculation criteria provided in Annex 15-bis to the same Regulation no. 22, as amended, apply. In the case of long-term contracts the amount of amortisation for the year is deducted.
Under certain conditions the premium provision also includes the premium provision for unexpired risks, calculated in accordance with the simplified method laid down in paragraph 6 of Annex no. 15 to ISVAP Regulation no. 22 of 4 April 2008, which is based on the expected loss ratio for the year, adjusted on a prospective basis.
The total amount allocated to this provision is sufficient to meet costs arising from the portion of risk pertaining to subsequent years.
The reinsurers' share of the premium provisions is calculated by applying to the premiums ceded the same criteria as those used for calculating the premium for direct insurance business provision.

Ageing provision

The ageing provision, intended to cover the deterioration of the risk as the age of the policyholders rises, is calculated on the basis of the flat-rate method provided for by Art. 44, paragraph 3 of Annex no. 15 of ISVAP Regulation no. 22 of 4 April 2008 as amended, to the extent of 10% of the gross premiums written of the year pertaining to contracts having the characteristics given under paragraph 43, paragraph 1 of the Annex.

Claims provision

The direct claims provision is ascertained analytically by estimating the presumed cost of all the claims outstanding at the end of the year and on the basis of prudent technical valuations carried out with reference to objective elements, in order to ensure that the total amount set aside is enough to meet the claims to be settled and the relative direct expenses and settlement expenses.
The figures ascertained in this way were analysed and checked by Head Office. Subsequently, in order to take account of all reasonably foreseeable future charges, actuarial-statistical methods are used to determine the final level of the claims provision.
The claims provision also includes the amounts set aside for claims incurred but not reported, based on past experience of IBNR for previous years.
The reinsurers' share of the claims provision reflects the sums recovered from them to meet the reserves, the amounts being laid down in the individual policies or in the contracts.

Provision arising from the adequacy test for Non-Life technical provisions

The Non-Life technical provisions have been subjected to the test provided for by IFRS 4 (Liability Adequacy Test - LAT).

In order to monitor the adequacy of the premium provision, the supplementary provision for Unexpired Risks is calculated for each individual company and class of business using the simplified method provided for in paragraph 6 of Annex no. 15 to ISVAP Regulation no. 22 of 4 April 2008. As claims for the year are measured at final cost and not discounted, future payment flows can be deemed to have implicitly taken place (LAT on the claims provision).

Life business technical provisions

The amount recognised is calculated in accordance with the provisions of Art. 36 of Italian Legislative Decree 209 of 7 September 2005 (Insurance Code) and Annex no. 16 of ISVAP Regulation no. 22 of 4 April 2008 (former ISVAP Regulation no. 21 of 28 March 2008, as amended).

Mathematical provisions

The mathematical provision for direct insurance is calculated analytically for each contract on the basis of pure premiums, with no deductions for policy acquisition costs, and by reference to the actuarial assumptions (technical interest rates, demographic models of death or disability) used to calculate the premiums on existing contracts. The mathematical provision includes the portion of pure premiums related to the premiums accrued during the year. It also includes all the revaluations made under the terms of the policy and is never less than the surrender value. In accordance with the provisions of Art. 38 of Italian Legislative Decree 173/1997, technical provisions, which are set up to cover liabilities deriving from insurance policies where the yield is based on investments or indices for which the policyholder bears the risk, and provisions arising from pension fund management, are calculated by reference to commitments made under these policies and to the provisions of Art. 41 of Italian Legislative Decree 209 of 7 September 2005.

Under Art. 38, paragraph 3, of Italian Legislative Decree 173/1997, the mathematical provision includes provisions set up to hedge the risk of mortality in insurance contracts in Class III (as laid down in Art. 2, paragraph 1, of Italian Legislative Decree 209 of 7/9/2005), which provide a benefit should the insured party die during the term of the contract.
In the case of insurance contracts in Class III and VI the mathematical provision also includes the provisions set up to fund guaranteed benefits on maturity or when certain events occur (as laid down in Art. 2, paragraph 1, of Italian Legislative Decree 209 of 7/9/2005). The mathematical provision also includes an additional provision for demographic risk. To this regard, it was decided to add to the provisions to be set up to cover commitments undertaken with the policyholders, in compliance with Annex 14, paragraph 36 of ISVAP Regulation no. 22 of 4 April 2008 after having verified a variance between the demographic bases used to calculate the principals forming the annuities and table A62 prepared by ANIA.

Furthermore, an additional provision was set up to cover the possible variance between the expected rates of return on the assets held as a hedge against the technical provisions and commitments by way of levels of financial guarantees and adjustments made to the benefits provided under the policies.

As laid down in Art. 36, paragraph 3, of Italian Legislative Decree 209 of 7 September 2005, the provision for amounts payable includes the total amount needed to cover payment of benefits that have fallen due but not so far been paid, surrendered policies and claims not yet paid.

Other technical provisions consist almost entirely of amounts set aside for operating expenses and are calculated on the basis of the provisions of paragraph 17 of Annex 14 of ISVAP Regulation no. 22 of 4 April 2008.

The liability adequacy test required by IFRS 4 was also carried out to verify that the technical provisions are adequate to cover the present value of future cash flows related to insurance contracts.
The test was performed by projecting the cash flows and taking into account the following elements:
- guaranteed services by guarantee line, projected on the basis of contractual conditions;
- trend in the existing portfolio relating to recurring payment aspects, contract expiry, policyholder mortality and propensity to redemption;
- costs and revenues associated with portfolio management and liquidation.

Provision for shadow accounting

The shadow accounting technique set out in IFRS 4 enables the unrealised losses and/or gains on the underlying assets to be recognised as technical provisions for insurance or investment contracts that offer discretionary participation features as if they had been realised. This adjustment is recognised in the shareholders' equity or the income statement depending on whether the losses or gains in question are recognised in the shareholders' equity or the income statement.
Net losses are recognised in the provision for deferred financial liabilities to policyholders only after the guaranteed minimum has been reached, otherwise the company continues to bear them in full. Losses are quantified using a financial prospective method in line with Annex 14, paragraph 32 of ISVAP Regulation no. 22 of 4 April 2008, amended and supplemented by IVASS measure no. 53 of 6 December 2016.
Applying shadow accounting enables the value mismatch between technical provisions and related assets to be mitigated and is therefore deemed to be more representative of the economic substance of the transactions in question.

4 Financial liabilities - IAS 39 - IFRS 9

This item includes the financial liabilities at fair value through profit or loss and the financial liabilities measured at amortised cost.

4.1 Financial liabilities at fair value through profit or loss

The financial liabilities in this category are subdivided into two further sub-items:

- held-for-trading financial liabilities, which include negative items on derivatives;
- financial liabilities to be measured at fair value through profit or loss, which include the financial liabilities related to contracts issued by insurance companies where the investment risk is borne by the policyholders, when the insurance risk is not significant, and where there is no discretionary participation feature.

4.2 Financial liabilities at amortised cost

This item includes deposits received from reinsurers, debt securities issued, financial liabilities for future payments to lessors following the recognition of right of use on property, plant and equipment in application of IFRS 16, other loans obtained and liabilities on Life policies with a financial content where the insurance risk is not significant and there is no discretionary participation feature (some types of product matched by specific funding).

5 Payables

Payables includes Payables arising from direct insurance business, Payables arising from reinsurance business and Other payables, such as trade payables, payables for policyholders' tax due, payables for post-employment benefits, sundry tax payables and social security charges payable.

Payables are recognised at their nominal value.

Employee benefits - IAS 19

Post-employment benefits accrued by 31 December 2006 that were not transferred to external bodies in accordance with the provisions of Italian Legislative Decree 252/05 on supplementary pension schemes come under the category of employee benefits classified as a defined benefit plan. The amount due to employees is therefore calculated using actuarial techniques and discounted at the reporting date, using the "Projected unit credit method" (a method based on benefits accrued in proportion to length of employment).
The same method is used to establish the effects of other defined benefits for employees for the post-employment period.

Actuarial gains and losses relating to obligations deriving from defined benefit plans are recorded under Other comprehensive income (expense).
Future cash flows are discounted on the basis of the market yield curve, recorded at the end of the year, for corporate bonds issued by issuers with high credit standing.

The service cost and net interest are recognised in the Income statement.

Net interest is calculated by applying to the net value of liabilities for defined benefits existing at the start of the year the one-year interest rate taken from the yield curve used to discount the liability at the end of the previous year.

6 Other liabilities

6.1 Liabilities associated with disposal groups - IFRS 5

Please see above for the corresponding asset item.

6.2 Deferred tax liabilities - IAS 12

Deferred tax liabilities are recognised whenever there is a taxable temporary difference, except in the cases provided for in paragraph 15 of IAS 12.
Deferred tax liabilities must be measured using the tax rates that are expected to apply during the year in which the tax liability will be paid off, based on the ruling tax rates (and tax legislation) or those in force at the reporting date. If tax rates change, despite being prior year items, the deferred taxes recalculated in accordance with the new rates are recognised under Income tax in the income statement or under equity reserves to which the temporary variations in question apply.

With regard to the offsetting of deferred tax assets and liabilities, reference should be made to the previous paragraph "6.3 Deferred tax assets - IAS 12" in the section on Assets.

6.3 Current tax liabilities

This item includes current tax payables.

6.4 Other liabilities

This item includes, inter alia, accrued expense and deferred income, accruals for commissions on premiums under collection and deferred commission income related to investment contracts with no discretionary participation feature required in advance for the contract-administration service or for the investment-management service, amortised on a straight-line basis over the life of the contract or, in the case of whole-life contracts, over the "expected" life of the contract.

Income Statement

1 Revenue and income

1.1 Net premiums

This item includes the premiums related to insurance contracts and financial instruments that include discretionary participation features, net of reinsurance.
Premiums are recognised at the time they are due. The total for the year is obtained by adding the premium provision.

1.2 Commission income

This item includes commission income for financial services provided. It includes fees pertaining to the year related to Life assurance contracts classified as financial liabilities. In the case of unit-linked policies, in particular, acquisition fees for the asset management service provided have been recognised and deferred throughout the term of the contract.

1.3 Gains and losses on financial instruments at fair value through profit or loss

This item includes realised gains and losses, interest, dividends, charges and positive and negative changes in value of financial assets and liabilities at fair value through profit or loss.

1.4 Gains on investments in subsidiaries, associates and interests in joint ventures

This item includes investments in subsidiaries, associates and interests in joint ventures recognised in the corresponding asset item.

1.5 Gains on other financial instruments and investment property

This item includes gains on investments that do not come under the previous two categories. It mainly includes interest income on Loans and receivables and on securities classified as available-for-sale financial assets and held to maturity, other investment income, including dividends and rental income from investment property, and realised gains on the sale of financial assets or liabilities and investment property.

1.6 Other revenue

This item includes income arising from the sale of goods, the provision of services other than those of a financial nature and the use by third parties of the company's property, plant and equipment and other assets. It also includes other net technical income on insurance contracts, exchange rate differences allocated to the income statement as per IAS 21, realised gains and reversals of impairment losses on property, plant and equipment and other assets.

2 Costs and expenses

2.1 Net charges relating to claims

This item includes the amounts paid during the year for claims, matured policies and surrendered policies, as well as the amount of the changes in technical provisions related to contracts that fall within the scope of IFRS 4, net of amounts recovered and outwards reinsurance.

2.2 Commission expense

This item includes commission expense for financial services received. It includes commissions on Life assurance contracts classified as financial liabilities. In particular, acquisition commissions paid for the placement of unit-linked policies are amortised throughout the term of the contract to meet deferred acquisition loadings.

2.3 Losses on investments in subsidiaries, associates and interests in joint ventures

This item includes losses on investments in subsidiaries, associates and interests in joint ventures recognised in the corresponding asset item.

2.4 Losses on other financial instruments and investment property

This item includes losses from investment property and financial instruments other than investments and financial instruments classified as "Assets at fair value through profit or loss". It mainly includes interest expense on financial liabilities, other investment expense, costs relating to investment property such as condominium expenses and maintenance expenses that do not increase the value of the investment property, losses realised as a result of the derecognition of financial assets or liabilities and investment property, depreciation and impairment losses.

2.5 Operating expenses

This item includes commissions and other acquisition costs relating to insurance contracts, investment management expenses, other administrative expenses, and depreciation and amortisation (overheads and personnel expenses that are not allocated to losses relating to claims, insurance contract acquisition expenses or investment management expenses).

2.6 Other costs

This item mainly includes other net technical charges relating to insurance contracts, additional amounts set aside during the year, exchange rate differences to be allocated to the income statement under IAS 21, realised losses and depreciation and amortisation relating to property, plant and equipment and intangible assets, not allocated to other cost items.

3 Income tax for the year

Pursuant to Art. 117 et seq. of Italian Presidential Decree 917/1986, for the three years 2021-2022-2023, the Parent Unipol has adopted the IRES tax consolidation regime, as consolidating company, with UnipolSai and other subsidiaries meeting the legal requirements participating as consolidated companies. Unipol has signed an agreement with these companies regulating the economic and financial aspects governing the regime in question, recognising in its financial position the effects of the transfer of the IRES taxable income of the consolidated companies, calculated pursuant to the law, keeping into account the applicable consolidation adjustments and the tax credits accrued.

Tax for the year is calculated according to current tax regulations and recognised among costs for the year on an accrual basis and represents:

- the charges/income for current taxes;
- the amounts of deferred tax assets and liabilities arising during the year and usable in future years;
- for the portion due for the year, the deduction of deferred tax assets and liabilities generated in previous years.

Deferred tax assets and liabilities are calculated on the basis of the temporary differences (arisen or deducted during the year) between the profit (loss) for the year and the taxable income and on the consolidation adjustments. In respect of tax losses prior to the applicable period of tax consolidation, deferred tax assets are recognised to the extent in which said losses can be reasonably used against future IRES-taxable income. IRAP for the year is also recognised under Income tax.

4 Profit (loss) from discontinued operations

The item includes:

- profit and loss from discontinued operations, as defined by IFRS 5, net of tax effects; and
- the capital gain or capital loss, net of tax effects, recognised following the fair value measurement net of costs to sell, or disposal of assets in the group of assets held for sale that constitute the discontinued operations.

Foreign currency transactions - IAS 21

Items expressed in foreign currencies are treated in accordance with the principles of multicurrency accounting.
Monetary elements in foreign currency (units of currency owned and assets or liabilities that must be received or paid in a fixed or ascertainable number of units of currency) are translated using the exchange rate applicable at the end of the year.
Non-monetary elements measured at historical cost in foreign currency are translated using the exchange rate applicable on the date of the transaction.
Non-monetary elements measured at fair value in a foreign currency are translated using the exchange rates applicable on the date on which the fair value is determined.
Exchange rate differences arising from the settlement of monetary elements are recognised in the income statement. Exchange rate differences arising when non-monetary elements are measured are allocated to the profit (or loss) for the year or to other comprehensive income (expense) depending on whether the profit (or loss) to which they relate is recognised in the profit (loss) for the year or in other comprehensive income (expense), respectively.

Share-based payments - IFRS 2

The Group pays additional benefits to senior executives under a closed share-based compensation plan under which Unipol Ordinary shares and UnipolSai Ordinary shares are granted if specific targets are achieved (Performance shares). As laid down by IFRS 2 – Share-based payments, these plans form part of the beneficiaries' remuneration. The charge must be recognised through profit or loss, with a balancing item - for Unipol Ordinary shares only - recognised directly in equity (Reserve arising from equity-settled share-based payment), on the basis of the fair value of the instruments allocated on the grant date, the charge being spread over the period provided for in the scheme.

Earnings per share - IAS 33

Basic earnings per share are calculated by dividing the profit allocated to holders of ordinary shares in the Parent Unipol by the weighted average number of ordinary shares outstanding during the year.
Diluted earnings per share are calculated by dividing the profit allocated to holders of ordinary shares in the Parent Unipol by the weighted average number of any additional ordinary shares that would be outstanding if all the potential ordinary shares with dilutive effect were converted. If the result is negative, the loss (basic and diluted) per share is calculated.

Use of estimates

The application of certain accounting standards implies significant elements of judgment based on estimates and assumptions which are uncertain at the time they are formulated.
It is believed that the assumptions made are appropriate and, therefore, that the financial statements have been drafted clearly and give a true and fair view of the statement of financial position, income statement and statement of cash flows.

In order to formulate reliable estimates and assumptions, reference has been made to past experience, and to other factors considered reasonable for the case in question, based on all available information. However, we cannot exclude that changes in these estimates and assumptions may have a significant effect on the statement of financial position and income statement as well as on the potential assets and liabilities reported in the financial statements for disclosure purposes, if different elements emerge with respect to those considered originally.

The estimates mainly concern:
- technical Life and Non-Life provisions;
- assets and liabilities measured at fair value (particularly for level 2 and 3 financial instruments);
- the analyses targeted at identifying any impairment of intangible assets (e.g. goodwill) booked to the financial statements (impairment test);
- the quantification of provisions for risks and charges and provisions for employee benefits.

For information on the methods used to determine the items in question and the main risk factors, please refer to the sections containing a description of the measurement criteria.

Fair value measurement criteria - IFRS 13

IFRS 13 provides guidelines to the measurement at fair value of financial instruments and non-financial assets and liabilities already required or permitted by other accounting standards (IFRS). This standard:
a) defines fair value;
b) groups into a single accounting standard the rules for measuring fair value;
c) enriches financial statement information.

The standard defines fair value as the sale price of an asset based on an ordinary transaction or the transfer price of a liability in an ordinary transaction on the main reference market at terms applicable at the measurement date (exit price).
Fair value measurement assumes that the transaction relating to the sale of assets or transfer of liabilities can take place:
- on the main listing market;
- if there is no listing market, on the market most advantageous for the assets and liabilities to be measured.

When a market price is not observable, the measurement methods which maximise the use of observable parameters and minimise the use of non-observable parameters must mainly be used.
IFRS 13 also defines a fair value hierarchy based on the level of observability of the inputs contained in measurement techniques used to measure fair value.

IFRS 13 governs the fair value measurement and the associated disclosure also for assets and liabilities not measured at fair value on a recurring basis in the statement of financial position. For these assets and liabilities, fair value is calculated for financial statement disclosure purposes. It should also be noted that since said assets and liabilities are not generally exchanged, the calculation of their fair value is based primarily on the use of internal parameters not directly observable on the market, with the sole exception of listed securities classified as "Held-to-maturity investments".

Fair value measurement criteria

The table below summarises the methods to calculate the fair value for the different macro categories of financial instruments, receivables and property.

		Mark to Market	Mark to Model and other
Financial Instruments	**Bonds**	CBBT contributor - Bloomberg Other contributor - Bloomberg	Mark to Model Counterparty valuation
	Listed shares and investments, ETFs	Reference market	
	Unlisted shares and investments		DCF DDM Multiples
	Listed derivatives	Reference market	
	OTC derivatives		Mark to Model
	UCITS	Net Asset Value	
Receivables			Trade receivables (Mark to Model) Other receivables (carrying amount)
Property			Appraisal value

In compliance with IFRS 13, the market price is used to determine the fair value of financial instruments, in the case of instruments traded in liquid and active markets (Mark to Market).

"Liquid and active market" means:

a) the regulated market in which the instrument subject to measurement is traded and regularly listed;
b) the multilateral trading system (MTF) in which the instrument subject to measurement is traded or regularly listed;
c) listings and transactions performed on a regular basis, i.e. high-frequency transactions with a low bid/offer spread, by an authorised intermediary (hereinafter "contributor").

In the absence of available prices on a liquid active market, valuation methods are used which maximise the use of observable parameters and minimise the use of non-observable parameters. These methods can be summarised in Mark to Model valuations, valuations by counterparty or valuations at the carrying amount in connection with some non-financial asset categories.

Mark to Market valuations

With reference to shares, listed investments, ETFs and listed derivatives, the Mark to Market valuation corresponds to the official valuation price of the market.

For bonds, the sources used for the Mark to Market valuation of financial assets and liabilities are as follows:

a) the primary source is the CBBT price provided by data provider Bloomberg;
b) where the price referred to the previous point is unavailable, an internal scoring model is used, which makes it possible to select liquid and active contributors on the basis of pre-defined parameters.

For UCITS the Net Asset Value is the source used.

Mark to Model valuations

The Group uses valuation methods (Mark to Model) in line with the methods generally used by the market.

The objective of the models used to calculate the fair value is to obtain a value for the financial instrument consistent with the assumptions that market participants would use to quote a price, assumptions that also concern the risk inherent in a particular valuation technique and/or in the inputs used. To ensure the correct Mark to Model valuation of each category of instrument, adequate and consistent valuation models must be defined beforehand as well as reference market parameters.

The list of the main models used within the Unipol Group for Mark to Model pricing of financial instruments is provided below:

Securities and interest rate derivatives:
- Discounted cash flows;
- Black;
- Black-Derman-Toy;
- Hull & White 1, 2 factors;
- Libor Market Model;
- Longstaff & Schwartz;
- Kirk.

Securities and inflation derivatives:
- Discounted cash flows;
- Jarrow-Yildirim.

Securities and share, index and exchange rate derivatives:
- Discounted cash flows;
- Black-Scholes.

Securities and credit derivatives:
- Discounted cash flows;
- Hazard rate models.

The main observable market parameters used to perform Mark to Model valuations are as follows:
- interest rate curves for reference currency;
- interest rate volatility surface for reference currency;
- CDS spread or Asset Swap spread curves of the issuer;
- inflation curves for reference currency;
- reference exchange rates;
- exchange rate volatility surface;
- share or index volatility surface;
- share reference prices;
- reference inflation curves.

The main non-observable market parameters used to perform Mark to Model valuations are as follows:
- correlation matrices between exchange rates and risk factors;
- historical volatility;
- benchmark spread curves constructed to assess bonds of issuers for which the prices of the bonds issued or CDS curves are unavailable;
- credit risk parameters such as the recovery rate;
- delinquency or default rates and prepayment curves for ABS-type financial instruments.

With reference to bonds in those cases when, even on the basis of the results of the Scoring Model, it is not possible to measure an instrument using the Mark to Market method, the fair value is obtained on the basis of Mark to Model type valuations. The different valuation models referred to above are chosen according to the instrument characteristics.

For OTC derivative contracts, the models used are consistent with the risk factor underlying the contract. The fair value of OTC interest rate derivatives and OTC inflation-linked derivatives is calculated on the basis of Mark to Model type valuations, acknowledging the rules set in IFRS 13.
As regards derivatives on which a collateralisation agreement is provided (Credit Support Annex) between the companies of the Unipol Group and the authorised market counterparties, the EONIA (Euro OverNight Index Average) discount curve is used.
As regards uncollateralised derivatives, CVA (Credit Valuation Adjustment) and DVA (Debit Valuation Adjustment) adjustments are made. It should be noted that, at 31 December 2021, almost all derivative positions represented collateralised contracts for which CSA agreements are in place with the counterparties involved in the trading.

As regards unlisted shares and investments for which a market price or an appraisal by an independent expert is not available, the valuations are performed mainly on the basis of (i) equity methods, (ii) methods based on the discounting of future profit or cash flows, i.e. Discounted Cash Flow (DCF) or Dividend Discount Model (DDM), (the so-called "excess capital" version) (iii) if applicable, methods based on market multiples.

As regards unlisted UCITS, Private Equity Funds and Hedge Funds, the fair value is calculated as the Net Asset Value (NAV) at the financial statement date provided directly by the fund administrators. The NAV is constructed on the basis of stringent valuation policies defined by the fund and is based on valuation of the underlying assets using updated inputs and more appropriate measurement approaches. Based on these considerations and taking into account sector market practices, this value was used to express the instrument's fair value.

The carrying amount is used for other loans.

With reference to properties, the fair value is measured on the basis of the appraisal value provided by independent experts, in compliance with current legal provisions.

Counterparty valuations

For financial assets and liabilities which do not fall into the categories of instruments valued on a Mark to Market basis and for which there are no consistent and validated valuation models available for the purposes of measuring fair value, the valuations provided by the counterparties that could be contacted to liquidate the position are used.

Unique characteristics of the fair value measurement for structured bonds and SPV structured bonds

Bond issues that incorporate a derivative contract which modifies the cash flows generated by the host contract are considered structured bonds. The measurement of structured bonds requires the representation and separate valuation of the host contract and of embedded derivative contracts.
The measurement of structured bonds makes use of models consistent with the breakdown into elementary components (host contract and embedded derivatives) and with the risk factor underlying said contract.

For structured bonds, the valuation of elementary components follows the criteria defined above for the calculation of fair value, which makes provision for use of Mark to Market valuation if available, or of the Mark to Model approach or counterparty price in the case in which the Mark to Market-type price is not available.
Bonds issued by a Special Purpose Vehicle secured by collateral and whose flows paid are generated by an interest rate swap contract in place between the vehicle and the swap counterparty (usually the arranger of the transaction) are considered SPV structured bonds.
The measurement of SPV structured bonds requires the representation and separate valuation of the following elements:
- collateral issue of the vehicle;
- interest rate swap agreement between the vehicle and arranger;
- any other optional components or CDS agreements included in the vehicle.

For SPV structured bonds the valuation of collateral follows the criteria defined previously for the calculation of the fair value, which makes provision for the use of the Mark to Market approach if available, or the Mark to Model approach or the counterparty price in the case in which the Mark to Market type price is not available.
The valuation of the interest rate swap agreement provides for the discounting of future cash flows on the basis of the different discount curves, based on the existence or not of a collateralisation agreement (Credit Support Annex) between the vehicle and swap counterparty. In particular, if the derivative contract is collateralised using available securities included in the SPV's assets, the future cash flows of the interest rate swap agreement are discounted using the EONIA discount curve; while if there is no collateralisation agreement, use is made of CVA (Credit Valuation Adjustment), DVA (Debit Valuation Adjustment) and FVA (Funding Valuation Adjustment), as appropriate.

Criteria for determining the fair value hierarchies

Assets and liabilities measured at fair value are classified on the basis of the hierarchy defined by IFRS 13. This classification establishes a fair value hierarchy based on the degree of discretionary power used, giving priority to the use of observable market parameters, as these are representative of the assumptions that market participants would use in the pricing of assets and liabilities.

Assets and liabilities are classified on the basis of the criterion used to determine fair value (Mark to Market, Mark to Model, Counterparty) and on the basis of the observability of the parameters used, in the case of the Mark to Model valuation:
- Level 1: this category includes assets and liabilities valued on a Mark to Market basis, with CBBT price source and with contributor prices that meet the minimum requirements to ensure that these prices can be used in active markets;
- Level 2: this category includes assets and liabilities valued on a Mark to Market basis, but which cannot be classified in the previous category, and assets the fair value of which is obtained with a consistent pricing model with observable market parameter inputs;
- Level 3: this category includes assets and liabilities for which the variability of the estimate of the pricing model may be significant due to the complexity of the pay-off or, if a consistent and validated model is available, the parameters needed for the valuation are not observable. This category also includes bonds which do not meet the requirements defined in the scoring test (see the paragraph "Mark to Market valuations") and for which a Mark to Model valuation is not possible. Lastly, this category also includes loans and investment property.

Fair value measurement on a recurring basis

Process for fair value measurement on a recurring basis
The measurement of financial instruments is a preliminary activity for risk monitoring, integrated asset and liability management and the drafting of the financial statements for the year.
The fair value measurement of financial instruments on a recurring basis is structured into different stages and is carried out, in compliance with the principles of separateness, independence and responsibility of the departments, at the same time, and independently, by the Finance Department and the Risk Management Department of Unipol Gruppo, using the measurement criteria defined in the previous paragraph.
When the independent valuations of financial assets and liabilities have been carried out by the two Departments involved in the pricing process, a check is performed for significant deviations, which refer to deviations of more than 3% in terms of absolute value. In the event of deviations of more than 3%, the reasons for the differences identified are analysed and, when the outcomes of the comparison are known, the price to be used for financial statement valuation purposes is determined.

Fair value measurement on a recurring basis through non-observable parameters (Level 3)
The classification of financial assets and liabilities at Level 3 adheres to a prudential approach; this category mainly includes the following types of financial instruments:
- unlisted equity instruments or investments for which a market price or an appraisal drafted by an independent expert is not available; valuations are performed on the basis of the methods indicated previously;
- shares in private equity funds, hedge funds and unlisted UCITS units for which information on the financial instruments held in the relative portfolios is not available and which could, as such, include financial instruments valued on a Mark to Model basis using non-observable parameters;
- bonds valued on a Mark to Model basis using non-observable parameters (correlations, benchmark spread curves, recovery rate);
- bonds valued with a counterparty price on a Mark to Model basis using non-observable parameters;
- ABS type bonds for which a Mark to Market valuation is not available;

- derivative instruments valued on a Mark to Model basis using non-observable parameters (correlations, volatility, dividend estimates);
- bonds which do not meet the requirements defined in the scoring test (see the paragraph "Mark to Market valuations") and for which a Mark to Model valuation is not possible.

Fair value measurement on a non-recurring basis in compliance with the disclosure requirements of other standards

Consistent with the provisions of IFRS 13, fair value is measured also for assets and liabilities not measured at fair value on a recurring basis in the statement of financial position and when the disclosure on fair value has to be provided in the Notes to the financial statements in compliance with other international accounting standards. Since these assets and liabilities are usually not exchanged, the calculation of their fair value is based primarily on the use of internal parameters not directly observable on the market. This category mainly includes the following types of financial instruments:

- bond issues valued on a Mark to Market basis (level 1);
- bond issues and loans valued on a Mark to Model basis using non-observable parameters (benchmark spread curves) (level 3);
- short-term payables with a duration of less than 18 months and Certificates of Deposit at amortised cost (level 3);
- impaired loans and receivables from bank customers measured at amortised cost, net of analytical valuations (level 3);
- other receivables valued at carrying amount (level 3);

  investment property valued on the basis of the appraisal value determined by independent experts in compliance with the provisions of the applicable legislation. The approach to assigning appraisal mandates is based on the non-exclusive assignment of assets; there is usually a three-year rotation in the assignment of experts.

3. Notes to the Statement of Financial Position

Comments and further information on the items in the statement of financial position and the changes that took place compared to balances at 31 December of the previous year are given below (the numbering of the notes relates to the mandatory layout for the preparation of the statement of financial position).

In application of IFRS 5, assets and liabilities held for sale are shown respectively under items 6.1 in Assets and 6.1 under Liabilities. As regards Non-current assets or assets of a disposal group held for sale, please refer to Chapter 5 Other information, paragraph 5.5, for more information on their composition and measurement criteria.

ASSETS

1 Intangible assets

Amounts in €m	**31/12/2021**	31/12/2020	*variation in amount*
Goodwill	**1,630.8**	**1,630.8**	
resulting from business combinations	1,630.7	1,630.7	
other	0.2	0.2	
Other intangible assets	**450.0**	**408.1**	***41.9***
portfolios acquired under business combinations	38.2	61.3	*(23.1)*
software and user licences	392.1	326.3	*65.7*
other intangible assets	19.7	20.4	*(0.7)*
Total intangible assets	**2,080.8**	**2,038.9**	***41.9***

1.1 Goodwill

This item, amounting to €1,630.8m (of which €1,309m referring to Non-Life business and €321.9m to Life business), composed entirely of goodwill deriving from business combinations in previous years.

Goodwill with an indefinite useful life recorded in the financial statements was tested for impairment in accordance with the procedure specifically approved by Unipol's Board of Directors. For information on the criteria used for the tests, please refer to paragraph 5.13 of Chapter 5 of this document, "Other information".

1.2 Other intangible assets

The item, totalling €450m (€408.1m in 2020), is composed primarily of costs incurred for purchasing software, licences, consultancy and the customisation of software programmes for €392.1m (€326.3m in 2020), the residual value of the Life and Non-Life portfolios acquired as a result of business combinations for €38.2m (€61.3m in 2020) and other intangible assets for €19.7m (€20.4m at 31/12/2020).

In relation to the item Portfolios acquired under business combinations, the decrease with respect to 31 December 2020, amounting to €23.1m, is due to amortisation for the year, of which €13.6m on the values related to the Non-Life portfolio (€16.5m at 31/12/2020) and €9.6m to the Life portfolio (€12.5m at 31/12/2020).

2. Property, plant and equipment

At 31 December 2021, Property, plant and equipment, net of accumulated depreciation, amounted to €2,514.7m (€2,365.7m in 2020), of which €1,584m in Properties for own use (€1,532.9m in 2020) and €930.7m in Other tangible assets (€832.9m in 2020).

Properties for own use

Amounts in €m	Gross carrying amount	Accumulated depreciation	Net carrying amount
Balance at 31/12/2020	**1,945.4**	**(412.5)**	**1,532.9**
Increases	100.9		100.9
Decreases	(2.3)		(2.3)
Depreciation for the year		(49.6)	(49.6)
Other changes in provisions		2.1	2.1
Balance at 31/12/2021	**2,044.0**	**(460.0)**	**1,584.0**

The increases refer to incremental expenses and to property leases recognised using the financial method pursuant to IFRS 16.
The decreases mainly refer to write-downs.

The current value of properties for own use, €1,762.1m, was based on independent expert appraisals.

Other tangible assets

Amounts in €m	Office furniture and machines	Movable assets entered in public Registers	Plant and equipment	Other tangible assets	Total
Balance at 31/12/2020	**396.4**	**1,029.8**	**373.3**	**25.8**	**1,825.4**
Increases	25.6	295.8	71.8	6.1	399.2
Decreases	(1.7)	(147.1)	(43.4)	(10.9)	(203.0)
Balance at 31/12/2021	**420.4**	**1,178.5**	**401.7**	**21.0**	**2,021.6**
Accumulated depreciation at 31/12/2020	**323.4**	**459.7**	**209.3**	**0.2**	**992.5**
Increases	20.7	155.4	17.7	0.0	193.8
Decreases	(1.5)	(112.9)	19.1	(0.2)	(95.5)
Accumulated depreciation at 31/12/2021	**342.6**	**502.2**	**246.0**	**0.0**	**1,090.8**
Net amount at 31/12/2020	**73.0**	**570.2**	**164.1**	**25.6**	**832.9**
Net amount at 31/12/2021	**77.7**	**676.3**	**155.7**	**20.9**	**930.7**

3. Technical provisions - Reinsurers' share

The balance of the item at 31 December 2021 amounted to €831.3m (€835.3m in 2020). Details are set out in the appropriate appendix.

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4. Investments

At 31 December 2021, total Investments (Investment property, Equity investments and Financial assets) amounted to €68,169m (€68,643.6m in 2020), broken down as follows:

Amounts in €m	**31/12/2021**	% comp.	31/12/2020	% comp.	% var.
Investment property	2,072.5	3.0	2,176.0	3.2	(4.8)
Investments in subsidiaries, associates and interests in joint ventures	1,304.4	1.9	1,153.7	1.7	13.1
Financial assets (excl. those at fair value through profit or loss)	56,447.6	82.8	58,136.1	84.7	(2.9)
Held-to-maturity investments	*366.7*	0.5	*420.8*	0.6	(12.8)
Loans and receivables	*4,754.0*	7.0	*4,519.3*	6.6	5.2
Financial assets at amortised cost	*357.2*	0.5	*422.7*	0.6	(15.5)
Available-for-sale financial assets	*50,194.4*	73.6	*50,899.5*	74.2	(1.4)
Financial assets at fair value through OCI	*494.6*	0.7	*1,601.4*	2.3	(69.1)
Held-for-trading financial assets	*229.5*	0.3	*257.2*	0.4	(10.8)
Financial assets mandatorily at fair value	*51.2*	0.1	*15.2*	0.0	n.s.
Financial assets at fair value through profit or loss	8,344.5	12.2	7,177.8	10.5	16.3
Total Investments	**68,169.0**	**100.0**	**68,643.6**	**100.0**	**(0.7)**

4.1 Investment property

Amounts in €m	Gross carrying amount	Accumulated depreciation	**Net carrying amount**
Balance at 31/12/2019	2,495.7	(319.7)	2,176.0
Increases	33.9		33.9
Decreases	(60.0)		(60.0)
Trasfers to other categories	(45.6)		(45.6)
Depreciation for the year		(42.5)	(42.5)
Other changes in provisions		10.7	10.7
Balance at 31/12/2020	**2,424.0**	**(351.5)**	**2,072.5**

The increases refer primarily to purchases and incremental expenses. The decreases include write-downs for €42.5m.

The current value of Investment property, €2,363.2m, was based on independent expert appraisals.

4.2 Investments in subsidiaries, associates and interests in joint ventures

At 31 December 2021, Investments in subsidiaries, associates and interests in joint ventures amounted to €1,304.4m (€1,153.7m in 2020). The item includes the interest in the associate BPER Banca for €1,207.9m (€1,068.5m at 31/12/2020).

Financial assets - items 4.3, 4.4, 4.4bis, 4.5, 4.5bis and 4.6
(excluding Financial assets at fair value through profit or loss)

Amounts in €m	31/12/2021	% comp	31/12/2020	% comp	% var
Held-to-maturity investments	**366.7**	0.6	**420.8**	0.7	***(12.8)***
Listed debt securities	366.7		420.8		*(12.8)*
Unlisted debt securities	(0.0)		(0.0)		*0.0*
Loans and receivables	**4,754.0**	8.4	**4,519.3**	7.8	***5.2***
Unlisted debt securities	4,018.9		3,936.4		*2.1*
Deposits with ceding companies	105.8		86.3		*22.6*
Other loans and receivables	629.3		496.6		*26.7*
Financial assets at amortised cost	**357.2**	0.6	**422.7**	0.7	***(15.5)***
Loans and receivables from bank customers	357.2		422.7		*(15.5)*
Available-for-sale financial assets	**50,194.4**	88.9	**50,899.5**	87.6	***(1.4)***
Equity instruments at cost	4.4		4.8		*(7.8)*
Listed equity instruments at fair value	1,244.3		449.7		*176.7*
Unlisted equity instruments at fair value	201.5		195.0		*3.3*
Listed debt securities	44,315.2		46,389.2		*(4.5)*
Unlisted debt securities	462.0		647.2		*(28.6)*
UCITS units	3,967.0		3,213.4		*23.5*
Financial assets at fair value through OCI	**494.6**	0.9	**1,601.4**	2.8	***(69.1)***
Listed equity instruments at fair value	195.8		55.3		*n.s.*
Listed debt securities	298.7		1,546.1		*(80.7)*
Held-for-trading financial assets	**229.5**	0.4	**257.2**	0.4	***(10.8)***
Listed debt securities	80.5		141.1		*(42.9)*
Unlisted debt securities	0.2		1.3		*(84.1)*
UCITS units	1.9		1.8		*6.1*
Derivatives	146.9		113.1		*29.9*
Financial assets at fair value through profit or loss	**51.2**	0.1	**15.2**	0.0	***n.s.***
Listed debt securities	18.1		15.0		*20.6*
UCITS units	33.1		0.2		*n.s.*
Total financial assets	**56,447.6**	100.0	**58,136.1**	100.0	***(2.9)***

Details of **Financial assets at fair value through profit or loss** by investment type:

Amounts in €m	**31/12/2021**	*comp.%*	31/12/2020	*comp.%*	*var.%*
Financial assets at fair value through profit or loss	**8,344.5**	**100.0**	**7,177.8**	**100.0**	**16.3**
Listed equity instruments at fair value	155.0	*1.9*	138.8	*1.9*	*11.6*
Listed debt securities	3,206.1	*38.4*	2,986.7	*41.6*	*7.3*
Unlisted debt securities	0.3	*0.0*	0.4	*0.0*	*(14.9)*
UCITS units	4,266.5	*51.1*	3,015.2	*42.0*	*41.5*
Other financial assets	716.6	*8.6*	1,036.6	*14.4*	*(30.9)*

The information required by paragraphs 12 and 12A of IFRS 7 is contained in the appendix "Details of reclassified financial assets and their effects on the income statement and comprehensive income statement".
For information on fair value, reference should be made to paragraph 5.7 of Section 5 "Other information" of these Notes to the financial statements.

5. Sundry receivables

Amounts in €m	**31/12/2021**	31/12/2020	*% var.*
Receivables relating to direct insurance business	1,398.0	1,482.4	*(5.7)*
Receivables relating to reinsurance business	204.5	166.9	*22.5*
Other receivables	1,830.4	1,591.6	*15.0*
Total sundry receivables	**3,432.9**	**3,241.0**	**5.9**

The item Other receivables included:

- tax receivables amounting to €780.7m (€732.4m at 31/12/2020);
- payments made as cash collateral against derivative payables totalling €387.7m (€257.5m at 31/12/2020);
- substitute tax receivables on the mathematical provisions totalling €350.6m (€346.9m at 31/12/2020);
- trade receivables amounting to €224.7m (€185.8m at 31/12/2020).

6. Other assets

Amounts in €m	**31/12/2021**	31/12/2020	*% var.*
Non-current assets or assets of a disposal group held for sale	132.6	203.3	*(34.8)*
Deferred acquisition costs	100.1	99.2	*0.9*
Deferred tax assets	427.0	330.9	*29.1*
Current tax assets	9.6	9.0	*6.9*
Other assets	621.4	544.7	*14.1*
Total other assets	**1,290.8**	**1,187.2**	**8.7**

Deferred tax assets are shown net of the offsetting carried out, pursuant to IAS 12, with the corresponding taxes (IRES or IRAP) recorded in deferred tax liabilities.

The item Other assets include €226.5m in "Ecobonus" and "Sismabonus" tax credits, purchased from direct beneficiaries or their assignees, which can be recovered by offsetting against future payments for a total amount recognised by the Tax Authorities of €242.1m. Other assets also include, inter alia, deferred commission expense on contracts not included in the scope of application of IFRS 4 and other accruals and deferrals.

7. Cash and cash equivalents

At 31 December 2021, Cash and cash equivalents amounted to €1,938.9m (€1,094.8m at 31/12/2020).

LIABILITIES

1. Shareholders' equity

At 31 December 2021, Shareholders' equity amounted to €9,721.5m (€9,525.3m at 31/12/2020), recording an increase in Shareholders' equity attributable to the owners of the Parent (+€166.5m) and in non-controlling interests (+€29.8m).

1.1 Shareholders' equity attributable to the owners of the Parent

Shareholders' equity, excluding non-controlling interests, is composed as follows:

Amounts in €m	**31/12/2021**	31/12/2020	*variation in amount*
Share capital	3,365.3	3,365.3	
Capital reserves	1,639.4	1,639.4	
Income-related and other equity reserves	1,054.9	771.0	283.9
(Treasury shares)	(1.1)	(2.7)	1.5
Reserve for foreign currency translation differences	3.3	3.4	(0.1)
Gains/losses on available-for-sale financial assets	1,138.6	1,173.9	(35.3)
Gains/losses on financial assets at fair value through OCI	20.0	8.8	11.2
Other gains or losses recognised directly in equity	(67.0)	(53.0)	(14.0)
Profit (loss) for the year	626.6	707.4	(80.8)
Total shareholders' equity attributable to the owners of the Parent	**7,780.0**	**7,613.6**	**166.5**

At 31 December 2021, the Parent Unipol's share capital amounted to €3,365.3m, fully paid-up, and was made up of 717,473,508 ordinary shares (unchanged compared to 31/12/2020).

Movements in shareholders' equity recognised during the year, compared to 31 December 2020, are set out in the Statement of changes in shareholders' equity. The main changes were as follows:

- a decrease due to dividend distribution for €401.4m;
- a decrease of €35.3m as a result of the decrease in the reserve for gains and losses on available-for-sale financial assets;
- an increase of €626.6m in profit for 2021.

1.2 Shareholders' equity attributable to non-controlling interests

The Shareholders' equity attributable to non-controlling interests amounted to €1,941.5m (€1,911.7m at 31/12/2020), composed of one perpetual regulatory capital instrument (Restricted Tier 1) for €496.2m issued by UnipolSai in 2020. The main changes over the year were as follows:

- a decrease of €106.7m for payment of dividends to third parties;
- an increase of €169.6m as profit attributable to non-controlling interests, including remuneration (net of related tax effect) referring to Restricted Tier 1 noteholders for €24.9m.

Treasury shares or quotas

At 31 December 2021, the treasury shares held by Unipol and its subsidiaries totalled 279,298 (776,631 at 31/12/2020), of which 83,050 shares were held directly and 196,248 held by the following subsidiaries:

- UnipolSai Assicurazioni held 68,783;
- SIAT held 33,535;
- Unipol*Rental* held 31,966;
- UniSalute held 26,751;
- Linear Assicurazioni held 14,743;
- Leithà held 10,728;
- Arca Vita held 5,703;
- UnipolAssistance held 4,039.

During the year, in execution of the Compensation plans based on financial instruments, 2,695,000 Unipol ordinary shares were acquired and 3,192,333 were allocated to Executives of the Unipol Group.

2. Provisions

The item "Provisions" totalled €446.9m at 31 December 2021 (€479.6m at 31/12/2020) and mainly consisted of provisions for litigation, various disputes, charges relating to the sales network, provisions for salary policies and employee leaving incentives.

Ongoing disputes and contingent liabilities

Relations with the Tax Authorities

Unipol
The IRES and IRAP tax dispute for the 2005-2007 tax periods of the former Aurora Assicurazioni, merged by incorporation into Unipol in 2007, pertaining mostly to findings relating to specific insurance provisions, is still pending before the Court of Cassation for the periods 2005 and 2006.

UnipolSai/UniSalute/Siat
As regards the dispute deriving from the application of VAT on delegation fees against co-insurance relations with other companies in the insurance sector, in 2020 contact was made with the competent Regional Directorates of the Italian Tax Authorities for the closure of pending litigation and pre-litigation issues that had been settled by agreement or through conciliation, with payment only of the tax and interest due, for all years up to 2017, leaving 2018 still to be defined.

Arca Vita
With reference to the general audit carried out in 2017 by the Veneto Regional Directorate for the years 2012-2015, and related notices of assessment that were subsequently notified, the dispute is still pending for the tax periods 2013 and 2014.

Consob sanction proceedings

By means of communications dated 19 April 2013, Consob commenced two separate sanction proceedings against Fondiaria-SAI and Milano Assicurazioni for charges relating to their respective 2010 consolidated financial statements.
Pursuant to Art. 187-septies, paragraph 1 of the Consolidated Law on Finance, Consob notified Ms. Jonella Ligresti and Mr. Emanuele Erbetta, for the offices held in Fondiaria-SAI at the time of the events, of the violation set forth in Art. 187-ter, paragraph 1, of the Consolidated Law on Finance. Fondiaria-SAI is also charged with this violation as a party bearing joint and several liability. It is also charged with the offence set forth in Art. 187-quinquies, paragraph 1, letter a), of the Consolidated Law on Finance for the aforementioned violation of Art. 187-ter, paragraph 1 of the Consolidated Law on Finance by Ms. Jonella Ligresti and Mr. Emanuele Erbetta, acting in the above mentioned capacities.

Consob also made the same charge against Milano Assicurazioni. In this regard, pursuant to Art. 187-septies, paragraph 1 of the Consolidated Law on Finance, the Commission charged Mr. Emanuele Erbetta, for the role he held in the subsidiary at the time of the events, with the violation established in Art. 187-ter, paragraph 1, of the Consolidated Law on Finance. Milano Assicurazioni is also charged with this violation as a party bearing joint and several liability. It is also charged with the offence set forth in Art. 187-quinquies, paragraph 1, letter a), of the Consolidated Law on Finance for the aforementioned violation of Art. 187-ter, paragraph 1 of the Consolidated Law on Finance by Mr. Emanuele Erbetta, acting in the above mentioned capacity.

Fondiaria-SAI and Milano Assicurazioni (currently UnipolSai), assisted by their lawyers, presented their conclusions, asking that the administrative penalties set out in Articles 187-ter, 187-quinquies and 187-septies of the Consolidated Law on Finance not be imposed on the companies. On 20 March 2014 the Consob issued a resolution whereby, not deeming that the parties' defences deserved to be accepted, it ordered:

- Jonella Ligresti to pay €250k and to be disqualified from office for four months;
- Emanuele Erbetta to pay €400k and to be disqualified from office for eight months;
- UnipolSai to pay €650k.

UnipolSai provided for the payment of the fines, and also filed an appeal against Ms. Ligresti. Mr. Erbetta directly paid the penalty imposed on him. In any case, UnipolSai challenged the decision before the Court of Appeal of Bologna, which rejected the appeal on 6 March 2015. The Company, assisted by its lawyers, challenged the decision before the Court of Cassation which, on 6 December 2018, rejected the appeal and confirmed the Consob sanctions.
In March 2019, the Company challenged the decision before the European Court of Human Rights (ECHR), asking for the cancellation of the sanction for the breach of the ne bis in idem principle, according to which a person should not be submitted to sanction or judicial proceedings several times for the same fact.

Antitrust Authority proceedings

On 8 May 2020, the Antitrust Authority notified UnipolSai Assicurazioni of the initiation of preliminary proceedings concerning the "#UnMesePerTe" promotional campaign, involving the dissemination, in print media, on television and in other media, of advertising messages which allegedly lacked the required clarity and transparency.
UnipolSai filed a detailed defence brief, affirming the full legitimacy and fairness of its initiative, as well as its ethical and social merit. Moreover, with a view to further improving transparency towards its customers, the Company enacted a series of behaviours on its own initiative which were then subject to a commitment proposal formalised with the Antitrust Authority on 26 June 2020 and supplemented, based on the Authority's observations, on 6 November 2020. These measures are intended to facilitate knowledge and use of the benefits deriving from this campaign by extending the initiative to 31 December 2021 (but still with reference to policies in force at 10 April 2020) and sending individual communications to potential beneficiaries concerning how to use the voucher offered when the policy is renewed, as well as providing a detailed disclosure on the possibility of revoking consent to the use of personal data for marketing purposes issued to the Company on the "unmeseperte" mini-website from 11 April 2020 to 29 May 2020.
By a measure passed on 26 February 2021, the Antitrust Authority accepted the commitments proposed by the Company and settled the proceedings without confirming any infractions and, therefore, without imposing penalties.

On 26 November 2020, the Antitrust Authority notified UnipolSai Assicurazioni of the initiation of second preliminary proceedings concerning MV TPL claims settlement, characterised by an alleged hindrance of the right of consumers to access the relevant deeds and the failure to specify the criteria for the quantification of damages in the phase of formulating the compensation offer. On 16 April 2021, the Antitrust Authority then notified the objective extension of these proceedings, claiming failure to comply with the terms of Art. 148 of the CAP for the settlement/challenge of MV TPL claims.
UnipolSai deems these objections completely unfounded and, to protect its rights, has engaged its lawyers to represent it in the proceedings, which are currently ongoing.

By measure notified on 20 May 2021, the Antitrust Authority approved the initiation of a preliminary investigation into Compagnia Assicuratrice Linear S.p.A. in order to ascertain any breach of the prohibition on agreements restricting competition pursuant to Art. 101 of the Treaty on the Functioning of the European Union, in relation to an alleged agreement concerning and/or resulting in the alteration of competition trends in the MV TPL policy direct sales market, which allegedly affected certain companies active, including through their websites, in the market of comparing and marketing offers relating to various types of services, including insurance services, as well as a number of Italian insurance companies (and other intermediaries).

Although Linear considers the alleged assumptions in fact and in law by virtue of which the proceedings were lodged to be completely groundless, along with the other parties it submitted its commitments pursuant to Art. 14-ter of Law no. 287/90. On 3 January 2022, the Authority published the above-mentioned commitments on its website to allow the parties concerned to submit any observations and the Antitrust Authority to then decide on acceptance.
One party submitted observations in relation to the Market Test in favour of accepting the commitments. The decision of the Authority is now pending.

IVASS assessments

On 2 July 2014, IVASS sent to UnipolSai the order of sanctions at the end of the proceedings started in 2012 against Unipol Assicurazioni on the matter of the measurement of the claims provisions of the MV and Boats TPL classes. The sanction imposed was €27,500. Since UnipolSai does not deem the conclusions of the Institute to be acceptable in any way, it appealed against this decision before the Regional Administrative Court (TAR). On 9 September 2015 the Regional Administrative Court rejected the appeal of the Company, which challenged the ruling before the Council of State.
On 21 February 2019 the Council of State accepted an objection submitted by the Company and cancelled the sanction, the amount of which was recovered in full on 26 August 2021.

By notice served on the Company on 11 October 2021, IVASS ordered the initiation of inspections intended, in relation to MV TPL underwriting and settlement processes, to ascertain the adoption of recent regulatory provisions, respect for the CARD convention and the connected governance and control aspects.

Corporate liability action against certain former directors and statutory auditors decided by the Shareholders' Meetings of Fondiaria-SAI and Milano Assicurazioni

On 17 October 2011, Amber Capital LP, fund manager of Amber Global Opportunities Master Fund Ltd, a Fondiaria-SAI shareholder, in accordance with Art. 2408 of the Civil Code, informed the Board of Statutory Auditors of Fondiaria-SAI of various transactions carried out by companies in the Fondiaria-SAI Group with "related" companies attributable to the Ligresti family, criticising the "non-market" conditions and "anomalies" of said transactions.

On 16 March 2012 the Board of Statutory Auditors of Fondiaria-SAI issued an initial response in its "Report pursuant to Art. 2408, paragraph 2 of the Civil Code", after which by letter dated 26 March 2012 the shareholder Amber Capital requested further investigation.

The Board of Statutory Auditors therefore performed further controls and investigations. On 15 June 2012 IVASS served Measure no. 2985 upon Fondiaria-SAI by which the Authority defined the proceedings launched pursuant to Art. 238 of the Private Insurance Code, and through IVASS Communication prot. no. 32-12-000057 of the same date charged Fondiaria-SAI with significant irregularities pursuant to Art. 229 of the Private Insurance Code, with particular reference to a number of transactions implemented by Fondiaria-SAI and its subsidiaries with counterparties qualifying as related parties of Fondiaria-SAI, and assigning a fifteen-day deadline for the effects of these transactions to be permanently removed.
IVASS considered that the actions proposed or implemented by the Company were not suitable to correct the situation which led to the charges cited in the notice of 15 June 2012, prolonging – according to IVASS – the inability of Fondiaria-SAI to remedy the violations and the relative effects.
Therefore by Measure no. 3001 of 12 September 2012 (the "IVASS Measure"), IVASS appointed Prof. Matteo Caratozzolo as *ad acta* commissioner of Fondiaria-SAI (the "Commissioner"), also as Parent, considering the requirements of Art. 229, Italian Legislative Decree no. 209 of 7 September 2005 to be met.
In particular, with regard to the disputed transactions considered not only on an individual basis but as a whole, IVASS tasked the Commissioner with (i) specifically identifying the individuals responsible for the transactions carried out to the detriment of Fondiaria-SAI SpA and its subsidiaries; (ii) determining the damage suffered by the same; (iii) promoting or encouraging the promotion of all necessary initiatives, including judicial, at Fondiaria-SAI SpA and its subsidiaries, suitable, in relation to the disputed transactions, to safeguard and reintegrate the assets of Fondiaria-SAI SpA and its subsidiaries; (iv) exercising the powers held by Fondiaria-SAI SpA as Parent and as a shareholder in the shareholders' meetings of the subsidiaries.

Following the in-depth examinations conducted regarding the above-mentioned transactions, entered into by the Fondiaria-SAI Group primarily in the real estate segment in the 2003-2011 period, which directly involved members of the Ligresti family and certain SPVs attributable to said family, the Commissioner asked the Boards of Directors of Fondiaria-SAI and Milano Assicurazioni to call the respective shareholders' meetings, placing on the agenda the proposed corporate liability action, pursuant to Articles 2392 and 2393 of the Civil Code, against some directors and statutory auditors of the companies (jointly with other parties).

On 5 February 2013, the Boards of Directors of Fondiaria-SAI and Milano Assicurazioni, having examined the respective reports drafted by the Commissioner in accordance with Art. 125-ter of the Consolidated Law on Finance, resolved, following the aforementioned request, to call the Shareholders' Meetings of the two companies for 13 and 14 March 2013, on first and second call respectively.
The Shareholders' Meetings, held on second call on 14 March 2013, resolved to promote corporate liability action against the persons indicated in the reports prepared for the Meetings by the Commissioner and made these resolutions public in accordance with law.
As a result of the aforementioned resolutions, the ad acta Commissioner appointed his own lawyers who arranged for civil proceedings to be brought before the Court of Milan against the parties identified as responsible for the transactions described above ("Main Liability Action"). The proceedings are currently at preliminary investigation stage during which the court has, amongst other things, ordered a technical court expert's report.

In relation to the aforementioned transactions, the Companies requested and, on 20 December 2013, obtained a seizure order from the Court of Milan against some of the defendants in the above proceedings. The Company made arrangements to enforce the attachment through the parties concerned and through third parties, and the related enforcement proceedings are still in progress.
The attachment was challenged by the counterparties and on 24 March 2014 the Court of Milan, sitting *en banc*, confirmed the precautionary provision, rejecting all complaints filed by the counterparties.
Furthermore, with reference to the other transactions involved in the complaint from Amber Capital LP, not included in the Commissioner's mandate ("Minor Transactions"), on the invitation of the Board of Statutory Auditors of Fondiaria-SAI pursuant to Art. 2408 of the Civil Code, the Boards of Directors of Fondiaria-SAI and Milano Assicurazioni conducted investigations and checks, which showed that Minor Transactions were also carried out by companies in the Fondiaria-SAI Group with "related" companies attributable to the Ligresti family with various breaches of directors' and statutory auditors' duties. In particular, the investigations and checks highlighted both breaches of directors' and statutory auditors' duties and damages to the company assets of the Fondiaria-SAI Group.
The persons who, as a result of the checks performed by the Boards of Directors, were deemed responsible for the Minor Transactions are (i) members of the Ligresti family, who exercised control over the Fondiaria-SAI Group companies involved, and who would have pursued their own personal interests to the detriment of said companies in violation of Articles 2391 and 2391-bis of the Civil Code and the procedure governing "related party" transactions; (ii) the former "executive" directors, who would have proposed and implemented the transactions in question, and the directors of the internal control committees of Fondiaria-SAI and Milano Assicurazioni, who would also have been responsible for the violation of said regulations and procedures; (iii) the statutory auditors who would have also been responsible for the damages suffered by the companies in the Fondiaria-SAI Group due to the violation of Articles 2403 and 2407 of the Civil Code and Art. 149 of the Consolidated Law on Finance.
The liability of members of the Ligresti family in relation to the transaction in question (as with the transactions already involved in the Main Liability Action) would derive not only from the violation of their duties of the offices of director formally held in Fondiaria-SAI and Milano Assicurazioni but also (aa) from the "unitary management" they would have illegitimately exercised over companies in the Fondiaria-SAI Group by helping to approve and implement the transactions constituting a "conflict of interests" and "in violation of the principles of correct corporate and business management" (pursuant to Art. 2497 of the Civil Code); (bb) the de facto interference (in particular from Mr. Salvatore Ligresti) in the administration of the companies in the Fondiaria-SAI Group (in accordance with Art. 2392 of the Civil Code).

Consequently, on 30 July 2013 the Ordinary Shareholders' Meetings of Fondiaria-SAI and Milano Assicurazioni resolved to promote Minor Liability Action pursuant to Articles 2392 and 2393 of the Civil Code and, to the extent they may apply, Articles 2043 and 2497 of the Civil Code, against certain former de facto and official directors of Fondiaria-SAI and Milano Assicurazioni, regardless of their particular offices held and even if no formal office was held; certain former directors of Fondiaria-SAI and Milano Assicurazioni and, pursuant to Art. 2407 of the Civil Code, against certain members of the Board of Statutory Auditors of Fondiaria-SAI and Milano Assicurazioni.
In connection with the resolutions mentioned above, UnipolSai (formerly Fondiaria-SAI) served the writ of summons.
In March 2021, as the case was still pending, the Company signed a settlement agreement with all defendants which fully defines the two liability actions and which was subject to the approval of the Shareholders' Meeting of UnipolSai and the other plaintiff companies of the Unipol Group. The agreement was fully implemented in accordance with the agreed methods and terms. While for the Main Liability Action the formal extinction of the process was declared, for the Minor Liability Action the court adjourned for further consideration on a marginal issue relating to the attribution of legal expenses not concerning the Company.

The terms and conditions of the above-mentioned agreement are summarised in the Directors' Report and in the Information Document drafted pursuant to Art. 5 of the Related Party Transactions Regulation adopted by Consob with Resolution no. 17721 of 12 March 2010 as amended, published with the timing and methods set forth by law and provided on the Company's institutional website.

Ongoing disputes with investors

Writs of summons by shareholders of La Fondiaria Assicurazioni (takeover bid legal cases)

From 2003 onwards, a number of La Fondiaria Assicurazioni ("Fondiaria") shareholders have initiated a series of legal proceedings claiming, albeit on different legal grounds and justifications, compensation for damages allegedly suffered due to failure to launch the takeover bid on Fondiaria shares by SAI Società Assicuratrice Industriale SpA ("SAI") in 2002.
On the whole, 16 proceedings were brought against the Company; 14 of these were settled at various degrees and stages of the proceeding, while one was extinguished when the first court's decision handed down in favour of the Company became definitive, as the opposing party failed to appeal it.
At 31 December 2021, only one case was still pending before the Court of Cassation, following the decision issued by the Milan Court of Appeal after resumption by the plaintiff. An appropriate provision has been allocated to cover this pending dispute.

Other ongoing proceedings

UnipolSai Assicurazioni SpA has for some time been a party in criminal and civil proceedings referring to events occurring during the previous management of Fondiaria-SAI and Milano Assicurazioni. A summary of the criminal cases finalised during 2021 and those still pending is provided below.

2021 saw the definitive closure of legal proceedings in Criminal Case 21713/13 (formerly Gen. Criminal Records Reg. 20219/2012), originally pending before the Fourth Criminal Section of the Court of Turin against officers of the previous Fondiaria-SAI and Milano Assicurazioni management, accused of the offences of false corporate communications under Art. 2622 of the Civil Code in relation to the 2010 financial statements of Fondiaria-SAI SpA and market manipulation under Art. 185 of the Consolidated Law on Finance ("TUF") on Fondiaria-SAI and Milano Assicurazioni securities, owing to the alleged falsification of the financial statements that allegedly pertained to the claims provisions; within this proceeding, UnipolSai Assicurazioni SpA was summoned and appeared before the court as civilly liable for the actions of the defendants.
Following the preliminary hearing and discussion of the parties, on 11 October 2016 the Court confirmed criminal liability of most of the defendants and ordered them to pay compensation for damages, jointly with the parties with civil liability, including UnipolSai Assicurazioni, in favour of the 2,265 parties admitted as civil claimants, plus payment of the legal expenses of civil claimants' counsel.
The decision pronounced by the Court of Turin on 11 October 2016 was challenged before the Turin Court of Appeal, which on 12 March 2019 cancelled the decision due to lack of area jurisdiction and ordered the forwarding of proceedings papers to the Court of Milan.

On 12 May 2021, at the request of the Public Prosecutor's office, the Court of Milan ordered the definitive dismissal of the proceedings on all counts and for all the defendants.

Moreover, as reported in the Financial Statements at 31 December 2018, some investors autonomously initiated civil proceedings for damages. In these proceedings, the plaintiffs summarily stated that they had purchased and subscribed Fondiaria-SAI shares as they were prompted by the information in the information prospectuses published by Fondiaria-SAI on 24 June 2011 and 12 July 2012 in relation to the increases in share capital under option resolved by the company on 14 May 2011, 22 June 2011 and 19 March 2012 respectively, and in the financial statements of Fondiaria-SAI relating to the years 2007-2012. UnipolSai (former Fondiaria-SAI) appeared at all Civil Proceedings and disputed the plaintiffs' claims.
Two civil proceedings before the Court of Turin ended with rulings that rejected the merits of the Plaintiff's requests, acquitting UnipolSai from all compensation claims. The two rulings have become res judicata since they were not appealed by the counterparties.
On 18 May 2017, the Court of Milan instead partially upheld the compensation claims of another shareholder. The Company appealed against the sentence before the Milan Court of Appeal, which only partially accepted the appeal. The Company therefore appealed against the sentence before the Court of Cassation, which has not yet scheduled the hearing for the discussion of the case. The Court of Rome, with a sentence published on 12 May 2020, vice versa fully rejected the compensation claims submitted by another investor with respect to the share capital increases noted above. The opposing party challenged the sentence before the Rome Court of Appeal, and at the last hearing on 13 December 2021 the Court adjourned for further consideration.

In another case pending on the same issues, the Court of Milan accepted the compensation claims of another investor, with a ruling dated 20 March 2019. After being appealed by the Company, the ruling was overruled in full by the Milan Court of Appeal with a ruling dated 22 October 2020. The opposing party challenged the appeal sentence before the Court of Cassation. The hearing for discussion of the case has not yet been scheduled.

On 15 February 2021, the Court of Milan has partially upheld the compensation claims of other shareholders. The Company appealed against the sentence before the Milan Court of Appeal. The next hearing to finalise conclusions is set for 6 April 2022.
Another two cases pending on the same issues are still in the introductory/preliminary phase before the Court of Milan.
Provisions deemed suitable were made in relation to the disputes with investors described above.

Commitments deriving from the sale of Unipol Banca

As part of arrangements relating to the sale to BPER Banca of the entire equity investment in Unipol Banca, Unipol Gruppo and UnipolSai committed, inter alia, to indemnifying BPER Banca - on a pro-rata basis in relation to the interest transferred - for losses deriving from specifically identified dispute counterclaims of the Unipol Banca Group outstanding at 31 March 2019 (the "Losses from Dispute Counterclaims"), provided that such losses are effectively and definitively incurred and within the limits and to the extent they exceed, net of tax relief, the related provisions specifically allocated in the consolidated statement of financial position of the Unipol Banca Group at 31 March 2019 (€10m). Similarly, the acquirer BPER is committed to paying an amount to the sellers for any excess of the aforementioned provisions over and above the Losses from Dispute Counterclaims.Provisions deemed suitable were allocated against the commitments described above.

3. Technical provisions

Amounts in €m	**31/12/2021**	31/12/2020	*% var.*
Non-Life premium provisions	3,375.5	3,389.0	
Non-Life claims provisions	11,312.6	10,966.3	
Other Non-Life technical provisions	26.9	32.5	
Total Non-life provisions	**14,714.9**	**14,387.8**	**2.3**
Life mathematical provisions	35,787.4	34,078.5	
Provisions for amounts payable (Life business)	337.1	573.5	
Technical provisions where the investment risk is borne by policyholders and arising from pension fund management	2,445.8	3,144.1	
Other Life technical provisions	3,843.1	5,523.2	
Total life provisions	**42,413.4**	**43,319.2**	***(2.1)***
Total technical provisions	**57,128.3**	**57,707.0**	*(1.0)*

4. Financial liabilities

Financial liabilities at 31 December 2021 totalled €10,770.8m (€9,730.2m at 31/12/2020).

4.1 Financial liabilities at fair value through profit or loss

This item, which amounted to €6,356.9m (€4,379.3m at 31/12/2020), is broken down as follows:

- Held-for-trading financial liabilities for €445.9m (€324.3 at 31/12/2020);
- Financial liabilities designated at fair value through profit or loss for €5,911m (€4,055.1m at 31/12/2020). This category included investment contracts issued by insurance companies where the investment risk was borne by the policyholders and the insurance risk borne by the Group did not exceed 10%: these include Class III and VI contracts and residual liabilities for low amounts on other contracts no longer placed.

4.2 Financial liabilities at amortised cost

Amounts in €m	31/12/2021	31/12/2020	% var.
Subordinated liabilities	1,446.1	2,088.3	*(30.8)*
Deposits received from reinsurers	130.5	134.7	*(3.1)*
Debt securities issued	2,515.1	2,741.5	*(8.3)*
Other loans obtained	321.6	385.9	*(16.7)*
Sundry financial liabilities	0.6	0.5	*14.0*
Total financial liabilities at amortised cost	**4,413.9**	**5,350.8**	***(17.5)***

Details of **Subordinated liabilities** are shown in the table below:

Issuer	Nominal amount outstanding	Subord. level	Year of maturity	call	Rate	L/NL
UnipolSai	€750.0m	tier I	in perpetuity	every 3 months from 18/06/2024	fixed rate 5,75% (*)	Q
UnipolSai	€500.0m	tier II	2028		fixed rate 3,875%	Q
UnipolSai	€160.0m (**)	tier I	2023	every 6 months	6M Euribor + 180 b.p. (***)	NQ

(*) from June 2024 floating rate of 3M Euribor + 518 b.p.
(**) on 24 July 2021 the third tranche of 80.0 million euro was repaid as indicated in the planned amortisation plan contractually
(***) since September 2014, in application of the contractual clauses ("Additional Costs Clauses"), UnipolSai and Mediobanca signed an agreement to modify a Loan Agreement to cover the subordinated loan expiring in 2023. This agreement provides for the amendment of several economic terms, including payment by way of compromise, of an annual indemnity (additional spread) equal to 71.5 basis points, which increases the previous spread (thereby raising the total spread from 1.80 to 2.515 basis points) provided for in the Loan Agreement

Subordinated liabilities of the Group at 31 December 2021 were €1,446.1m (€2,088.3m at 31/12/2020).

At 31 December 2021, **Debt securities issued by Unipol**, net of intragroup subscriptions, totalling €2,515.1m (€2,741.5m at 31/12/2020) related to three senior bonds listed on the Luxembourg Stock Exchange, with a total nominal value of €2,500m:

- €1,000m of nominal value, 3% fixed rate, 10 year duration, maturity in 2025;
- €500m of nominal value, 3.5% fixed rate, 10 year duration, maturity in 2027;
- €1,000m of nominal value, 3.25% fixed rate, 10 year duration, maturity in 2030.

Other loans obtained, totalling €321.6m (€385.9m at 31/12/2020), mainly included the loan obtained by Fondo Immobiliare Athens for €151.4m and the loans obtained by UnipolRental for a total of €85.1m. The item also includes the financial liabilities deriving from the present value of future lease payments due for lease contracts accounted for on the basis of IFRS 16 for a total of €84m.

5. Payables

Amounts in €m	31/12/2021	31/12/2020	% var.
Payables arising from direct insurance business	**187.6**	**162.8**	***15.2***
Payables arising from reinsurance business	**104.5**	**77.0**	***35.7***
Other payables	**803.5**	**678.3**	***18.5***
Policyholders' tax due	159.9	158.8	*0.6*
Sundry tax payables	120.5	40.8	*195.5*
Trade payables	318.5	252.0	*26.4*
Post-employment benefits	52.6	58.5	*(10.2)*
Social security charges payable	39.3	38.2	*2.7*
Sundry payables	112.7	130.0	*(13.3)*
Total payables	**1,095.5**	**918.1**	***19.3***

6. Other liabilities

Amounts in €m	31/12/2021	31/12/2020	% var.
Current tax liabilities	40.3	41.1	*(1.9)*
Deferred tax liabilities	115.3	118.0	*(2.3)*
Liabilities associated with disposal groups held for sale	3.1	3.2	*(2.0)*
Commissions on premiums under collection	101.2	109.3	*(7.4)*
Deferred commission income	10.4	5.9	*75.0*
Accrued expense and deferred income	85.2	59.0	*44.4*
Other liabilities	739.8	709.8	*4.2*
Total other liabilities	**1,095.4**	**1,046.3**	*4.7*

The item Deferred tax liabilities is shown net of the compensation carried out, pursuant to IAS 12, with the corresponding taxes (IRES or IRAP) recorded in deferred tax assets.

For the details of the sub-item Liabilities associated with disposal groups, please refer to paragraph 5.5 of these Notes.

4. Notes to the Income Statement

Comments and further information on the items in the income statement and the variations that took place compared with the previous year are given below (the numbering of the notes relates to the mandatory layout for the preparation of the income statement).

REVENUE

1.1 Net premiums

Amounts in €m	**31/12/2021**	31/12/2020	% var.
Non-life earned premiums	**8,235.0**	**8,051.3**	***2.3***
Non-Life written premiums	8,214.3	8,107.5	*1.3*
Changes in Non-Life premium provision	20.6	(56.1)	*n.s.*
Life written premiums	**4,114.1**	**3,759.0**	***9.4***
Non-life and life gross earned premiums	**12,349.1**	**11,810.4**	***4.6***
Non-life earned premiums ceded to reinsurers	**(454.6)**	**(446.7)**	***1.8***
Non-Life premiums ceded to reinsurers	(463.2)	(439.9)	*5.3*
Changes in Non-Life premium provision - reinsurers' share	8.6	(6.8)	*n.s.*
Life premiums ceded to reinsurers	**(16.0)**	**(14.5)**	***9.9***
Non-life and life earned premiums ceded to reinsurers	**(470.6)**	**(461.2)**	***2.0***
Total net premiums	**11,878.5**	**11,349.2**	***4.7***

1.2 Commission income

Amounts in €m	**31/12/2021**	31/12/2020	var.%
Commission income from investment contracts	32.6	24.2	*34.6*
Other commission income	12.7	10.2	*24.8*
Total commission income	**45.3**	**34.4**	***31.7***

1.3 Net gains on financial instruments at fair value through profit or loss

Amounts in €m	**31/12/2021**	31/12/2020	% var.
Net gains/losses:			
on held-for trading financial assets	116.8	(268.7)	*n.s.*
on held-for trading financial liabilities	0.1	0.0	*40.3*
on other financial assets mandatorily at fair value	23.3	3.2	*n.s.*
on financial assets/liabilities at fair value through profit or loss	72.2	81.6	*(11.5)*
Total net gains/losses	**212.4**	**(183.9)**	***n.s.***

1.4 Gains on investments in subsidiaries, associates and interests in joint ventures

These totalled €152.6m (€19.4m at 31/12/2020), of which €143m deriving from the pro-rata consolidation of BPER Banca's result, affected by extraordinary accounting items following the acquisition during the year of former UBI Banca and Intesa Sanpaolo business units and the recognition of costs for optimisation of the workforces.

1.5 Gains on other financial instruments and investment property

Amounts in €m	**31/12/2021**	31/12/2020	*% var.*
Interests	**1,386.8**	**1,363.1**	**1.7**
on held-to-maturity investments	17.3	18.4	*(5.9)*
on loans and receivables	125.2	95.8	*30.6*
on financial assets at amortised cost	18.1	22.0	*(17.5)*
on available-for-sale financial assets	1,213.6	1,220.6	*(0.6)*
on financial assets at fair value through OCI	7.7	3.2	*139.4*
on sundry receivables	4.0	1.9	*111.6*
on cash and cash equivalents	0.9	1.2	*(28.4)*
Other income	**231.4**	**183.9**	**25.8**
from investment property	69.9	63.5	*10.0*
from available-for-sale financial assets	157.2	115.8	*35.7*
from financial assets at fair value through OCI	4.3	4.5	*(5.2)*
Realised gains	**270.7**	**487.5**	**(44.5)**
on investment property	73.8	6.6	*n.s.*
on loans and receivables	0.5	4.7	*(88.9)*
on financial assets at amortised cost	31.5	35.8	*(11.9)*
on available-for-sale financial assets	164.2	437.3	*(62.5)*
on financial assets at fair value through OCI	0.6	3.1	*(80.1)*
Unrealised gains and reversals of impairment losses	**22.0**	**247.9**	**(91.1)**
on investment property		16.2	*(100.0)*
on available-for-sale financial assets	19.3	230.3	*(91.6)*
on financial assets at fair value through OCI	0.6	0.0	*n.s.*
on other financial liabilities	2.0	1.3	*57.8*
Total item 1.5	**1,910.8**	**2,282.4**	***(16.3)***

1.6 Other revenue

Amounts in €m	**31/12/2021**	31/12/2020	*% var.*
Sundry technical income	78.6	77.7	*1.2*
Exchange rate differences	45.4	14.5	*n.s.*
Extraordinary gains	34.2	13.0	*163.9*
Other income	779.6	715.3	*9.0*
Total other revenue	**937.8**	**820.3**	***14.3***

COSTS

2.1 Net charges relating to claims

Amounts in €m	**31/12/2021**	31/12/2020	*% var.*
Net charges relating to claims - direct and indirect business	**9,992.1**	**9,015.2**	***10.8***
Non-life business	**5,269.6**	**4,487.1**	***17.4***
Non-Life amounts paid	5,086.3	5,337.8	
changes in Non-Life claims provision	318.4	(717.2)	
changes in Non-Life recoveries	(135.2)	(134.8)	
changes in other Non-Life technical provisions	0.1	1.3	
life business	**4,722.5**	**4,528.2**	***4.3***
Life amounts paid	3,177.5	3,984.6	
changes in Life amounts payable	(244.4)	168.0	
changes in mathematical provisions	1,748.6	969.3	
changes in other Life technical provisions	12.4	78.1	
changes in provisions where the investment risk is borne by policyholders and arising from pension fund management	28.6	(671.8)	
Charges relating to claims - reinsurers' share	**(183.0)**	**(170.9)**	***7.1***
Non-life business	**(174.5)**	**(162.8)**	***7.2***
Non-Life amounts paid	(188.4)	(296.4)	
changes in Non-Life claims provision	5.1	126.1	
changes in Non-Life recoveries	8.9	7.6	
life business	**(8.5)**	**(8.1)**	***4.4***
Life amounts paid	(11.8)	(15.9)	
changes in Life amounts payable	1.9	(3.9)	
changes in mathematical provisions	1.4	11.7	
Total net charges relating to claims	**9,809.2**	**8,844.3**	***10.9***

2.2 Commission expense

Amounts in €m	**31/12/2021**	31/12/2020	*% var.*
Commission expense from investment contracts	30.2	14.8	*104.3*
Other commission expense	7.2	5.7	*27.4*
Total commission expense	**37.4**	**20.4**	***82.9***

2.3 Losses on investments in subsidiaries, associates and interests in joint ventures

At 31 December 2021 these totalled €1.6m (€0.5m at 31/12/2020).

2.4 Losses on other financial instruments and investment property

Amounts in €m	31/12/2021	31/12/2020	% var.
Interests:	**160.8**	**163.5**	***(1.7)***
on loans and receivables	0.1	0.0	*n.s.*
on other financial liabilities	159.4	161.2	*(1.1)*
on payables	1.4	2.3	*(40.1)*
Other charges:	**35.1**	**38.8**	***(9.3)***
from investment property	24.8	26.0	*(4.8)*
from available-for-sale financial assets	2.1	1.6	*27.6*
from financial assets at fair value through OCI	0.2	0.2	*(18.5)*
from other financial liabilities	7.9	10.7	*(25.9)*
from sundry payables	0.2	0.2	*(16.3)*
Realised losses:	**125.1**	**425.6**	***(70.6)***
on investment property	0.6	0.9	*(36.4)*
on loans and receivables	0.4	73.9	*(99.5)*
on financial assets at amortised cost	8.9	8.7	*1.9*
on available-for-sale financial assets	114.8	340.3	*(66.3)*
on financial assets at fair value through OCI	0.5	0.1	*n.s.*
on other financial liabilities		1.7	*(100.0)*
Unrealised losses and impairment losses:	**287.7**	**88.8**	***n.s.***
on investment property	92.2	49.5	*86.1*
on financial assets at amortised cost	25.8	25.2	*2.2*
on available-for-sale financial assets	167.1	9.7	*n.s.*
on financial assets at fair value through OCI	0.2	1.0	*(78.2)*
on other financial liabilities	2.5	3.4	*(26.6)*
Total item 2.4	**608.8**	**716.7**	***(15.1)***

Interest on other financial liabilities amounting to €159.4m relates in particular to interest expenses accrued on bonds issued by Group companies (subordinated and non-subordinated). At 31 December 2020 the total was €161.2m.
At 31 December 2021 the Unrealised losses and impairment losses totalled €287.7m (€88.8m in 2020), including write-downs due to impairment of financial instruments recognised as Available-for-sale assets (shares and UCITS) for €7.1m (€9.7m at 31/12/2020), negative changes in fair value on available-for-sale assets with derivative hedging for €160m, write-downs on investment property for €42.5m (€13.7m at 31/12/2020), carried out on the basis of updated valuations performed by independent experts, and investment property depreciation for €49.7m (€35.8m in 2020).

2.5 Operating expenses

Amounts in €m	31/12/2021	% comp.	31/12/2020	% comp.	% var.
Insurance sector	2,476.5	*92.9*	2,434.5	*94.0*	*1.7*
Holding and Other Businesses Sector	176.1	*6.6*	141.6	*5.5*	*24.3*
Real Estate Sector	34.9	*1.3*	31.0	*1.2*	*12.5*
Intersegment eliminations	(21.6)	*(0.8)*	(18.3)	*(0.7)*	*17.5*
Total operating expenses	**2,665.9**	***100.0***	**2,588.8**	***100.0***	***3.0***

Below are details of **Operating expenses in the Insurance sector**:

	Non- Life			Life			Total		
Amounts in €m	Dec-2021	Dec-2020	% var.	Dec-2021	Dec-2020	% var.	Dec-2021	Dec-2020	% var.
Acquisition commissions	1,364.5	1,329.3	2.6	72.1	59.2	21.7	1,436.5	1,388.5	3.5
Other acquisition costs	362.7	387.5	(6.4)	42.7	39.3	8.8	405.5	426.8	(5.0)
Changes in deferred acquisition costs	1.2	1.0	25.7	(2.7)	(1.2)	124.3	(1.5)	(0.2)	n.s.
Collection commissions	157.1	155.5	1.0	6.2	6.5	(4.8)	163.3	162.0	0.8
Profit sharing and other commissions from reinsurers	(144.8)	(129.3)	12.0	(2.3)	(3.1)	(25.7)	(147.1)	(132.5)	11.1
Investment management expenses	51.7	56.4	(8.3)	47.7	46.9	1.7	99.4	103.3	(3.8)
Other administrative expenses	429.6	401.8	6.9	90.8	84.8	7.1	520.4	486.6	7.0
Total operating expenses	**2,222.0**	**2,202.2**	**0.9**	**254.4**	**232.3**	**9.5**	**2,476.5**	**2,434.5**	**1.7**

2.6 Other costs

Amounts in €m	31/12/2021	31/12/2020	% var.
Other technical charges	272.7	303.0	(10.0)
Impairment losses on receivables	17.0	16.3	3.8
Other charges	774.4	805.8	(3.9)
Total other costs	**1,064.0**	**1,125.2**	**(5.4)**

3. Income tax

In accordance with the provisions of IAS 12 the following table shows, at consolidated level, the deferred taxes utilised and accrued.

	31/12/2021			31/12/2020		
Amounts in €m	Ires	Irap	Total	Ires	Irap	Total
Current taxes	**166.0**	**55.0**	**221.0**	**0.7**	**29.9**	**30.6**
Deferred tax assets and liabilities:	**(69.3)**	**2.8**	**(66.4)**	**116.9**	**14.2**	**131.1**
Use of deferred tax assets	162.7	15.5	178.3	208.7	29.8	238.5
Use of deferred tax liabilities	(25.5)	(1.1)	(26.6)	(32.0)	(3.1)	(35.1)
Provisions for deferred tax assets	(274.2)	(30.0)	(304.2)	(121.9)	(22.5)	(144.4)
Provisions for deferred tax liabilities	67.6	18.5	86.1	62.2	9.9	72.1
Total	**96.7**	**57.8**	**154.6**	**117.7**	**44.1**	**161.7**

Against pre-tax profit of €950.7m, taxes for the period of €154.6m were recorded. The overall tax rate was 16.3% (15.8% at 31/12/2020). Note that the overall net tax expense benefited for €94.3m from the effect of the realignment of tax values carried out by UnipolSai in application of Decree Law no. 104/2020 and the recognition for €4.7m (€1.2m at 31/12/2020), taking into account the improvement in profit outlooks, of deferred tax assets on previous tax losses of subsidiaries not consolidated for tax purposes. Total tax expenses also benefited from adjustments to taxes from previous years for €7.9m (€156.7m at 31/12/2020, due primarily to a more punctual application of the participation exemption and the application of the facilitated taxation regime following the Patent Box agreement entered into between UnipolSai and Arca Vita with the Italian Tax Authorities on 18/12/2020).

The following statement illustrates the breakdown of deferred tax assets and liabilities recognised, with separate indication of offsetting performed for adjusted financial statements presentation purposes.

Amounts in €m	31/12/2021 Total	31/12/2021 Ires/Corp. tax	31/12/2021 Irap	31/12/2020 Total	31/12/2020 Ires/Corp. tax	31/12/2020 Irap
DEFERRED TAX ASSETS						
Intangible assets and property, plant and equipment	321.4	274.6	46.8	241.0	187.6	53.4
Technical provisions – Reinsurers' share	140.5	140.4	0.1	128.6	128.6	0.0
Investment property	63.2	53.4	9.8	62.8	53.4	9.4
Financial instruments	272.7	199.1	73.6	126.1	82.9	43.2
Sundry receivables and other assets	126.3	115.9	10.5	145.2	128.7	16.6
Provisions	205.1	189.4	15.7	217.9	202.4	15.5
Technical provisions	837.4	661.0	176.5	1,200.7	943.0	257.8
Payables and other liabilities	13.4	12.7	0.7	12.4	11.8	0.6
Other deferred tax assets	334.9	331.4	3.5	357.1	354.0	3.1
Netting as required by IAS 12	(1,888.0)	(1,556.8)	(331.2)	(2,161.1)	(1,766.7)	(394.4)
Total deferred tax assets	**427.0**	**421.1**	**6.0**	**330.9**	**325.7**	**5.2**
DEFERRED TAX LIABILITIES						
Intangible assets and property, plant and equipment	140.4	113.3	27.0	143.1	116.6	26.5
Technical provisions – Reinsurers' share				0.7	0.6	0.2
Investment property	17.7	15.0	2.7	14.8	12.3	2.5
Financial instruments	1,667.8	1,307.0	360.9	1,956.7	1,529.4	427.4
Sundry receivables and other assets				0.0	0.0	0.0
Provisions	12.3	9.6	2.7	10.7	8.3	2.3
Technical provisions	148.0	102.5	45.5	132.4	90.3	42.1
Financial liabilities	5.8	4.5	1.3	5.4	4.2	1.2
Payables and other liabilities	2.0	2.0	0.1	0.2	0.2	0.1
Other deferred tax liabilities	9.3	8.9	0.5	14.9	13.4	1.5
Netting as required by IAS 12	(1,888.0)	(1,556.8)	(331.2)	(2,161.1)	(1,766.7)	(394.4)
Total deferred tax liabilities	**115.3**	**5.9**	**109.4**	**118.0**	**8.5**	**109.4**

Net tax assets are deemed to be recoverable on the basis of the provisional plans of Group companies.

5. Other Information

5.1 Hedge Accounting

Fair value hedges

During 2021, no new transactions were carried out concerning fair value hedging.

Existing positions at 31 December 2021 related to IRS contracts for a nominal value of €1,150m, to hedge fixed rate bond assets recorded in Available-for-sale assets, with a hedged synthetic notional value equal to €970.6m. At 31 December 2021, the fair value change related to the hedged bonds came to a negative €160.0m, while the fair value change of IRS amounted to a positive €160.2m, with a positive net economic effect of €0.2m, including the tax effect of €0.1m.

With regard to fair value hedging transactions finalised during the period, it should be noted that, in the first quarter of 2021, contracts for the purchase of put options and the sale of call options with the same strike in place at 31 December 2020 for a nominal value of €13.9m were executed to hedge 13,855,000 Mediobanca shares, classified as Available-for-sale financial assets.
The fair value change between 31 December 2020 and the closing date of the hedging instruments, was a negative €19.6m, offset by a positive change of €19.3m, booked through profit and loss based on the fair value change of the Mediobanca shares hedged during the same period.

Cash flow hedges

The objective of the existing hedges is to transform the interest rate on financial assets from a floating rate to a fixed rate, stabilising the cash flows.

The positions outstanding at 31 December 2021 relate to hedges on bond securities recorded in the Available-for-sale asset portfolio through the sale of IRSs for a notional value of €883.5m (€1,113.5m at 31/12/2020).
The cumulative negative effect on Shareholders' equity in the Hedging reserve for gains or losses on cash flow hedges was €37.7m (positive effect for €21.9m at 31/12/2020): net of tax, the negative impact was €26.1m (positive effect for €15.1m at 31/12/2020).

5.2 Information relating to the actual or potential effects of netting agreements

In order to allow an evaluation of the actual or potential effects of netting agreements on the UnipolSai Group, the information relating to the financial instruments involved in master netting arrangements is reported below, which at 31 December 2021 consist exclusively of derivative instruments.
With reference to derivatives, the ISDA Master agreements which regulate transactions in such instruments, make provision, in the cases of the insolvency of one of the contractual parties, for the offsetting between receivables and payables including any cash deposits or financial instruments pledged as guarantee.

Financial assets

Amounts in €m

Type	Gross amount (A)	Total financial liabilities offset in the financial statements (B)	Net total financial assets recognised in the financial statements (C)= (A) - (B)	Related amounts not subject to offsetting in the financial statements		Net total (F)=(C)-(D)-(E)
				Financial instruments (D)	Cash deposits received as guarantees (E)	
Derivative transactions (1)	450.6		450.6	427.7	21.9	1.0
Repurchase agreements (2)						
Securities lending						
Other						
Total	**450.6**		**450.6**	**427.7**	**21.9**	**1.0**

Financial liabilities

Amounts in €m

Type	Gross amount (A)	Total financial assets offset in the financial statements (B)	Net total financial liabilities recognised in the financial statements (C)= (A) - (B)	Related amounts not subject to offsetting in the financial statements		Net total (F)=(C)-(D)-(E)
				Financial instruments (D)	Cash deposits given as guarantees (E)	
Derivative transactions (1)	454.7		454.7	99.8	349.7	5.1
Repurchase agreements (2)						
Securities lending						
Other						
Total	**454.7**		**454.7**	**99.8**	**349.7**	**5.1**

(1) The amounts indicated include the fair value in the financial statements of the derivatives involved in the offsetting agreements and any cash deposits given or received as guarantee.

(2) The amounts indicated include the financial receivable/payable relating to the repurchase agreement and the value of the financial asset involved in the forward purchase.

5.3 Earnings (loss) per share

Amounts in €m	**31/12/2021**	31/12/2020
Profit/loss allocated to ordinary shares (€m)	626.6	707.4
Weighted average of shares outstanding during the year (no./m)	716.1	716.1
Basic and diluted earnings (loss) per share (€ per share)	**0.87**	**0.99**

5.4 Dividends

In view of the profit for the year made by the Parent Unipol at 31 December 2020 of €316.3m (as shown in the financial statements drawn up in accordance with Italian GAAP), the Shareholders' Meeting of Unipol held on 29 April 2021 resolved on the distribution of dividends totalling around €201m (of which €0.1m paid to Group companies), corresponding to €0.28 per share, taking account of treasury shares.

The Shareholders' Meeting also set the dividend payment date for 26 May 2021 (ex-dividend date 24/05/2021 and record date 25/05/2021).

In addition, the Ordinary Shareholders' Meeting of Unipol of 1 October 2021 resolved on the distribution of a unit dividend of €0.28 per ordinary share in issue, corresponding to the 2019 Dividend, not distributed last year in compliance with Supervisory Authority recommendations at that time in relation to the situation brought about by the COVID-19 pandemic (payment date 20/10/2021; ex-dividend date 18/10/2021; record date 19/10/2021).

The total amount set aside for the 2019 Dividend, taking into account treasury shares, came to around €201m (of which €0.1 paid to Group companies).

5.5 Non-current assets or assets of a disposal group held for sale and discontinued operations

At 31 December 2021, reclassifications carried out in application of IFRS 5 to item 6.1 of Assets amounted to €132.5m, of which €0.5m relating to assets held by the subsidiary Consorzio Castello and €131.9m relating to properties held for sale (€203.3m at 31/12/2020, of which €0.5m referred to assets held by the subsidiary Consorzio Castello and €202.8m to properties held for sale). The liabilities reclassified to item 6.1 Liabilities associated with disposal groups amounted to €3.1m (€3.2m at 31/12/2020).

5.6 Transactions with related parties

Unipol Gruppo provides the following services to the subsidiary UnipolReC:

- Governance (services supporting internal control, risk management and compliance);
- Anti-money laundering and Anti-terrorism.

UnipolSai Assicurazioni provides the following services to companies of the Group:

- Governance (services supporting internal control, risk management, compliance and the Actuarial Function *Validation*);
- Finance;
- Innovation;
- Communications and Media Relations;
- Anti-money laundering and Anti-terrorism;
- 231 support;
- Institutional Relations;
- Assessment of investments;
- Human resources and industrial relations (personnel administration, external selection, development and remuneration systems, welfare initiatives, personnel management, trade union relations, employee disputes, employee welfare, safety);
- Organisation;
- Training;
- Legal and corporate (corporate affairs, group legal register management, anti-fraud, institutional response, legal insurance consulting, privacy consulting and support, general legal and disputes, corporate legal, complaints, management of investments);
- Claims settlement;
- Insurance (distribution network regulations, MV portfolio management, reinsurance, product marketing, MV tariff setting, development and maintenance of MV products, general class tariff setting, development and maintenance of general class products, technical actuarial coordination, Life bancassurance);
- IT services;
- Actuarial Function Calculation;
- Administration (accounting, tax, administrative and financial statements services);
- Management control;
- Purchase of goods and services (including real estate) and general services;
- Real estate (coordination of urban planning processes, value added services, operational management of property sales and purchases, property leasing services, project management, logistics and real estate services, facility management, tax and duty property management, property management).

UniSalute provides the following services:

- Managing addressing services, providing medical advice and assistance by telephone, making bookings, managing and settling claims relating to specific guarantees/products on behalf of UnipolSai;
- Policyholder record updating services and administrative services associated with the payment of health policy claims for UnipolSai.

The services provided by UniSalute to its subsidiary UniSalute Servizi mainly concerned the following areas:

- Administration and management control;
- Complaints, regulations and tenders;
- IT services;
- Digital marketing and Communications;
- Supplier Network Management and Medical Coordination;
- Human resource monitoring and Training;
- Collective Operating Centre - Assistance Class 18 and LTC case management.

SIAT performs the following services in favour of UnipolSai:

- Technical assistance in the negotiation and stipulation of transport and aviation contracts;
- Portfolio services for agreements in the transport sector;
- Administrative support in the relationships with insurance counterparties.

UnipolService (formerly **Auto Presto&Bene**) provides car repair services for certain Group companies, while **UnipolGlass** (formerly **APB Car Service**) provides glass repair services.

UnipolSai Servizi Previdenziali performs administrative management of open pension funds on behalf of a number of Group companies.

UnipolRe carries out administrative and accounting services for inwards and outwards reinsurance with reference to treaties in run-off on behalf of UnipolSai.

UnipolSai Investimenti SGR administers on behalf of UnipolSai the units of real estate funds set up by third-party asset managers, owned by UnipolSai.

In 2021, UnipolReC, in its capacity as an agent, conducted credit collection, out-of-court recovery of receivables due from Customers, such as, by way of example, the analysis of the receivables assigned, the sending of dunning letters by post and/or credit collection by phone, monitoring the responses received, checking payments and reconciliating the same, searching for individuals that are difficult to trace and any other activity required or related to said services on behalf of Gruppo UNA and Tenute del Cerro.

UnipolTech (formerly **Alfaevolution Technology**) guarantees competitiveness to the Group insurance companies through continuous technological innovation and the evolution of ITC services:
- management of black boxes, designed and continuously innovated internally and complete with proprietary software associated with MV, Motorcycle and fleet policies, confirming the Unipol Group as market leader. Black boxes are directly linked to the service centre (TSP) in order to guarantee secure insurance services through a complex data analysis based on crash recognition and reconstruction, assistance and theft up to value added services such as private emergency calls, plus the VASs available on the mobile app;
- IoT technology and safety and security services linked to home, store and commercial business insurance policies (smart home);
- telematic devices associated with insurance policies for pet protection.

The company has developed products offered through the UnipolSai agency network, such as:
- Qshino, the product that offers an anti-abandonment device service for child car seats as required by Italian Law no. 117 of 1 October 2018, which makes their use compulsory.
- UnipolMove, the electronic motorway toll payment service, the pilot phase of which was launched in 2021. In the course of 2022, it will be made available to all group customers.

Support was also provided to UnipolSai in the development of mobile payment solutions to offer customers an integrated model of distinctive services, complementary to the insurance business. The first services available on the UnipolSai App therefore include the opportunity to pay car parking fees, fines and road tax.

Leithà designs, develops and provides to Group companies services, applications, data-intensive components and innovative, high-tech tools based primarily on Artificial Intelligence, Machine Learning, Intelligence Process Automation and Computer Vision solutions.

It also studies and analyses data in support of new product development (both in actuarial and product creation terms), processes and business development. This includes the necessary preparatory and instrumental activities for the implementation of commissioned research projects and the development of operating system software, operating systems, applications and database management in relation to such projects.

The main project areas covered include:
- development of software supporting the reconstruction and settlement of claims;
- development of solutions for real-time claims management;
- natural events and weather alert services;
- reinsurance support;
- communication tools for the agency network;
- smartphone telematics;
- support for tariff-setting processes through data enrichment;
- scientific communication activities through collaboration with important European projects and research centres (e.g., ADA - ADaptation in Agriculture and development of the E3CI - European Extreme Events Climate Index).

UnipolAssistance (formerly **Pronto Assistance Servizi**) provides the following services for the Companies of the Consortium (and to a minimal extent also to third parties on the external market):

- organisation, provision and 24/7 management of services provided by the assistance insurance coverage, by taking the action requested and managing relations with professionals and independent suppliers to which the material execution of the action is assigned, also including settlement of the related remuneration. Analogous activities, when requested, may be provided to Consortium members not in the insurance business.

As part of the Tourism claims management for consortium members only, in addition to the provision of normal Assistance services, at the request of an individual consortium member UnipolAssistance can advance medical expense payments on behalf of that member;

- contact centre activities for customers, specialists and agencies of the Group, whose services consist of:
  - providing front office services to existing or potential customers at all stages of relations with the consortium members and their respective sales networks, or to any intermediaries acting on their behalf (brokers, banks);
  - providing after-sales services on policy statuses or on any transactions that can be made on existing policies;
  - providing customer satisfaction services;
  - providing support services to the agency network in relations with customers and consortium members;
  - providing contact centre services dedicated to opening claims and related information requests.

UnipolSai Servizi Consortili (placed in voluntary liquidation as of 26 April 2021 and which stopped operating on 29 December 2021) managed several supply contracts and services in 2021 relating to the Unipol Group's communications, image and trademark. Starting from1 January 2022, these contracts and services are managed directly by Unipol Gruppo and UnipolSai.

Arca Vita provides the following services to Group companies:

- human resource management and development, organisation, corporate affairs, purchasing, legal services and complaints, secretariat and general services, security and privacy, administration, life planning in favour of subsidiaries;
- real estate and leasing of offices and parking spaces in favour of subsidiaries and UnipolSai.

An agreement with Arca Vita International is also in place regarding the licence for use of the "Arca Vita International" trademark owned by Arca Vita.

Arca Inlinea provides sales support services to Arca Assicurazioni, Arca Vita and Arca Vita International.

Arca Sistemi provides the following services primarily in favour of the Companies participating in the consortium:

- IT system design, development and management;
- alternative storage design, development and management.

Arca Direct Assicurazioni has insurance brokerage agreements in place with Arca Vita, Arca Assicurazioni and UnipolSai.

Unipol*Rental* provides medium/long-term vehicle rental services to Group companies.

Cambiomarcia provides services and a digital platform dedicated to the sale of ex-rental vehicles of Unipol*Rental* on the B2C channel (Business to Consumer).

Moreover, it is noted that the Group companies conduct the following regular transactions with each other:

- reinsurance and coinsurance;
- leasing of property and other tangible assets;
- agency mandates;
- secondment of personnel;
- long-term vehicle rental;
- training project management.

No atypical or unusual transactions were carried out in the execution of these services.

Fees are mainly calculated on the basis of the external costs incurred, for example the costs of products and services acquired from suppliers, and the costs resulting from activities carried out directly, i.e. generated by their own staff, and taking account of:

- performance targets set for the provision of the service to the company;
- strategic investments required to ensure the agreed levels of service.

The following elements are specifically taken into consideration:
- personnel costs;
- operating costs (logistics, etc.);
- general costs (IT, consultancy, etc.).

As regards services rendered by Leithà, the consideration was determined to the extent equal to costs, as previously defined, to which a mark-up was applied, which is the operating margin for the service rendered.

The costs for financing activities are calculated by applying a fee on managed volumes. The services provided by UniSalute (except for operating services provided to Unisalute Servizi for which the costs are split), UnipolService, UnipolSai Investimenti SGR and UnipolRe involve fixed prices.

Both the Parent **Unipol** and its subsidiaries, including **UnipolSai**, **Arca Vita** and **Arca Assicurazioni**, second their staff to other Group companies to optimise the synergies within the Group.

It should be noted that, in accordance with Art. 2497 et seq. of the Italian Civil Code, none of the shareholders of the Parent Unipol exercises management and coordination activities over the Company.

Tax regime for taxation of group income (so-called "tax consolidation")

The Parent Unipol exercised the Group tax consolidation option governed by Title II, Chapter II, Section II of Italian Presidential Decree 917/86 (the Consolidated Income Tax Act, Articles 117 et seq.) as consolidating entity, jointly with the companies belonging to the Unipol Group meeting the established regulatory requirements over time. The option has a three-year duration and is renewed automatically unless cancelled.

Unipol VAT Group

Unipol Gruppo and the subsidiaries for which there are economic, financial and organisational restrictions exercised the option of establishment of the Unipol VAT Group pursuant to Art. 70-bis et seq. of Italian Presidential Decree no. 633/1972 and Ministerial Decree of 6 April 2018. Initially valid for the three-year period 2019-2021, the option renews each year until cancelled.

The following table shows transactions with related parties (associates and others) carried out during 2021, as laid down in IAS 24 and in Consob Communication DEM/6064293/2006. It should be noted that the application scope of the Procedure to perform transactions with related parties, adopted pursuant to Consob Regulation no. 17221 of 12 March 2010, as amended, also includes some counterparties that are included, on a voluntary basis, pursuant to Art. 4 thereof, including the company Coop Alleanza 3.0 Società Cooperativa (shown, together with other items, in the following table under item "Others").
Transactions with subsidiaries have not been recognised since in drawing up the Consolidated Financial Statements transactions among Group companies consolidated using the line-by-line method have been eliminated as part of the normal consolidation process.

Information on transactions with related parties

Amounts in €m	Associates	Others	**Total**	*% inc. (1)*	*% inc. (2)*
Loans and receivables	37.7		37.7	*0.0*	*2.3*
Sundry receivables	92.6	0.5	94.1	*0.1*	*5.7*
Other assets	302.6	0.3	303.4	*0.4*	*18.5*
Cash and cash equivalents	2,034.3		2,034.3	*2.5*	*123.8*
Total assets	**2,467.2**	**0.8**	**131.9**	***0.2***	***8.0***
Other financial liabilities	9.3		9.3	*0.0*	*0.6*
Sundry payables	65.0	0.0	65.0	*0.1*	*4.0*
Other liabilities	17.0		17.0	*0.0*	*1.0*
Total liabilities	**91.4**	**0.0**	**91.4**	***0.1***	***5.6***
Commission income	4.5		4.5	*0.0*	*0.3*
Gains on other financial instruments and investment property	3.7		3.7	*0.0*	*0.2*
Other revenue	2.5		2.5	*0.0*	*0.2*
Total revenue and income	**10.6**		**10.6**	***1.3***	***0.6***
Net charges relating to claims	2.2		2.2	*0.3*	*0.1*
Commission expense	16.4		16.4	*2.1*	*1.0*
Losses on other financial instruments and investment property	0.1		0.1	*0.0*	*0.0*
Operating expenses	264.5	0.6	266.3	*33.4*	*16.2*
Other costs	38.8		38.8	*4.9*	*2.4*
Total costs and expenses	**322.0**	**0.6**	**305.1**	***38.3***	***18.6***

(1) Percentage based on total assets in the consolidated statement of financial position recognised under shareholders' equity, and on pre-tax profit/(loss) for income statement items.
(2) Percentage on total net cash flow from operating activities mentioned in the statement of cash flows.

Loans and receivables with associates included €18.1m of time deposits above 15 days held by the companies of the Group with BPER Banca, €9.4m relating to receivables from insurance brokerage agencies for agents' reimbursements and €6m of interest-free loans disbursed by UnipolSai to the associate Borsetto.
The item Sundry receivables from associates and others included €44.8m in receivables due from insurance brokerage agencies for commissions and €41.4m in receivables due from Finitalia for premiums it had advanced for the service concerning the split payment of policies.
Other assets included current accounts, temporarily unavailable, that UnipolSai has opened with BPER Banca.
Cash and cash equivalents included the balances of current accounts opened by Group companies with BPER Banca.
The item Financial liabilities at amortised cost related to overdrafts on current accounts held by Group companies at BPER Banca or mortgages disbursed by the latter to Group companies.
Sundry payables included payables for commissions to be paid to BPER Banca for the placement of insurance products plus payables for other services rendered.
Commission income referred to commissions recognised by BPER Banca for the placement of banking products.
Gains on other financial instruments and investment property related to rent income paid by BPER Banca.
Other revenue primarily included income for the active secondment of personnel.

Commission expense referred to bank relations between the Group companies and BPER Banca.
Operating expenses included, as regards associates and others, costs for commissions paid to insurance brokerage agencies (€101.1m), costs to Finitalia for instalments of policies issued by the Group companies (€60.4m), commissions recognised to BPER Banca for the placement of insurance policies issued by Group companies (€56m) and bank account management costs (€37m).
The item Other costs primarily relates to retainer management fees paid to BPER Banca and staff secondment.

Please also note that the contributions payable by the Unipol Group companies paid in the course of 2021 to Unipol Group employee and executive pension funds amounted to €22m.

Remuneration for 2021 due to the Directors, Statutory Auditors and Key Managers of the Parent for carrying out their duties in Unipol and in other consolidated companies amounted to €18.4m, details of which are as follows:

Amounts in €m	Amounts in €m
Directors and General Manager	10.5
Statutory auditors	0.5
Other key managers	7.4(*)

(*) mainly includes compensation of employees.

The remuneration of the General Manager and the Key Managers relating to benefits granted under the share-based compensation plans (performance shares), is duly represented in the Remuneration Report, prepared according to Art. 123-*ter* of the Consolidated Law on Finance and made available, pursuant to current regulations, on the Company website.
It should also be noted that, during the year, loyalty bonuses were paid to Key Managers with strategic responsibilities for an amount of €16m, mostly pertaining to previous years and allocated to a specific Provision for Risks and Charges. The remuneration figures shown in the table above include only the accrued portion for 2021 of this loyalty bonus, equal to €0.8m net of the related social security expenses.
The Provision relating to loyalty bonuses, to be recognised to Key Managers upon the occurrence of what defined by the Remuneration Policies of the Group, recorded under the item Provisions of the Liabilities, amounted to €47.7m at 31 December 2021, including the related social security expenses.
In 2021 the companies in the Group paid Unipol and UnipolSai the sum of €1.9m as remuneration for the activities carried out by the Chairman, the Chief Executive Officer, the General Manager and the Key Managers, eliminated during the consolidation process.

5.7 Fair value measurements - IFRS 13

IFRS 13:
a) defines the fair value;
b) groups into a single accounting standard the rules for measuring fair value;
c) enriches financial statement information.

The standard defines fair value as the sale price of an asset based on an ordinary transaction or the transfer price of a liability in an ordinary transaction on the main reference market at terms applicable at the measurement date (exit price).

Fair value measurement assumes that the transaction relating to the sale of assets or transfer of liabilities can take place:
- on the main listing market;
- if there is no listing market, on the market most advantageous for the assets and liabilities to be measured.

When a market price is not observable, the measurement methods which maximise the use of observable parameters and minimise the use of non-observable parameters must mainly be used.

IFRS 13 also defines a fair value hierarchy based on the level of observability of the inputs contained in measurement techniques used to measure fair value.

Chapter 2, "Main accounting standards", outlines the fair value measurement policies and criteria adopted by the Unipol Group.

Fair value measurement on a recurring basis

The table below shows a comparison between the assets and liabilities measured at fair value at 31 December 2021 and 31 December 2020, broken down based on fair value hierarchy level.

Assets and liabilities at fair value on a recurring and non-recurring basis: breakdown by fair value level

	Level 1		Level 2		Level 3		Total	
Amounts in €m	2021	2020	2021	2020	2021	2020	2021	2020
Assets and liabilities at fair value on a recurring basis								
Available-for-sale financial assets	47,076.1	48,434.2	403.6	463.4	2,714.7	2,001.9	50,194.4	50,899.5
Financial assets at fair value through OCI								
Financial assets at fair value through profit or loss:	494.6	1,601.4					494.6	1,601.4
- held for trading	95.6	160.0	130.2	69.5	3.8	27.7	229.5	257.2
- at fair value through profit or loss	8,292.7	7,171.3			51.8	6.5	8,344.5	7,177.8
- mandatorily at fair value	51.1	15.0			0.1	0.2	51.2	15.2
Total assets at fair value on a recurring basis	***56,010.1***	***57,381.9***	***533.8***	***532.8***	***2,770.3***	***2,036.3***	***59,314.2***	***59,951.1***
Financial liabilities at fair value through profit or loss:								
- held for trading	13.0	25.6	401.6	292.4	31.3	6.3	445.9	324.3
- at fair value through profit or loss					5,911.0	4,055.1	5,911.0	4,055.1
Total liabilities at fair value on a recurring basis	***13.0***	***25.6***	***401.6***	***292.4***	***5,942.3***	***4,061.4***	***6,356.9***	***4,379.3***

The total financial assets classified in Level 3 at 31 December 2021 stood at €2,770.3m. Details of changes in Level 3 financial assets and liabilities in the same period are shown below.

Details of changes in level 3 financial assets and liabilities at *fair value* on a recurring basis

Amounts in €m	**Available-for-sale financial assets**	**Financial assets at fair value through OCI**	**Financial assets at fair value through profit or loss**			**Investment property**	**Property, plant and equipment**	**Intangible assets**	**Financial liabilities at fair value through profit or loss**	
			held for trading	at fair value through profit or loss	mandatorily at fair value				held for trading	at fair value through profit or loss
Opening balance	**2,001.9**		**27.7**	**6.5**	**0.2**				**6.3**	**4,055.1**
Acquisitions/Issues	765.1		0.2	38.3						
Sales/Repurchases	(35.9)			(0.0)						
Repayments	(154.9)		(0.3)	(2.3)					(0.0)	
Gains or losses recognised through profit or loss			0.0	9.3	(0.2)				0.8	
- of which unrealised gains/losses			*0.0*	*9.3*	*(0.2)*				*0.8*	
Gains or losses recognised in the statement of other comprehensive income	159.3									
Transfers to level 3										
Transfers to other levels	(20.3)									
Other changes	(0.6)		(23.8)	0.0					(25.7)	(1,855.9)
Closing balance	**2,714.7**		**3.8**	**51.8**	**0.1**				**31.3**	**5,911.0**

Please note that the transfers from Level 1 to Level 2, which occurred during the reference period, were irrelevant.

Analysis and stress testing of non-observable parameters (Level 3)

The table below shows, for Level 3 financial assets and liabilities measured at fair value, the effects of the change in the non-observable parameters used in the fair value measurement.

As regards "assets at fair value on a recurring basis" and belonging to Level 3, the stress test of non-observable parameters is performed with reference to financial instruments valued on a Mark to Model basis and on which the measurement is carried out through one or more non-observable parameters.

The portion of securities subject to analysis has a market value of €19.5m at 31 December 2021.

The non-observable parameters subject to a shock are benchmark spread curves constructed to assess bonds of issuers for which the prices of the bonds issued or Credit Default Swap curves are unavailable.

The following table shows the results of the shocks:

	Amounts in €m	**Curve Spread**			
Fair Value					
	Shock	+10 bps	-10 bps	+50 bps	-50 bps
	Fair Value delta	**(0.11)**	**0.12**	**(0.54)**	**0.56**
	Fair Value delta %	*(0.58)*	*0.59*	*(2.78)*	*2.85*

Fair value measurement on a non-recurring basis

IFRS 13 governs fair value measurement and the associated disclosure also for assets and liabilities not measured at fair value on a recurring basis.

For these assets and liabilities, fair value is calculated only for the purpose of market disclosure requirements. Furthermore, since these assets and liabilities are not typically traded, their fair value is largely based on the use of internal parameters that cannot be directly observed in the market, with the sole exception of listed securities classified as "Held-to-maturity investments".

Assets and liabilities not measured at *fair value*: breakdown by *fair value level*

			Fair value							
	Carrying amount		Level 1		Level 2		Level 3		Total	
Amounts in €m	**2021**	2020	**2021**	2020	**2021**	2020	**2021**	2020	**2021**	2020
Assets										
Held-to-maturity investments	366.7	420.8	343.8	584.1	22.9	6.9		2.2	366.7	593.2
Loans and receivables	4,754.0	4,519.3			3,336.8	3,659.6	1,417.3	1,344.5	4,754.0	5,004.1
Financial assets at amortised cost	357.2	422.7					357.2	422.7	357.2	422.7
Investments in subsidiaries, associates and interests in joint ventures	1,304.4	1,153.7	750.9	660.6			96.5	64.6	847.4	725.2
Investment property	2,072.5	2,176.0					2,363.2	2,349.6	2,363.2	2,349.6
Property, plant and equipment	2,514.7	2,365.7					2,692.9	2,508.6	2,692.9	2,508.6
Total assets	**11,369.6**	**11,058.3**	**1,094.7**	**1,244.7**	**3,359.7**	**3,666.5**	**6,927.0**	**6,692.2**	**11,381.4**	**11,603.4**
Liabilities										
Other financial liabilities	**4,413.9**	**5,350.8**	**4,743.2**	**4,904.2**			**163.4**	**757.9**	**4,906.7**	**5,662.1**

5.8 Information on public funds received

With reference to the regulation on the transparency of public funds introduced by Art. 1, paragraphs 125 and 125-bis of Italian Law 124/2017 and subsequent amendments and supplements, note that the Group collected the following contributions and subsidies subject to the mandatory disclosure in the notes to the financial statements pursuant to the above-cited regulation:

Recipient	Name of disbursing party	Amount collected (€)	Reason
Tenute del Cerro SpA	ARTEA	44,136.16	Contributions to the Tuscany Region vineyard restructuring
Tenute del Cerro SpA	AGEA	14,130.90	Contributions to the Umbria Region vineyard restructuring
Tenute del Cerro SpA	ARTEA	12,467.51	Contributions to Tuscany Region Rural Development Plan
Tenute del Cerro SpA	AGEA	85,600.48	Contributions to Umbria Region Rural Development Plan
Tenute del Cerro SpA	AGEA	147,834.69	Contributions to Community Agricultural Policy 2020/2021
Tenute del Cerro SpA	ARTEA	224,984.15	Contributions to Community Agricultural Policy 2020/2021
Tenute del Cerro SpA	AGEA	122,650.93	Individual Insurance Plan Contribution 2020/2021
Tenute del Cerro SpA	AGEA	92,361.54	Contributions to containment of agricultural yields 2020
Tenute del Cerro SpA	AGEA	111,982.53	Contribution to promotional expenses incurred in foreign countries - Tuscany Region 2021
Tenute del Cerro SpA	ARTEA	873.59	Contributions to allowances for the Tuscany Region mountain areas

For the sake of comprehensiveness, although such grants are excluded from the transparency obligations established in the regulations cited, any Aid measures and the relative individual Aid granted and recorded in the system by the Granting Authorities directly or indirectly benefitting each of the Group companies are published in the National Register of State Aid, open to the public for consultation on the relative website in the transparency section.

5.9 Share-based compensation plans

The Unipol Group pays additional benefits (short- and long-term incentives) to the Chief Executive Officer and Key Managers and other senior executives under closed three-year, share-based compensation plans by which Unipol and UnipolSai shares (performance shares) are granted if specific targets of Gross Profit and solvency capital requirements, as well as individual targets are achieved.

The 2016-2018 compensation plan based on financial instruments (performance share type), if the prerequisites are met, envisages the assignment of UnipolSai and Unipol shares over three years with effect from April 2019. The first tranche, for 4,117,311 UnipolSai shares and 2,227,601 Unipol shares, was paid to entitled parties on 25 April 2019; the second tranche, for 3,867,922 UnipolSai shares and 2,092,674 Unipol shares, was paid to entitled parties on 27 April 2020; the third tranche, for 3,867,922 UnipolSai shares and 2,092,674 Unipol shares, was paid to the entitled parties on 28 April 2021.

In addition, on 28 April 2021, 1,325,729 UnipolSai shares and 673,423 Unipol shares were delivered to eligible executives as short-term incentive for 2020.

Lastly, on 15 December 2021, 771,052 UnipolSai shares and 426,236 Unipol shares were delivered only to executives in the category of significant risk takers, for the short-term incentive referring to the year 2019, not allocated last year in compliance with the recommendations made at the time by the Supervisory Authority in relation to the situation caused by the COVID-19 pandemic.

The Information Documents, prepared pursuant to Art. 114-bis of the Consolidated Law on Finance and Art. 84-bis of the Consob Issuer's Regulation no. 11971/1999, are available on the relevant websites, in the Governance/Shareholders meetings section.

The total cost recorded in 2021 came to €10.3m (€10.7m in 2020), €5.2m of which calculated in relation to the potential assignment of Unipol shares, and €5.1m calculated in relation to the potential assignment of shares of the subsidiary UnipolSai.

5.10 Non-recurring significant transactions and events

Aside from any mentioned among the main events of the period, there were no non-recurring significant transactions and events during the year.

5.11 Atypical and/or unusual positions or transactions

In 2021 there were no atypical and/or unusual transactions that, because of the significance, importance, nature of the counterparties involved in the transaction, transfer pricing procedures, or occurrence close to the end of the year, could give rise to doubts relating to: the accuracy and completeness of the information in these Consolidated Financial Statements, a conflict of interest, the safeguarding of the company's assets or the protection of non-controlling shareholders.

5.12 Additional information on the temporary exemption from IFRS 9

As indicated previously, in these consolidated financial statements the IAS 39 standard was applied with reference to financial instruments held by UnipolSai and its subsidiaries. Below are tables containing the information necessary for comparison with the insurance companies that do apply IFRS 9.

Fair value at 31 December 2021, changes in fair value of financial investments recognised according to IAS 39 which passed the SPPI Test and other financial investments

Amounts in €m	Consolidated carrying amount at 31/12/2021	Fair value at 31/12/2021	Change in Fair value for the period
Financial investments passing the SPPI test, other than financial assets at fair value through profit or loss (a)	45,505.0	46,044.1	(1,958.6)
Other financial investments (b)	18,741.4	18,734.5	207.8
Total (a) + (b)	**64,246.3**	**64,778.6**	**(1,750.7)**

Main exposures by counterpart of investments passing the SPPI test

Main exposures by counterpart of investments passing the SPPI test

Amounts in €m

Counterpart	Consolidated carrying amount at 31/12/2021
Italian Treasury	23,466.5
Spanish Treasury	3,748.0
French Treasury	1,319.4
Germanian Treasury	1,223.7
Intesa SanPaolo SpA	739.0
Portuguese Treasury	516.7
Deutsche Bank AG	478.3
Irish Treasury	362.3
Commerzbank AG	302.8
Société Générale SA	291.0
Other Counterparts	13,057.3
Total Financial investments passing the SPPI test, other than financial assets at fair value through profit or loss	**45,505.0**

Rating class of financial investments recognised according to IAS 39 which passed the SPPI Test

Amounts in €m

Rating class	Consolidated carrying amount at 31/12/2021	IAS 39 carrying amount at 31/12/2021 before any adjustment for impairment	Fair value at 31/12/2021
AAA	555.0	567.6	555.0
AA	2,788.4	2,789.5	2,770.7
A	8,268.1	7,703.2	8,315.0
BBB	30,763.2	26,473.2	31,237.4
Total low credit risk financial investments (1)	**42,374.7**	**37,533.5**	**42,878.1**
BB	2,487.4	2,405.2	2,522.1
B	238.6	237.5	238.6
Lower rating	115.6	119.6	115.6
With no rating	288.6	288.3	289.6
Total financial investments other than low credit risk investments (2)	**3,130.2**	**3,050.6**	**3,165.9**
Financial investments passing the SPPI test, other than financial assets at fair value through profit or loss (1) + (2)	**45,505.0**	**40,584.1**	**46,044.1**

5.13 Criteria to determine the recoverable amount of goodwill with an indefinite useful life (impairment test)

In accordance with IAS 36.10, the impairment test was carried out on the goodwill recognised in the Consolidated Financial Statements of UnipolSai Assicurazioni.

In determining the parameters used for the assessments, the criteria adopted were aligned with market practice, taking as a reference, for them and for the economic/financial projections, the expected evolution of the effects of the current pandemic context and the influence of the effect of climate change, albeit with the uncertainty characterising its evolution and considering that its effects will likely be appreciable especially in the long term.

With respect to this scenario, appropriate Sensitivity Analyses were also developed to test the stability of the recoverable amount of goodwill if there was a variation in the main parameters used in the tests.

The CGU structure did not change compared to the previous year. Consequently, the CGUs to which the residual goodwill was allocated, impairment tested at 31 December 2021, were:

- Non-Life CGU: UnipolSai Assicurazioni - Non-Life
- Life CGU: UnipolSai Assicurazioni - Life

In relation to the measurement methods and benchmarks adopted to estimate the recoverable amount of goodwill, note that, as specified below, the same measurement criteria were adopted as for the previous year, with benchmark updating arranged at the end of 2021.

The impairment testing of the Non-Life CGU was performed as follows:

- the recoverable amount of UnipolSai Assicurazioni - Non-Life goodwill was measured using the "excess capital" version of a DDM (Dividend Discount Model);
- to calculate this value the actual economic and financial position at 31 December 2021 was considered and, for the years 2022-2026, the economic and financial projections useful in defining the profit forecasts for these years, prepared by the company and approved by its Board of Directors, were taken as reference.

The impairment testing of the Life CGU was performed as follows:

- the recoverable amount of goodwill was calculated using the "Appraisal Value" method, by considering (i) the Embedded Value and (ii) the value of the portfolio of new products based on the discounting of related future cash flows (Value of New Business).

The results obtained from application of the impairment procedure show that there is no need to make any value adjustments to the goodwill of the Non-Life CGU and the Life CGU recorded in the consolidated financial statements at 31 December 2021.

Non-Life CGU	
Valuation method used	The method used, similar to that carried out last year, was an "excess capital" type of DDM (Dividend Discount Model) and focused on the future cash flows theoretically available for shareholders, without drawing on the assets needed to support the expected growth and in accordance with the capital requirements imposed by the Supervisory Authority on capital requirements. According to this method the value of the economic capital is the sum of the current value of potential future cash flows and the current terminal value.
Net profits used	The above net profits were considered.
Projection period	Five prospective flows were considered.
Discounting rate	A discounting rate of 5.68% was used, broken down as follows: - risk-free rate: 0.78% - beta coefficient: 0.98 - risk premium: 5% The average figure for the 10-year Long-Term Treasury Bond for the period January-December 2021 was used for the risk-free rate. As in the previous year, a 2-year adjusted Beta coefficient for a sample of companies listed on the European market and deemed to be comparable was used. The risk Premium was considered equal to 5%, taking into account that the estimates of this parameter made by primary contributors resulted in a value of less than 5%.
Long term growth rate (*g* factor)	As in the previous year, the g-rate was 1.2%, taking into account the macroeconomic predictive indicators and related to the reference market.

Life CGU	
Goodwill recoverable amount	With regard to UnipolSai Assicurazioni - Life, the recoverable value of goodwill was determined using the "Appraisal Value" method.

Below are the **results of the impairment tests** along with the relevant **sensitivity analyses**:

Amounts in €m	Pro-rata recoverable amount (a)	Allocation of goodwill	Goodwill included in equity per recoverable amount (b)	Goodwillto be tested	Excess
Non-Life CGU	5,873	1,309	(309)	1,000	4,873
Life CGU	1,237	322	(204)	117	1,120
Total	**7,110**	**1,631**	**(513)**	**1,117**	**5,993**

(a): Recoverable amount obtained as the difference between the pro-rata value of the CGU and the pro-rata Adjusted Shareholders' equity.
(b): Goodwill already included in Adjusted Shareholders' equity, considered in the recoverable amount estimation

Parameters used - Non-Life	
Risk Free	0.78%
Beta	0.98
Risk premium	5%
Short-term discounting rate	5.68%
Range	*5.18% - 6.18%*
Pass	*0.5%*
g factor	1.2%
Range	*0.95% - 1.45%*
Pass	*0.25%*

Amounts in €m		Sensitivity (Value range)					
		Min			Max		
CGU	Recoverable Amount - Goodwill Delta	Value	g	Discounting rate	Value	g	Discounting rate
UnipolSai Assicurazioni - Non-Life	4,873	4,050	0.95%	6.18%	6,014	1.45%	5.18%

Amounts in €m				Recoverable Amount - Goodwill Delta = 0			
		Sensitivity (Value range)		Hp. 1 (g rate = that used for impairment)		Hp. 2 (g rate assumed to be 0)	
CGU	Recoverable Amount - Goodwill Delta	Min	Max	g	Discounting rate	g	Discounting rate
UnipolSai Assicurazioni - Non-Life	4,873	4,050	6,014	1.2%	15.6%	0%	15.79%

Amounts in €m		Sensitivity Recoverable Amount - Goodwill Delta	
Company	Recoverable Amount - Goodwill Delta	Min	Max
UnipolSai Assicurazioni - Life	1,120	1,092	1,136

5.14 Notes on Non-life business

Procedural note on fixing the level of provisions and assumptions made

The process that leads to making the assumptions is carried out in such a way as to make a valuation of the liabilities with the intention of coming up with an estimate that is as realistic as possible.
The source of the figures is internal and the trends are based on annual statistics and monitored monthly throughout the year.
As far as possible assumptions are checked against market statistics.
If any information is missing, incomplete or unreliable the estimate of the final cost is based on the adoption of prudent assumptions.
The very nature of insurance business makes it highly complex to estimate the cost of settling a claim with any certainty, and the elements of complexity vary according to the class involved. The provision for each claim reported is set by an adjuster and is based on the information in his possession and on experience gained in similar cases. The forecasts fed into the system are periodically updated on the basis of new information about the claim. The final cost may vary as the claim proceeds (for example deterioration in the condition in the event of injury) or in the event of catastrophes.
As the Group's work is concentrated in Italy the major exposure to catastrophe risks is represented by natural disasters such as Earthquake, Flood and Hail.
Reinsurance cover is taken out to cover this type of risk, at levels differentiated with respect to the individual portfolios of the companies in the Group. The identified thresholds, with particular reference to Earthquake risk, have been judged on the basis of calculations made using statistical models that simulate the company's exposures in detail. The calculations were made as part of the process of determining the Risk Appetite.

The provisions for claims reported are estimated using the inventory method and the adjusters' estimates are also combined, where application conditions are satisfied, with the results of statistical methods such as the Chain Ladder, the Bornhuetter Ferguson and the ACPC (Average Cost Per Claim) and with valuations based on the average costs for the year (for similar groups covering a sufficiently large number of claims). These methods were applied after consistency of the underlying data had been verified using the model assumptions.

The Chain Ladder method is applied to the "paid" and "loading" factors. The method is based on historical analysis of the factors that affect the trend in claims. The selection of these factors is based on the figures for the accumulated amounts paid out, giving an estimate of the final cost per year of occurrence if the claims for that year have not been paid in full.
The Chain Ladder method is suitable for sectors in which the figures are stable and is therefore not suitable in cases in which there are no significantly stable previous periods and in cases of significant changes in the settlement rate.
The Bornhuetter Ferguson method uses a combination of a benchmark (or estimates of the ratio of losses to 'a priori' premium) and an estimate based on claims incurred (Chain Ladder).
The two estimates are combined using a formula that gives greater weight to experience. This technique is used in situations in which the figures are not suitable for making projections (recent years and new classes of risk).

The ACPC method is based on a projection of the number of claims to be paid and the respective average costs. This method is based on three fundamental assumptions: settlement rate, basic average costs and exogenous and endogenous inflation.

These methods extrapolate the final cost according to the year in which the claim is incurred and according to similar groups of risk on the basis of the trends in claims recognised in the past. Should there be a reason for deeming the trends recognised to be invalid some of the factors are modified and the projection adapted to fit the available information. Some examples of what affects the trends could be:

- changes in the claims handling procedures involving different approaches to settlement/making allocations to provisions;
- market trends showing increases higher than inflation (may be linked to the economic situation or to political, legal or social developments);
- random fluctuations including the impact of "major" claims.

Claims incurred but not yet reported are estimated on the basis of the historical trends within the company, with the number and the average costs of the claims being estimated separately.

As allowed by IFRS 4, the provisions were not discounted.

Scope of analysis

The Unipol Group Companies operating in the Non-Life market (direct business) are: UnipolSai, Siat, Incontra, Linear, UniSalute, Arca Assicurazioni and Ddor.
The scope considered in this document makes reference to the companies mentioned above, excluding only DDOR. The incidence of the amount of provisions of the excluded company stands at 0.4%.

Trend in claims (claims experience)

2021 saw a general rise in the number of claims (compared to 2020, the year of the pandemic), although it in any event remained at levels lower than in 2019 prior to the pandemic.
The tables below, which illustrate the trend in claims, show the estimated first-year costs for each year in which claims were incurred from 2012 until 2021 and the adjustments made in subsequent years as a result of the claim being settled or the budget being adjusted as a result of more information about the claim being received.
The line showing the variation compared with the first-year provision must be considered separately since subsequent adjustments may already have been incorporated into the provisions figures for later years.
Maximum caution must be exercised when extrapolating opinions on the adequacy or inadequacy of provisions from the results found in the following table.
The Group considers the provisions for claims reported or yet to be reported incurred by 31 December 2021 to be adequate in light of available information. Of course, as they are estimates there is no absolute certainty that the provisions are in fact adequate.

Trend in claims (all classes except Assistance)

Amounts in €m

Year of Event	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Estimate of claims accumulated											
at the end of the year of event	7,260	6,515	6,222	5,236	5,299	5,412	5,461	5,557	4,706	5,144	**56,814**
one year later	7,062	6,414	6,189	5,189	5,225	5,410	5,462	5,604	4,694		
two years later	7,046	6,362	6,113	5,119	5,191	5,356	5,416	5,579			
three years later	7,026	6,318	6,034	5,055	5,166	5,307	5,402				
four years later	6,984	6,278	5,955	5,018	5,122	5,281					
five years later	6,958	6,225	5,906	4,991	5,103						
six years later	6,935	6,187	5,868	4,979							
seven years later	6,907	6,127	5,849								
eight years later	6,870	6,108									
nine years later	6,853										
Estimate of claims accumulated	**6,853**	**6,108**	**5,849**	**4,979**	**5,103**	**5,281**	**5,402**	**5,579**	**4,694**	**5,144**	**54,991**
Accumulated payments	6,492	5,666	5,317	4,491	4,563	4,733	4,707	4,610	3,289	2,102	**45,969**
Change compared to assessment at year 1	(407)	(408)	(373)	(257)	(195)	(131)	(59)	22	(12)		
Outstanding at 31/12/2021 - Carrying amount	**361**	**442**	**532**	**488**	**541**	**548**	**695**	**969**	**1,405**	**3,043**	**9,022**

The data contained in the trend in claims table as inputs for actuarial models like the Chain Ladder model must be used with extreme care. Future replication of changes in cost recorded in the past, in the case of provision strengthening, could lead to paradoxical situation whereby the higher the strengthening the greater the insufficiency which may be inaccurately forecast by these methods.

The ultimate cost relating to the year 2019 was up following the selection, in the valuation of the UnipolSai General TPL business, of only the CHL Paid method, which was the most prudent of the set of models developed.
The IBNR run-off estimated at 31 December 2020 showed an overall sufficiency in 2021 of €119.1m or 11.0% of the estimate.

Change in the assumptions made and sensitivity analysis of the model

The estimated cost for 2012-2020 at 31 December 2021 was €49,846m, a decrease from the valuation carried out at 31 December 2020 for the same years (€50,011m).
The new figure takes account of the savings recognised on claims that have been settled and of the revaluations required on claims that are still outstanding.

The risks arising from insurance policies are complex and subject to numerous variables that make the task of quantifying the sensitivity of the model complex.
The incidence of the amount of the 2,332 major claims net of claims handled by others (above €800k for MV TPL, above €400k for General TPL and €350k for Fire) on total provisions for the three classes was 28.0%. A 10% increase in the number of major claims would have led to a fall in provisions of €200.4m. The incidence on total provisions of claims handled by others was 2.6%. If reinsurers had revalued these claims by 5.0%, costs would have risen by €11.7m.

The sensitivity analysis of the models directed at determining two scenarios, one favourable and one unfavourable, was conducted on the MV TPL (Non-Card and Handler Card separately) and General TPL classes of UnipolSai Assicurazioni (UnipolSai provisions represent 91.6% of the companies considered in this analysis; the provisions of the MV TPL and General TPL business of UnipolSai totalled 70.9%).

The two scenarios were obtained with the following assumptions:

- Favourable: for MV TPL, a decline in inflation by one and a half points was assumed for the ACPC method compared to the baseline model, 2.5% for Non-CARD and 3.0% for CARD; reference was made to the provision corresponding to the tenth percentile for the Chain Ladder Paid method (*). For General TPL, reference was made to the provision corresponding to the tenth percentile (*).
- Unfavourable: for MV TPL, an increase in inflation by one and a half points was assumed for the ACPC method compared to the baseline model, 2.5% for Non-CARD and 3.0% for CARD; reference was made to the provision corresponding to the ninetieth percentile for the Chain Ladder Paid method (*). For General TPL, reference was made to the provision corresponding to the ninetieth percentile (*).

In the sensitivity analysis for years prior to 2010 (excluded from the model), the same changes deriving from application of the stress scenarios to later years were applied.

The following table shows the overall group provisions and the scenarios selected as shown previously:

Amounts in €m	Pre 2010	2010 -- 2021	Total	% Delta
Provision requirements	921	7,974	8,895	
Unfavourable assumption	961	8,245	9,207	*0.04*
Favourable assumption	883	7,712	8,595	*(0.03)*

In assessing the results of these variations, note that these analyses are of the deterministic type and no account is taken of any correlations. Overall, financial statements provisions (€10,498m relating to the consolidation scope examined) are higher than the top end, i.e. the unfavourable scenario assumption.

5.15 Notes on Life business

Breakdown of the insurance portfolio

Consolidated Life premiums for 2021 totalled €5,385.7m (insurance and investment products), with an increase of +24.4% compared to the previous year.
The Life direct premiums of the Group came from both the traditional companies (UnipolSai Assicurazioni and DDOR) and bancassurance companies (Arca Group and Bim Vita).

The consolidated Life premiums of the UnipolSai Group at 31 December 2021 are broken down as follows:

Consolidated Life direct premiums

Amounts in €m	UnipolSai Ass.	Arca Vita & Arca Vita Int.	Bim Vita	DDOR Novi Sad	**Total**
Insurance premiums (IFRS4)	2,415.8	1,629.0	50.7	18.3	4,113.8
% var.	*(16.0)*	*98.5*	*10.1*	*7.2*	*9.4*
Investment products (IAS39)	453.9	793.8	24.2		1,271.9
% var.	*102.9*	*148.9*	*(9.1)*		*123.4*
Total life business premium income	2,869.7	2,422.8	74.9	18.3	5,385.7
% var.	***(7.4)***	***112.6***	***3.1***	***7.2***	***24.4***
Breakdown:					
Insurance premiums (IFRS4)	*84.2%*	*67.2%*	*67.7%*	*100.0%*	*76.4%*
Investment products (IAS39)	*15.8%*	*32.8%*	*32.3%*	*0.0%*	*23.6%*

The Life direct premiums for the Group originate for €2,869.7m from UnipolSai (-7.4%), €2,422.8m from the ARCA Group (+112.2%), €74.9m from BIM Vita (+3.1%) and €18.3m from DDOR (+7.2%).

Insurance premiums totalling €4,113.8m (+9.4%) accounted for 76.4% of total premiums, down compared to the figure for the previous year (86.8%). Non-insurance premiums amounted to €1,271.9m (+123.4%) and related to unit-linked and open pension funds.

Direct insurance premiums: income type

Amounts in €m	UnipolSai Ass.	Arca Vita & Arca Vita Int.	Bim Vita	DDOR Novi Sad	**Total**
Traditional premiums	2,016.2	1,622.1	24.5	18.3	3,681.1
Financial premiums	0.5	6.9	26.2		33.6
Pension funds	399.1				399.1
Insurance premiums (IFRS4)	**2,415.8**	**1,629.0**	**50.7**	**18.3**	**4,113.8**
of which investments with DPF	*1,511.0*	*1,554.7*	*26.2*		*3,091.8*
% investment with DPF	*62.5%*	*95.4%*	*51.7%*	*0.0%*	*75.2%*

The insurance premiums of the Unipol Group continued to be composed primarily of traditional policies, which account for 89.5% of total consolidated premiums (up from the 82.5% recorded in 2020), compared to 9.7% represented by pension fund premiums (17.2% in 2020) and, lastly, only 0.8% by financial premiums (0.4% in 2020).

5.16 Risk Report 2021 of the Unipol Group

The Risk Report aims to provide an overview of the risk management system, the own risk and solvency assessment process and the Unipol Group risk profile, in compliance with the principles introduced in the European Solvency II regulations that entered into force from 1 January 2016.

Activities by the competent corporate organisations of the Group were carried out in 2021 in compliance with Solvency II regulations and the supervisory provisions issued by IVASS.

Internal Control and Risk Management System

The Unipol Group's Risk Management structure and process are part of the wider internal control and risk management system already illustrated in the Annual Integrated Report, to which reference is made.

The principles and processes of the System as a whole are governed by the following Group policies: "Risk Management Policy", "Current and Forward-looking Internal Risk and Solvency Assessment Policy", "Operational Risk Management Policy" and "Group-level Risk Concentration Policy".
The policies setting the principles and guidelines below are an integral part of this System: (i) management of specific risk factors (e.g. the Investment Policy with regard to market and liquidity risks, and the Credit Policy), (ii) risk management as part of a specific process, (iii) risk mitigation and (iv) risk measurement model management.

The risk identification, assessment and monitoring processes are performed on an ongoing basis, to take into account any changes in their nature, business volumes and market context, and any insurgence of new risks or changes in existing risks.
These processes are carried out using methods that guarantee an integrated approach at Group level. The Parent ensures that the risk management policy is implemented consistently and continuously within the entire Group, taking into account the risks of each company included in the scope of supervision of the Group and their mutual interdependencies.

Risk Appetite and Risk Appetite Framework

The Risk Management System adopted by the Group is inspired by an enterprise risk management logic. This means that is based on the consideration, with an integrated approach, of all the current and prospective risks the Group is exposed to, assessing the impact these risks may have on the achievement of the strategic objectives and replies on a fundamental element, i.e. the Risk Appetite.
In quantitative terms, the Group's Risk Appetite is determined in general on the basis of the following elements:
- capital at risk;
- capital adequacy;
- liquidity/ALM ratios.

Furthermore, quality objectives are defined in reference to compliance, emerging, strategic, reputational, ESG (Environmental, Social and Governance) and operational risks.

The Risk Appetite is formalised in the Risk Appetite Statement, which indicates the risks that the Group and/or individual company intends to assume or avoid, sets the quantitative limits and the qualitative criteria to be taken into account for the management of unquantified risks.

The Risk Appetite forms part of a reference framework - the Risk Appetite Framework (RAF). The RAF is defined in strict compliance and prompt reconciliation with the business model, the Strategic Plan, the Own Risk and Solvency Assessment (ORSA) process and the Internal Capital Adequacy Assessment Process (ICAAP), the budget, company organisation and the internal control system.

The RAF defines the Risk Appetite and other components ensuring its management, both in normal and stress conditions.

These components are:
- Risk Capacity;
- Risk Tolerance;
- Risk Limits (or operational risk limits);
- Risk Profile.

The activity to set the RAF components is dynamic over time, and reflects the risk management objectives associated with the objectives of the Strategic Plan. Verification is performed annually as part of the process of assigning Budget objectives. Further analyses for preventive control of the Risk Appetite, and capital adequacy in particular, are performed when studying extraordinary transactions (such as mergers, acquisitions, disposals).

The RAF is broken down into several analysis macro areas with the aim of guaranteeing continuous monitoring of risk trends and capital adequacy. The main analysis macro areas are:
- individual type of risk, overall risk and capital adequacy;
- individual companies and group.

The Group RAF takes into account the specific operations and related risk profiles of each company in the Group, in such a way as to be integrated and consistent.

The ORSA process

Under their own risk management systems, Unipol and the companies that fall within the scope of the internal current and forward-looking risk and solvency assessment policy use the ORSA to assess the effectiveness of the risk management system and its capital adequacy as well as liquidity governance and management.

The ORSA process allows the analysis of the current and forward-looking risk profiles of the Group and the insurance companies in the Group, based on strategy, market scenarios and business development.

The risk management process

The risk management process involves the following steps:
- risk identification;
- current and forward-looking assessment of risk exposure;
- risk monitoring and reporting;
- risk mitigation.

The process is performed in compliance with the Risk Appetite Framework.

Risk identification

Risk identification consists in identifying the risks considered significant, i.e. those with consequences capable of compromising the solvency or reputation of the Unipol Group, or constitute a serious obstacle to achieving strategic objectives. These risks are classified according to a methodology that takes into consideration the Group structure, the specific nature of the types of business managed by the various operating Companies and the classifications proposed by Italian and European supervisory regulations.

The categories of risk identified are as follows:
- Technical-Insurance underwriting risks (Non-Life and Health);
- Technical-Insurance underwriting risks (Life);
- Market risk;
- Credit risk;
- Liquidity and ALM risk;
- Operational risk;
- Standard compliance risk;
- Emerging risks and strategic risk;

- Reputational risk;
- ESG (Environmental, Social and Governance) risks;
- Other risks.

This identification and its constant updating are the result of meticulous and continuous activity performed through:

- continuous monitoring of business operations;
- continuous monitoring of the reference regulatory framework;
- the exercise of Profit and Loss attribution that compares profit and loss recorded at year end with those estimated by the Internal Model, in order to verify whether it correctly represents all risk factors.

An assessment is performed at least annually to verify that the risks identified actually represent the risk profile of the Group and its companies.

Current and forward looking assessment of risk exposure

At least annually and in any event every time circumstances arise that could significantly alter the risk profile, the Group assesses the risks to which the insurance group and the individual companies are exposed, at present and prospectively, documenting the methods used and the related results. In the internal Current and Forward-looking Risk and Solvency Assessment Policy, the process for the current and forward-looking assessment of risks is also defined, including risks deriving from companies included in the scope of Group supervision and taking into account the risk interdependencies.
The current and forward-looking assessment also includes stress testing to verify the company's vulnerability to extreme but plausible events.

<u>Current assessment of risks</u>
The current assessment of risks identified is performed through methods envisaged in regulations and best practices as regards risks for which measurement is not regulated or defined by high-level principles.

<u>Forward-looking assessment of risks</u>
The ORSA process is used to support operational and strategic decisions. The Group defines and implements procedures that are commensurate with the nature, scope and complexity of the business activities and enable it to identify and assess accurately the risks to which the Group or individual Company is or could be exposed in the short and long term.

Stress test, reverse stress test and sensitivity analyses

The Group and each subsidiary Company conduct stress test, reverse stress test and sensitivity analyses at least annually, in compliance with requirements of the national Supervisory Authority regulations. To this end, the Group has adopted:

- a stress test framework that begins with analysis of the key risk factors, envisaging the definition of a set of stress tests:
    - <u>general</u> (i.e. applying to the Group and to all Group Companies) or <u>specific</u> (i.e. applying to individual Companies);
    - which consist in the application of <u>shocks to individual risk factors</u> (e.g. interest rates) or contextual shocks to multiple groups of risk factors (i.e. scenario analysis);
    - which concern financial variables and/or technical-insurance variables.
- a sensitivity analysis framework for the main financial figures of interest, in order to assess the solvency of the Group and the Companies in alternative economic scenarios;
- a set of reverse stress test exercises to identify loss scenarios that could put the Company's solvency in difficulty.

With reference to the stress scenarios, in order to assess potential adverse impacts caused by the prolonged health emergency linked to the spread of the COVID-19 pandemic, note that as part of the ORSA 2021 Report on assessments at 31 December 2020, the CRO developed a scenario characterised by i) added uncertainty in the development of the infection rate curve, ii) economic recovery less optimistic than expected, iii) a stronger downgrade as a result of the removal of government aid and iv) the combined effect of shock on multiple economic and financial variables and shock on technical-insurance variables. Of particular importance among the other stress scenarios defined and processed for the ORSA was that regarding climate risks in reference to transition risk and physical risk. The scenario identified to assess these risks is the Representative Concentration Pathways (RCP) 4.5, defined by the Intergovernmental Panel on Climate Change (IPCC) as an interim scenario in which emissions exceed the levels to be achieved by 2050 as set in the Paris Agreements, and then stabilise at an average temperature increase of 2.3°C.

Risk monitoring and reporting

In order to ensure prompt and constant monitoring of the evolution of the Risk Profile and compliance at the different levels of company responsibility with the defined Risk Appetite, a reporting system was implemented based on the principles of completeness, promptness and disclosure efficiency.
This system guarantees that the quality and quantity of information provided is commensurate with the needs of the various recipients and with the complexity of the business managed, in order for it to be used as a strategic and operating tool in assessing the potential impact of decisions on the company's risk profile and solvency.
In relation to the recipients, reporting is divided into "internal" and "external". "Internal" reporting is addressed to the bodies and internal structures of the Group and its companies, with the aim of steering strategic and business decisions and verifying sustainability over time. "External" reporting is directed to Supervisory Authorities and the market and meets the disclosure and transparency requirements of regulations in force.

With regard to internal reporting, in consideration of the recipients of the various requirements and uses, two types of reporting are provided:
- strategic reporting on risk management, containing information important in supporting strategic decisions;
- operational reporting on risk management with an adequate granularity in supporting business operations.

As part of the strategic reporting, the following are provided to the Board of Directors, the Control and Risk Committee and Top Management:
- annually, a proposal for approval of the Risk Appetite (Risk Appetite Statement)[60];
- quarterly, a report with the results of controls performed on observance of the Risk Appetite for the current year (Risk Appetite Monitoring);
- quarterly, a report with the results of controls performed on observance of the operational risk limits defined in the specific risk management policies;
- quarterly, a report on the monitoring of significant risk concentrations at Group level;
- quarterly, a report on the monitoring of indicators represented in the "Pre-emptive recovery plan";
- at least annually, the results of stress testing.

Risk escalation and mitigation process

As part of the quarterly monitoring of indicators defined in the Risk Appetite Statement, performed by the Chief Risk Officer for the Board of Directors, any failure to comply with one of the defined thresholds triggers the escalation process described below:
With reference to the Risk Appetite:
- based on reporting from the Chief Risk Officer to the Unipol Gruppo Control and Risk Committee[61], or that of UnipolSai if it is UnipolSai that fails to comply with the limits, the Board of Directors assesses whether to approve a new Risk Appetite level or decide on action to be taken to restore the defined Risk Appetite level;

In the event of failure to comply with the Risk Tolerance or Risk Capacity, the escalation process requires the Chief Risk Officer to involve:
- the Chief Executive Officer and Group CEO, who will present the proposed contingency or remediation measures to be implemented, respectively, as regards the Parent or the subsidiaries, to the Parent's Board of Directors;
- the General Manager of UnipolSai, who will present the proposed contingency or remediation measures to be implemented, respectively, as regards UnipolSai or the subsidiaries, to the UnipolSai Board of Directors;
- the General Manager, if any, or the Chief Executive Officer of the Group company, who will present the proposed contingency or remediation measures to be implemented, respectively, to the company's Board of Directors.

In the event of a Risk Tolerance violation, the Boards of Directors of the Parent, of UnipolSai and of the Company involved in the threshold violation assess the need to deal with the situation through contingency measures, i.e. actions to restore the values of indicators of the threshold exceeded within a reasonable period of time based on the nature of the indicator concerned.
In the event of a Risk Capacity violation, the Boards of Directors of the Parent, of UnipolSai and of the Company involved in the threshold violation assess activation of the remediation measures identified.

[60] In reference to the Parent, at consolidated level and at individual company level.
[61] Activities carried out for the other companies subject to pre-emptive or ordinary governance.

In order to mitigate existing or prospective levels of risk not in line with the defined risk objectives, the following measures can be adopted:

a) **Financial hedges**: these measures may take the form of hedging transactions on the market using financial derivatives. The Investment Policy defines the principles for the use and management of hedging instruments.
b) **Reinsurance**: transfers part of the underwriting risk outside the Group, providing more possibility for business growth, both by proportionally reducing the amounts at risk (e.g. proportional treaties) and by limiting even further the amounts of major claims (e.g. non-proportional treaties). The "Reinsurance and Other Risk Mitigation Techniques Policy" defines the guidelines on reinsurance cover management.
c) **Guarantees held as a hedge against credit risks**: the main type of guarantee available on exposures to reinsurers is represented by deposits with the Group for the risks ceded and retroceded that are generally moved (placed and repaid) annually or half-yearly. Their duration largely depends on the specific nature of the underlying insurance benefits and on the actual duration of the reinsurance agreements, which are renegotiated at the end of each year. For exposures to reinsurers the Group also makes use of a limited number of guarantees consisting mainly of Letters of credit and Securities. Collateral deposited by the counterparties for operating in derivatives under CSA-type (Credit Support Annex) agreements is also used as guarantees on credit risks[62]. If the Internal Model for measuring risks includes mitigation techniques, their compatibility and constant updating in line with performance must be guaranteed.
d) **Management action**: corrective action to be applied if certain events occur, such as the restructuring of assets and/or liabilities under management or the disposal of assets and/or liabilities (position closures).
e) **Operational risk mitigation actions**: mitigation plans with the aim of preventing or mitigating the effects should a risk event occur. The implementation of mitigation plans is based on decisions made on an ongoing basis during the entire operational risk monitoring phase.
f) **Emergency and contingency plans:** extraordinary ex ante measures to be activated if certain catastrophes or emergency events should occur, such as those envisaged in the Pre-emptive Recovery Plan of the Insurance Group, Business Continuity Plan and Disaster Recovery Plan which respectively define the measures/actions to be adopted at Group and/or Company level to restore the financial position of the Group and/or a Group company in specific scenarios of financial difficulty and severe macro-economic stress, and govern operating procedures for declaring a crisis situation arising from catastrophes and managing the effects.
g) **Strategic, emerging and reputational risk mitigation actions**: mitigation plans with the aim of preventing or mitigating the effects deriving from the occurrence of specific strategic risks, economic losses caused by reputational damages or deriving from new risks not yet monitored or mapped.

Partial Internal Model

The Unipol Group and the subsidiaries UnipolSai Assicurazioni and Arca Vita are authorised by IVASS to use the Partial Internal Model to calculate the solvency capital requirement.

The Partial Internal Model is used to assess the following risk factors, as well as in the aggregation process:

- Non-Life and Health Technical Insurance risks relating to the earthquake catastrophe component;
- Life Technical Insurance risks;
- Market risk;
- Credit risk.

There is a plan for the extension of the Partial Internal Model to include all measurable risk modules and reach a Full Internal Model type configuration.

Note that on 28 April 2021, by Measure no. 0089983/21, IVASS authorised Unipol Gruppo SpA, UnipolSai Assicurazioni SpA and Arca Vita SpA to make significant changes to the partial internal model for calculating the Group solvency capital requirement and the individual requirements of UnipolSai Assicurazioni and Arca Vita. The significant changes relating to the market risk and credit risk modules were applied with effect from the assessments at 30 June 2021.

[62] The CSA requires the delivery of a collateral asset when the value of the contract exceeds the set threshold.

Non-Life and Health technical insurance risk is represented by the following sub-modules: tariff-setting risk, provisions risk, catastrophe risk and surrender risk. A Partial Internal Model that integrates internal model components (Earthquake catastrophe risk), Specific Group Parameters and the Standard Formula is used to calculate the solvency capital requirement.
In particular, the use of the Specific Parameters concerns the tariff-setting and provisions risks of the Group and of UnipolSai in the segments of Non-Life insurance and reinsurance obligations under Annex II to EU Delegated Regulation 2015/35 of 10 October 2014, as specified below:

- Segment 1, Proportional insurance and reinsurance on TPL resulting from the circulation of vehicles;
- Segment 4, Proportional insurance and reinsurance against fire and other damage to property;
- Segment 5, Proportional insurance and reinsurance on general TPL.

In addition, except with regard to Earthquake risk, the catastrophe risks and surrender risk are assessed using the Standard Formula.

Life underwriting risk (mortality/longevity risk, surrender risk and expense risk) is measured using the Partial Internal Model based on the Least Square Monte Carlo approach, consistent with the principles indicated in Solvency II regulations, which allow calculation of the Probability Distribution Forecast in relation to Life risk factors. Catastrophe risk, in addition to the Life underwriting risks relating to Unit-Linked and Pension Fund products, are assessed using the Standard Formula.

The **market risk** of the securities portfolio, for which the investment risk is not borne by the policyholders, is measured using the Partial Internal Model that adopts a Monte Carlo VaR approach. As part of the Internal Market Model, Life liabilities are replicated through cash flows with a maturity equivalent to Life provisions run-off for the guaranteed component and polynomial functions (the Least Square Monte Carlo approach) to represent the Future Discretionary Benefits component. Market risk of the securities portfolio for which investment risk is borne by policyholders and concentration risk are assessed using the Market Wide Standard Formula.

Credit risk is measured using the Partial Internal Model that adopts a CreditRisk+ approach.
This model makes it possible to measure the risk of default relating to bank counterparties, concerning exposures deriving from cash available at banks and financial risk mitigation operations through derivative contracts, and to the insurance and reinsurance exposures. Furthermore, the model allows the risk of default deriving from exposures to intermediaries and policyholders to be measured.

The risk aggregation process, adopted by the Group according to the methods defined in the Partial Internal Model, calls for a bottom-up approach and may be broken down into two phases:

- aggregation of the risk sub-modules which make up Market risks, Non-Life and Health Technical Insurance risks, Life technical insurance risks and Credit risks so as to obtain the Probability Distribution Forecast ("PDF") of each risk module;
- aggregation of the risk modules of Market risks, Non-Life and Health Technical Insurance risks, Life Technical Insurance risks and Credit risks in order to calculate the Basic SCR.

The aggregation of the sub-modules involves three distinct approaches:

- joint sampling of risk factors;
- aggregation by means of the Var-Covar method (with a posteriori determination of the PDF);
- aggregation of multiple marginal distributions through coupling functions.

Market Wide Standard Formula

For Group companies other than UnipolSai Assicurazioni and Arca Vita, risk is measured using the Market Wide Standard Formula.

Below is additional information on the measurement methods and the main results for each risk at 31 December 2021.

Financial Risks

The Investment Policy establishes guidelines for investment activities, the type of assets considered suitable for investment and the breakdown of the medium/long-term investment portfolio, taking into account the risk profile of liabilities held to ensure integrated asset and liability management. It also defines the limits for underwriting and related monitoring methods in such a way as to ensure that total exposure is in line with the risk appetite expressed in the Group's strategic objectives, thus guaranteeing adequate portfolio diversification.

Market risk

Market risk refers to all risks which have the effect of diminishing investments of a financial or real estate nature as a result of adverse trends in the relevant market variables. The market risk modules are:
- Interest rate risk;
- Equity risk;
- Real estate risk;
- Exchange rate risk;
- Spread risk.

In the Partial Internal Model, the Value at Risk method is used to measure the market risk, calculated over a 1-year time period and with a confidence interval of 99.5%. In addition, sensitivity and stress test measurements are determined for each risk factor.

Interest rate risk for ALM purposes is quantified in terms of duration mismatch and Net Asset Value sensitivity to parallel changes in the forward interest rate curve. The assets falling under the calculation of the duration mismatch and Net Asset Value sensitivity include securities, cash, receivables and properties; the liabilities include the financial liabilities and technical provisions. The market value is used for financial assets and liabilities, whilst best estimates are used for the technical provisions. The duration mismatch is calculated as the difference between the duration of assets and the duration of liabilities weighted for the assets value, considering the adjusting effect of the derivatives.
At 31 December 2021 the duration mismatch for Life business stood at -0.82 and at +1.00 for Non-Life business.
With reference to Net Asset Value sensitivity to a parallel change in the forward interest rate curve, for the Life business the sensitivity +100 basis points equals +€353m, whilst for the Non-Life business the sensitivity +100 basis points equals -€184m.

Equity risk is the risk connected with a potential variation in the value of share assets, as a result of market volatility of the reference indexes.

Real estate risk is the risk connected with the occurrence of losses as a result of unfavourable changes in the market value of real estate assets.
The assets falling under the calculation of real estate risk include real estate funds, directly-owned properties and direct and indirect investments in real estate projects.
In particular, with reference to directly-owned properties, the value used to calculate the risk (fair value) is that deriving from the estimate made by independent experts.

Exchange rate risk for ALM purposes is defined as the risk of a possible variation in the value of financial statement assets and liabilities and the Net Asset Value as a result of unfavourable changes in exchange rates. Based on the Investment Policy, the total exposure to non-Euro currencies, net of currency hedging, must be limited to 3% of total investments.
The Unipol Group's exposure to exchange rate risk was not significant at 31 December 2021.

Spread risk is the risk connected with a variation in the value of bond assets following a change in spreads representing the credit rating of individual issuers. In light of the policies and processes adopted to monitor and manage liquidity risk and the objective difficulty in

quantifying the default risk of government bonds issued by European Union Member States, spread risk on government bonds has been excluded from the measurement of the market SCR based on the Partial Internal Model. It is not included because of:
- the nature of the business of the insurance companies, characterised by primarily buy and hold type long-term investment strategies and restrictions regarding the matching of liabilities expressed in terms of ALM;
- the objective difficulty of quantifying the probability of default and loss given default of developed countries, which represent the reference investment area for government bonds for risk measurement purposes.

The assessment of spread risk on government bonds is included within Pillar II risks and the relative measurement is carried out based on a stress testing type approach.

The level of sensitivity of the portfolios of financial assets to the main market risk factors is shown below by Group sector.

Sensitivity is calculated as a variation in the market value of the assets at 31 December 2021, following shocks resulting from a:
- parallel change in the interest rate curve of +10 bps;
- -20% change in the share prices;
- +10 bps change in the credit spread.

	Insurance Business	
Amounts in €m	Impact on Income Statement	Impact on Statement of financial position
Unipol Group		
Interest rate sensitivity (+10 bps)	30.00	(359.98)
Credit spread sensitivity (+10 bps)	(0.74)	(372.68)
Equity sensitivity (-20%)	(20.53)	(1070.02)

	Other businesses Sector	
Amounts in €m	Impact on Income Statement	Impact on Statement of financial position
Unipol Group		
Interest rate sensitivity (+10 bps)	(0.05)	(1.17)
Credit spread sensitivity (+10 bps)	(0.05)	(1.52)
Equity sensitivity (-20%)	(6.62)	(44.95)

The values include the hedging derivatives.

Liquidity risk

Liquidity risk is the risk of not having the liquid resources necessary to meet the assumed obligations, in the financial statements and off-balance sheet, pertaining to their business, without undergoing economic losses deriving from forced sales of assets in case of adverse scenarios.

The liquid resources functional for the core business deriving from cash and cash equivalents, from the sale of securities that can be swiftly turned into cash and from any financing activities.

The main principles on which the liquidity risk management model within the Unipol Group is based may be summarised as follows:
- punctual measurement of the contractual and forecast cash flows on different maturity dates;
- definition and approval of the liquidity risk tolerance in terms of "survival time" in ordinary and stress conditions;
- managing structural liquidity by keeping a balance between maturities of medium-term assets and liabilities in order to avoid critical situations in the short-term liquidity positions;
- managing short-term liquidity in order to have the necessary liquidity to fulfil short-term commitments, both foreseeable and unforeseeable, deriving from any stress scenarios, by keeping a suitable balance between cash in-flows and outflows;
- defining and periodically applying stress scenarios relating to the technical and financial variables in order to verify the ability of the individual Companies and of the Group as a whole to address these situations;

- maintaining an adequate amount of assets that can be swiftly turned into cash on the market, or able to be financed with repurchase agreements, so as to avoid significant economic impact if adverse scenarios should occur.

Credit risk

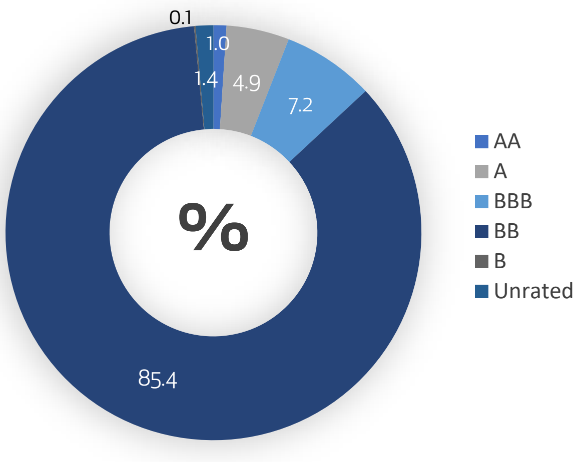
Credit risk (or Counterparty Default Risk) identifies the risk that a debtor or guarantor under an enforcement order may wholly or partially fail to honour its accrued monetary commitment to the Parent or one of the Group companies.
Credit risk therefore reflects the potential losses from an unexpected default by counterparties and debtors of the insurance and reinsurance companies in the next twelve months. Counterparty default risk includes the risk mitigation contracts, e.g. reinsurance agreements, securitisations and derivatives, and likewise every other credit exposure not included among the financial risks (credit spread risk).
Credit risk management is defined in the Credit Policy which describes the roles and responsibilities of the parties involved, the risk assessment and mitigation principles and the operating limits monitored.
In relation to credit risk, the Risk Management Department monitors compliance with the limits defined in the Group Credit Policy and prepares reports to the administrative bodies, Top Management and the operating structures on developments in this risk.

In the insurance sector, credit risk is mainly found in exposures to banks, to the Bond classes of the Group's insurance companies and to outwards reinsurance. Note that as part of the risk measurement system, the Bond classes are included under Non-Life technical-insurance risk and the related exposures are also monitored as part of credit risk.

<u>Banks</u>
Existing exposure to banks refers to deposited liquidity and exposures in OTC derivatives. In particular, the derivatives exposure considered for risk management and monitoring purposes is equal to the sum of market values, if positive, of the current individual contracts and takes into account any risk mitigation arrangements (collateralisation) covered in the CSAs signed with individual counterparties.

The following table shows the distribution of Unipol Group exposures to banks, broken down by rating class, recognised at 31 December 2021.

Receivables from banks by rating class



<u>Bond classes of the insurance companies in the Group</u>
This risk is calculated within the technical insurance risks (see relevant section) and monitored by the Bond and Credit Assignment Committee.

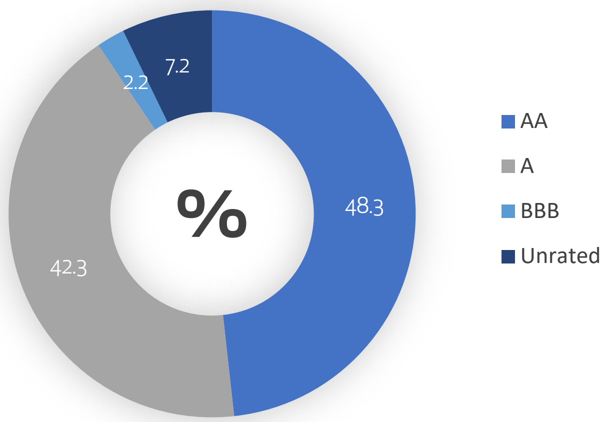
<u>Outwards reinsurance</u>

In this area, the existing exposure to credit risk is divided into:

- liquid receivables already due arising out of the bordereaux sent to the reinsurer listing the balances on each policy during the period and those still outstanding;
- potential estimated receivables for the provisions borne by the reinsurer (which will become due at the time of the payment to the policyholder and for the relative amounts). The exposure for provisions is always deemed to be net of any deposits retained or other collateral guarantees (e.g. Banking LOC, reinsurers' and Parent's commitment, etc.).

Provided below is the distribution of Unipol Group exposure to reinsurers, broken down by rating class, recognised at 31 December 2021 net of intragroup reinsurance.

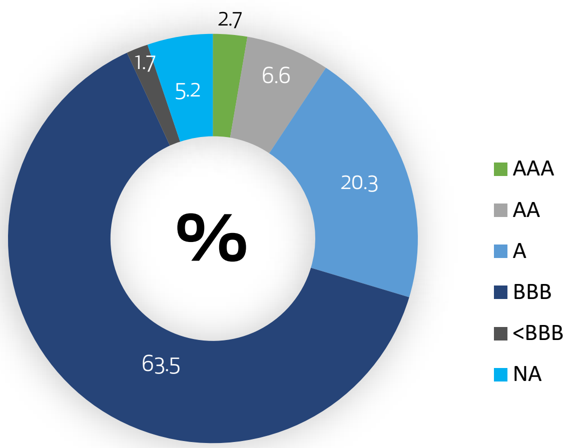
Receivables and reserves from reinsurers by rating class



<u>Debt security Issuer Risk</u>

The credit risk of debt securities is monitored within market risk based on credit spread volatility. The following table shows the distribution of the Unipol Group's bonds portfolio, insurance business and holding business, broken down by rating class (figures at 31/12/2021).

Breakdown of debt securities by rating class



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Information relating to exposure to sovereign debt securities

In accordance with Consob Communication DEM/11070007 of 5 August 2011 and ESMA document 2011/397 of 25 November 2011, relating to information to be provided in annual and interim financial reports on listed companies' exposures to Sovereign debt securities and current trends in international markets, details are provided of Sovereign exposures (i.e. bonds issued by central and local governments and by government organisations and loans granted to them) held by the Unipol Group at 31 December 2021.

	Balance at 31 December 2021		
Amounts in €m	Nominal value	Carrying amount	Market value
Italy	**21,613.1**	**23,692.1**	**24,114.0**
Available-for-sale financial assets	20,357.7	22,463.4	22,463.4
Financial assets at fair value through OCI	190.1	203.6	203.6
Financial assets at fair value through profit or loss	2.0	2.0	2.0
Held-to-maturity investments	312.7	301.0	430.7
Loans and receivables	750.5	722.2	1,014.4
Spain	**3,365.0**	**3,774.4**	**3,806.5**
Available-for-sale financial assets	3,060.5	3,456.7	3,456.7
Financial assets at fair value through profit or loss	20.0	26.4	26.4
Loans and receivables	284.5	291.3	323.4
France	**1,324.5**	**1,319.4**	**1,319.4**
Available-for-sale financial assets	1,324.5	1,319.4	1,319.4
Germany	**1,175.0**	**1,152.8**	**1,137.1**
Available-for-sale financial assets	1,075.0	1,052.7	1,052.7
Loans and receivables	100.0	100.0	84.3
Portugal	**418.8**	**516.7**	**517.5**
Available-for-sale financial assets	401.4	505.1	505.1
Loans and receivables	17.4	11.6	12.4
Ireland	**304.4**	**362.3**	**362.3**
Available-for-sale financial assets	304.4	362.3	362.3
Belgium	**301.9**	**302.8**	**297.3**
Available-for-sale financial assets	251.9	248.7	248.7
Loans and receivables	50.0	54.1	48.6
Slovenia	**209.1**	**240.5**	**240.5**
Available-for-sale financial assets	209.1	240.5	240.5
Great Britain	**143.7**	**141.7**	**141.7**
Available-for-sale financial assets	143.7	141.7	141.7
Slovakia	**98.1**	**119.4**	**119.4**
Available-for-sale financial assets	98.1	119.4	119.4
Serbia	**96.8**	**103.4**	**106.9**
Available-for-sale financial assets	34.2	37.7	37.7
Held-to-maturity investments	62.5	65.8	69.2
Israel	**91.0**	**98.9**	**98.9**
Available-for-sale financial assets	91.0	98.9	98.9
Cyprus	**75.0**	**80.2**	**80.2**
Available-for-sale financial assets	75.0	80.2	80.2

cont. from previous page

Amounts in €m	Balance at 31 December 2021 Nominal value	Carrying amount	Market value
Latvia	**53.0**	**62.1**	**62.1**
Available-for-sale financial assets	53.0	62.1	62.1
Romania	**64.5**	**62.2**	**62.2**
Available-for-sale financial assets	64.5	62.2	62.2
Turkey	**46.6**	**39.8**	**39.8**
Available-for-sale financial assets	46.6	39.8	39.8
Chile	**46.5**	**46.5**	**46.5**
Available-for-sale financial assets	46.5	46.5	46.5
Hong Kong	**40.0**	**37.8**	**37.8**
Available-for-sale financial assets	40.0	37.8	37.8
Mexico	**38.5**	**35.8**	**35.8**
Available-for-sale financial assets	38.5	35.8	35.8
Peru	**31.0**	**30.7**	**30.7**
Available-for-sale financial assets	31.0	30.7	30.7
China	**21.5**	**20.9**	**20.9**
Available-for-sale financial assets	21.5	20.9	20.9
Austria	**19.0**	**18.6**	**18.6**
Available-for-sale financial assets	19.0	18.6	18.6
Netherlands	**17.3**	**18.1**	**18.1**
Available-for-sale financial assets	17.3	18.1	18.1
Canada	**10.5**	**10.6**	**10.6**
Available-for-sale financial assets	10.5	10.6	10.6
Lithuania	**10.0**	**10.5**	**10.5**
Available-for-sale financial assets	10.0	10.5	10.5
USA	**8.4**	**8.7**	**8.7**
Available-for-sale financial assets	8.4	8.7	8.7
Poland	**8.1**	**8.7**	**8.7**
Available-for-sale financial assets	8.1	8.7	8.7
Croatia	**5.0**	**5.2**	**5.2**
Available-for-sale financial assets	5.0	5.2	5.2
Finland	**5.0**	**5.1**	**5.1**
Available-for-sale financial assets	5.0	5.1	5.1
Iceland	**2.5**	**2.4**	**2.4**
Available-for-sale financial assets	2.5	2.4	2.4
Croatia			
Available-for-sale financial assets			
Swiss	**0.8**	**0.8**	**0.8**
Available-for-sale financial assets	0.8	0.8	0.8
TOTAL	**29,644.3**	**32,329.3**	**32,766.4**

The carrying amount of the sovereign exposures represented by debt securities at 31 December 2021 totalled €32,329.3m, 73% of which concentrated on securities issued by the Italian State (73% in 2020). Moreover, the bonds issued by the Italian State account for 38% of total investments of the Unipol Group.

Technical-insurance risks

Risks relating to Life portfolios

With regard to risk assessment relating to the Life portfolio, the guidelines of the underwriting and provisions activities are defined in the "Underwriting Policy - Life Business" and in the "Provisions Policy - Life Business".

The Underwriting Policy defines the guidelines addressing underwriting activities and the related risk management, governing the assumption principles and logic of Unipol Group insurance companies based in Italy and operating in the Life business.

The Provisions Policy defines the guidelines addressing provisions activities for direct business and the related risk management, governing the provision principles and logic of Unipol Group insurance companies based in Italy and operating in the Life business, in compliance with national and international accounting standards and the Solvency II prudential supervisory system.
Technical-insurance risks relating to Life business underwriting are divided into:

- mortality risk: associated with an unfavourable change in demographic bases resulting from experience (higher death rate) compared to those used in determining the tariff;
- longevity risk: associated with an unfavourable change in demographic bases resulting from experience (lower death rate) compared to those used in determining the tariff;
- surrender risk: associated with adverse changes in the level or volatility of the incidence of surrenders, withdrawals, early settlements and terminations in premium payments;
- expense risk: associated with adverse changes in the value of expense linked to policies compared to the values used to determine the tariff;
- catastrophe risk: deriving from an unforeseeable event, the consequence of which is to affect multiple individuals at the same time, generating a number of claims for amounts significantly higher than expected.

The options included in the tariffs that can affect the assessment of risks present in the portfolio are monitored. The most significant of these are illustrated below.

Surrender
This option allows the customer to surrender the contract and receive the surrender value (does not apply to the pure-risk tariffs and annuities currently being distributed). Depending on the contract type, more or less significant penalties can be applied, often based on claim seniority.

Conversion to annuity
In individual products where the benefit is expressed in the form of capital, there is often the option to accept disbursement as an annuity. Among the individual policies portfolio there are products for which the conversion ratios are determined at the time of issue of the contract and others, the majority of which (generally those issued after 2000) with the amount of the annuity determined only at the time of the option. In this case the demographic risk is considerably mitigated.
In the supplementary pensions segment, especially collective, the ratios are often associated with each sum paid in, but the risk is mitigated by the frequency at which the offer conditions can be reviewed.

Maturity deferment
The portfolio includes individual term life products (not "whole-life") that in many cases provide the option to extend the validity of the contract after its original maturity date. During maturity deferment the payment of further premiums is not normally allowed.
The conditions applied during deferment vary according to the contractual terms, and continuation of the contract's financial guarantees or the application of those used at the time of the option can be granted. Depending on the conditions, even the duration of the maturity deferment can be determined or extended year by year.
The impact on the portfolio of exercising the maturity deferment option is not particularly significant at present.

Risks relating to Non-Life portfolios

With regard to risk assessment relating to the Non-Life portfolio, the reference guidelines are contained in the "Policy for the governance and amendment of the Undertaking Specific Parameters to calculate the SCR of the Technical-Insurance Non-Life and Health risks", the "Underwriting Policy - Non-Life Business", the "Provisions Policy - Non-Life Business" and the "Reinsurance and Other Risk Mitigation Techniques Policy".

The Policy for the governance and amendment of the Undertaking Specific Parameters to calculate the SCR of the Technical-Insurance Non-Life and Health risks defines the guidelines on governance and amendment of the USP methodology by defining the roles and responsibilities of the corporate bodies and functions involved.

The Underwriting Policy defines the guidelines addressing underwriting activities and the related risk management, governing the assumption principles and logic of Unipol Group insurance companies based in Italy and operating in the Non-Life business.

The Provisions Policy defines the guidelines addressing provisions activities and the related risk management, governing the provision principles and logic of Unipol Group insurance companies based in Italy and operating in the Non-Life business, in compliance with national and international accounting standards and the Solvency II prudential supervisory system.

The Reinsurance and Other Risk Mitigation Techniques Policy aims to define the guidelines on outwards reinsurance and other techniques for mitigating risk.

During 2021 the Non-Life technical-insurance risks were calculated using the Non-Life Partial Internal Model, consistent with the standards of Solvency II.

With regard to the assessment of Non-Life and Health underwriting and provisions risks, in the initial transition phase it was decided to adopt the use of parameters calculated by Undertaking Specific Parameter methods (USP) for the high-volume lines of business, in place of market parameters. These methods allow a more accurate representation of the Group's risk characteristics, which have specific features in terms of dimension, business type and reference market, that cannot be captured by average estimates performed on the European market.

Action continued in 2021 on the Non-Life Internal Model project, which envisages the gradual development of models based on phased extension of the scope of application (insurance companies, risks, lines of business). Specifically, the new model uses a level of granularity based on uniform risk groups consistent with:
- the reinsurance strategies;
- the provisioning process;
- product pricing.

With reference to Earthquake risk, the Group adopts one of the main global models for the analytical evaluation of such risk. This tool consists of three modules:
- Hazard, which assesses the uncertainty associated with the possibility of an earthquake occurring in a given area (frequency) and the uncertainty relating to its magnitude (intensity). The following chance variables are modelled in this module:
  - location (uncertainty associated with determining the possible point of origin of the event);
  - frequency (period of recurrence of the events);
  - intensity (the severity of the event in terms of energy released);
- Vulnerability, which assesses the seismic vulnerability of different types of insurable assets to a seismic event of a given intensity. The assessment is based on specific parameters such as the type of building (residential, commercial, etc.), the construction quality, the number of floors in the building and the type of assets present;
- Financial, which identifies the economic loss to the insurance company (in terms of deductibles, the sum insured, reinsurance cover, etc.).

In 2021, in addition to help in calculating risk capital, this tool also provided support to the Group in the Underwriting and Tariff-setting processes and in defining the reinsurance strategy.

With reference to other Catastrophe Risks, the assessments were performed using the standardised scenario approach proposed by EIOPA, in which the following events are taken into consideration:

- natural disasters such as flood and hail;
- man-made disasters such as large-scale fires and acts of terrorism;
- "health" risks, such as the risk of a pandemic.

Consistent with the internal model expansion plan relating to catastrophe risks, in the course of the last two years, the licences of the Italy Flooding and Italy Severe Convective Storm (SCS) models were acquired from a leading software house specialised in catastrophe modelling.

Operational risks

In order to ensure a complete analysis of company risks, the Unipol Group has an "Operational Risk Management Policy", updated annually, and has drafted a framework to identify, measure, monitor and manage Operational Risk. This term means "*the risk of losses deriving from the inadequacy or malfunctioning of processes, human resources or systems, or from external events*". Based on the Operational Risk Management framework, relations and reciprocal impacts between operational and other risks are also considered, with the objective of understanding the direct and indirect effects of events linked to operational risk. In particular, the analysis schemes adopted are aimed at understanding, based on a causal approach, the risk factors, events and effects, both financial and non-financial, and the impacts these can have on the Group's solvency and on the achievement of the objectives set.

Within the Group governance structure, the monitoring of Operational Risks is entrusted to the Operational Risks function of the Risk Management Department. The objectives assigned to this unit, within the internal control system, are aimed at ensuring the Group's assets are safeguarded and at adequate risk control.
Operational risk identification consists in gathering as much information as possible about the risk event, its possible causes and effects with a view to increasing awareness of the specific exposure of the various company areas. In addition, this activity also aims to assess the adequacy of controls and identify the best management solutions for any critical situations.

The operational risk identification essentially involves carrying out two separate processes:
- Loss Data Collection ("LDC") with a backward-looking approach: LDC is a process that aims to analyse and quantify historic operational risk events. External loss data is also collected, which helps to enhance the wealth of information on how operational risk can arise in comparable companies.
- Collection of expert opinions through the Risk Self Assessment process ("RSA") with a forward-looking approach: the data collected through the RSA includes an estimate of the potential economic impact of the risk event and an estimate of the related expected annual occurrence frequency.

The organisational model for operational risk governance and control envisages a network of analysts in a number of UnipolSai Assicurazioni SpA Divisions and the main Group companies which, after following a specific training course on operational risk management, provide support to the Risk Management Department in identifying operational risk and monitoring this risk within their own areas of operations.

Operational risk assessment is performed annually by the main Group Companies.

2021 saw the continuation of development activities on the internal model for operational risk assessment and measurement, to determine the distribution of operating losses on a scenario-based approach, taking into account the risk events identified and quantitative information gathered through risk self-assessment.

Standard compliance risk

With regard to Standard compliance risk, the Unipol Group's compliance risk management process is transversal and comprises organisational and operating monitoring activities carried out by resources from the various company functions. The Compliance Function is tasked with assessing whether the organisation and the internal corporate procedures are suitable to reach the objective of preventing this risk, according to a risk-based approach.

Emerging risks, strategic risk and reputational risk

With regard to emerging risks, strategic risk and reputational risk, within the dedicated structure present within the Risk Management Department, a dedicated Observatory was created at Group level, called "Reputational & Emerging Risk Observatory", whose key elements are the involvement of an interfunctional Technical Panel and of all the main Business Departments, the use of a consolidated predictive model and methodologies based on futures studies to ensure a forward-looking view of the medium/long-term in order to anticipate the risks and future opportunities, and a holistic approach aimed at grasping and governing the interconnections, both in reading the external context for an integrated vision of the different emerging macro trends (social, technological, political and environmental), and in the internal response for a unified view of the different corporate areas and of the different steps of the value chain.
The purpose of the Observatory is to assure effective monitoring of emerging risks, strategic risk and reputational risk, verifying the constant alignment between stakeholders' expectations and the Group's responses and anticipating the most significant phenomena to catch new business opportunities and prepare for emerging risks.
A structured process was developed within the Observatory for the assessment and prioritisation of the main emerging risk areas, identified on the basis of the systemic analysis of macrotrends regarding changes in the external context, currently present in the Observatory's Radar. The assessment process envisages integration of the "outside-in" view of a panel of external experts with the "inside-out" view of a panel of internal experts and combines multiple parameters.
Strategic risk is controlled at Group level through the monitoring of Strategic Plan drivers to verify any deviation from the defined scenarios, also using long-term scenario analyses carried out within the Observatory using methodologies based on futures studies and on anticipation, with the aim of strengthening the resilience of Group strategy in an external context characterised by accelerating change, with growing levels of complexity and uncertainty.

With specific reference to the reputational risk, within the frame of the Observatory, a Reputation Management framework was developed at the Group level, which operates in the dual mode of construction and protection of the reputational capital, through two work sites that rely on dedicated corporate competencies and structures in a path of constant mutual alignment, under the joint leadership of the "Corporate Communication and Media Relations" and "Risk Management" functions, with the goal of stably integrating these assets in the strategic planning processes. Over the course of the 2019-2021 Plan, development of the risk management framework was completed from a multistakeholder perspective: in fact, reputational risk measurement was extended to all the Group's key stakeholder categories.
The level of awareness reached within the Group on the growing importance of reputation as leverage for business and distinctive market positioning in 2019 led to the definition of an integrated governance model for Reputation, operational from 2020, which envisages the setup of corporate bodies dedicated to the proactive management of the Group's reputation in terms of both building and protection, such as the Operational Reputation Management Team and the Reputation Network, and the launch of a widespread system for reporting reputational warnings involving all the Group managers.

ESG risks

The ESG (Environmental, Social and Governance) risks are integrated into the ERM Framework and the Group policies system.

As part of the ERM Framework, the Group identifies and monitors the ESG risk factors at the level of impact on underwriting risks, in association with investment-related risks, with a view to focusing on risks emerging on environmental, social and governance aspects and in terms of potential impact at reputational risk level.

ESG risk monitoring is outlined in the individual risk categories, in such a way as to ensure management at all stages of the value creation process and mitigating any reputational risks associated with ESG risks as they arise. These controls, also designed to prevent exposure concentration to areas and/or sectors significantly exposed to ESG risks, are defined in the management policies for each risk category, where material.

Within the scope of ESG risks, a particular focus is dedicated to climate risks, specifically with regard to underwriting and investment activities.

The Group has mapped the risks and opportunities linked to the climate, prepared in accordance with the taxonomy defined by the Task Force on Climate-related Financial Disclosure. This map includes both physical and transition risks. As regards the impact of climate change on physical and transition risks, specific stress test analyses have been implemented and integrated into the Group's stress test framework.

As regards the ESG risks generated, a dedicated KRI dashboard has been developed, making it possible to monitor the risk level of each area - environmental, social and governance - while integrating oversight and listening indicators in order to combine the "inside-out" with the "outside-in" view.

Concentration risk

The Group has adopted the "Group-level Risk Concentration Policy" in accordance with the provisions of IVASS Regulation no. 30 of 26 October 2016 on the supervision of intragroup transactions and risk concentrations.
With specific reference to the purpose and contents of the Policy, note that it:

- illustrates the criteria and methods adopted, for each risk category (Non-Life and Health technical insurance risks, Life technical insurance risks, Market risk and Credit risk), to identify and measure the exposures, concentrations, their mitigation and operating limits, also through reference to other corporate policies on risk management;
- illustrates the methods by which the risk concentrations are considered in assessing the Group's risk profile;
- defines the limits and types of risk concentrations material to annual reporting to IVASS;
- defines the limits and types of risk concentrations in any event subject to monthly reporting to the Supervisory Authority.

The results of monitoring carried out on the risk concentrations significant at Group level and on concentrations to be reported in any event are submitted quarterly to the Board of Directors of the company for examination.

Other supervised companies

On 1 August 2019, the company UnipolReC began the activity of financial intermediary registered in the Single Register of Financial Intermediaries pursuant to Art. 106 of the Consolidated Law on Banking ("TUB"), as authorised by the Bank of Italy with its measure of 2 July 2019.
With reference to Pillar I risk measurement, in compliance with the provisions of Bank of Italy Circular no. 288 of 3 April 2015, standardised approaches were adopted for credit risks and the basic approach for operational risk.
In line with their class 3 allocation, the indications and approaches defined in the aforementioned Circular are adopted for Pillar II risks. In particular, given its business model, the material Pillar II risks for UnipolReC are represented by i) interest rate risk from non-trading activities, ii) residual risk, iii) liquidity risk, iv) standard compliance risk, v) reputational and strategic risk and, lastly, vi) risk associated with belonging to the Group.
In compliance with the aforementioned regulations and the provisions of the internal Policy on current and forward-looking risk and solvency assessment, the companies conducts the ICAAP on an annual basis.
The current and forward-looking assessment, both under ordinary and stress conditions performed as part of the ICAAP, is an integral part of the risk management system and the decision-making process of the company, in line with the other corporate planning and control processes such as i) strategic and budget planning, ii) Risk Appetite definition and iii) risk monitoring and mitigation.
In the Risk Appetite Statement, as defined in the Group Policy on Risk Management, risk targets and any tolerance levels are identified in accordance with the timing and business objectives set in the Budget and with the assessment methods defined for ICAAP purposes. Also through the use of updated final figures, the ICAAP verifies the capital adequacy of the predefined objectives with the Budget and the Risk Appetite.
After obtaining Bank of Italy authorisation to operate as an E-Money Institute (IMEL), UnipolPay S.p.A. was entered in the Chamber of Commerce Register of Companies on 5 July 2021. The Company was entered in the register pursuant to Article 114-quater of the Consolidated Law on Banking (TUB) from the same date and began operations in February 2022.
Taking the above into consideration, the activities conducted thus far were mainly to assess the Company's forward-looking exposure to risk in compliance with provisions of the Policies, to the extent applicable to the Company. The Risk Management Department established by the Company also initiated preliminary discussions with the Company's other structures, including the Control Functions, to map the status of projects under way and the related progress plans.
On operational start-up of the Company, the Risk Management Department, in turn, began analysis of the Company's risks in compliance with the methodological approach adopted at Group level. In particular:

- collaboration in the definition and review of governance policies and the risk management process, as well as the related detection and control procedures with ongoing adequacy verification;

- participation in analysis of the risks associated with new products and services and those deriving from entry into new operating and market segments;
- verification of adequacy and effectiveness of measures adopted to remedy shortcomings detected in the risk management process;
- verification, continuous if necessary, of the adequacy of the risk management process and related operating limits;
- launch of the annual risk self assessment (RSA) of company operational risk, the results of which are reported to the Board of Directors;
- contribution to preparation of the Risk Appetite Statement and subsequent quarterly monitoring;
- activation of the operating loss data collection system.

For the Company, regulations impose a total capital requirement that the institution must hold in relation to payment services provided and the issue of e-money.

Bologna, 24 March 2022

The Board of Director

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TABLES APPENDED TO THE NOTES TO THE FINANCIAL STATEMENTS

Consolidation scope

Name	Country of registered office	Registered office	Country of operations (5)	Method (1)	Business activity (2)
Unipol Gruppo SpA	086 Italy	Bologna		G	4
Unipol Finance Srl	086 Italy	Bologna		G	9
UnipolSai Finance SpA	086 Italy	Bologna		G	9
UniSalute SpA	086 Italy	Bologna		G	1
Compagnia Assicuratrice Linear SpA	086 Italy	Bologna		G	1
Unisalute Servizi Srl	086 Italy	Bologna		G	11
Centri Medici Dyadea Srl	086 Italy	Bologna		G	11
UnipolSai Assicurazioni SpA	086 Italy	Bologna		G	1
Unipol Investment SpA	086 Italy	Bologna		G	9
Midi Srl	086 Italy	Bologna		G	10
Arca Vita SpA	086 Italy	Verona		G	1
Arca Assicurazioni SpA	086 Italy	Verona		G	1
Arca Vita International Dac	040 Ireland	Dublin		G	2
Arca Direct Assicurazioni Srl	086 Italy	Verona		G	11
Arca Inlinea Scarl	086 Italy	Verona		G	11
Arca Sistemi Scarl	086 Italy	Verona		G	11
BIM Vita SpA	086 Italy	Turin		G	1
Incontra Assicurazioni SpA	086 Italy	Milan		G	1
Siat-Societa' Italiana Assicurazioni e Riassicurazioni – per Azioni	086 Italy	Genoa		G	1
Ddor Novi Sad	289 Serbia	Novi Sad (Serbia)		G	3
Ddor Re	289 Serbia	Novi Sad (Serbia)		G	6
UnipolRe Dac	040 Ireland	Dublin (Ireland)		G	5
UnipolSai Nederland Bv	050 Netherland	Amsterdam (NL)		G	11
Finsai International Sa	092 Luxembourg	Luxembourg		G	11

% Direct holding	% Indirect holding		% Total participating interest (3)	% Votes available at ordinary General Meetings (4)	% Consolidation
					100.00%
100.00%			100.00%		100.00%
	100.00%	UnipolSai Assicurazioni SpA	84.93%		100.00%
	98.99%	UnipolSai Assicurazioni SpA	84.07%		100.00%
	100.00%	UnipolSai Assicurazioni SpA	84.93%		100.00%
	100.00%	UniSalute SpA	84.07%		100.00%
	100.00%	UnipolSai Assicurazioni SpA	84.93%		100.00%
60.99%			84.93%		100.00%
	9.90%	Unipol Finance Srl			
	0.00%	UniSalute SpA			
	4.13%	Unipol Investment SpA			
	0.00%	Arca Vita SpA			
	0.00%	Siat-Societa' Italiana Assicurazioni e Riassicurazioni – per Azioni			
	0.00%	UnipolAssistance Scrl			
	0.00%	Leithà Srl			
	0.00%	UnipolRental SpA			
	9.90%	UnipolPart I SpA			
100.00%			100.00%		100.00%
	100.00%	UnipolSai Assicurazioni SpA	84.93%		100.00%
	63.39%	UnipolSai Assicurazioni SpA	53.84%		100.00%
	98.12%	Arca Vita SpA	52.82%		100.00%
	100.00%	Arca Vita SpA	53.84%		100.00%
	100.00%	Arca Vita SpA	53.84%		100.00%
	60.22%	Arca Vita SpA	53.43%		100.00%
	39.78%	Arca Assicurazioni SpA			
	77.03%	Arca Vita SpA	53.66%		100.00%
	16.97%	Arca Assicurazioni SpA			
	5.00%	Arca Vita International Dac			
	1.00%	Arca Inlinea Scarl			
	50.00%	UnipolSai Assicurazioni SpA	42.46%		100.00%
	51.00%	UnipolSai Assicurazioni SpA	43.31%		100.00%
	94.69%	UnipolSai Assicurazioni SpA	80.42%		100.00%
	100.00%	UnipolSai Assicurazioni SpA	84.93%		100.00%
	0.00%	Ddor Novi Sad	84.93%		100.00%
	100.00%	UnipolRe Dac			
	100.00%	UnipolSai Nederland Bv	84.93%		100.00%
	100.00%	UnipolSai Assicurazioni SpA	84.93%		100.00%
	36.15%	UnipolSai Finance SpA	84.93%		100.00%

Consolidation scope

Name	Country of registered office	Registered office	Country of operations (5)	Method (1)	Business activity (2)
Finsai International Sa	092 Luxembourg	Luxembourg		G	11
UnipolSai Investimenti Sgr SpA	086 Italy	Turin		G	8
UnipolGlass Srl	086 Italy	Turin		G	11
UnipolService Spa	086 Italy	Turin		G	11
Casa di Cura Villa Donatello - SpA	086 Italy	Florence		G	11
Centro Oncologico Fiorentino Casa di Cura Villanova Srl in Liquidazione	086 Italy	Sesto Fiorentino (FI)		G	11
Florence Centro di Chirurgia Ambulatoriale Srl	086 Italy	Florence		G	11
Tenute del Cerro SpA - Societa' Agricola	086 Italy	Montepulciano (SI)		G	11
UnipolSai Servizi Previdenziali Srl	086 Italy	Florence		G	11
Sogeint Societa' a Responsabilita' Limitata	086 Italy	San Donato Milanese		G	11
UnipolAssistance Scrl	086 Italy	Turin		G	11
Gruppo UNA SpA	086 Italy	Milan		G	11
Consorzio Castello	086 Italy	Florence		G	10
Ital H&R Srl	086 Italy	Bologna		G	11
Marina di Loano SpA	086 Italy	Loano (SV)		G	10
Meridiano Secondo Srl	086 Italy	Turin		G	10
Nuove Iniziative Toscane - Societa' a Responsabilita' Limitata	086 Italy	Florence		G	10
Tikal R.E. Fund	086 Italy			G	10
Athens R.E. Fund	086 Italy			G	10
UnipolTech Spa	086 Italy	Bologna		G	11
Leithà Srl	086 Italy	Bologna		G	11
UniAssiTeam Srl	086 Italy	Bologna		G	11
Fondo Emporion	086 Italy			G	10
UnipolReC SpA	086 Italy	Bologna		G	11
Fondo Landev	086 Italy			G	10
UnipolRental SpA	086 Italy	Reggio Emilia		G	11
Immobiliare C.S. Srl	086 Italy	Reggio Emilia		G	10
UnipolPart I SpA	086 Italy	Bologna		G	9
Unica Lab Srl	086 Italy	Bologna		G	11
Fondo Oikos	086 Italy			G	10

% Direct holding	% Indirect holding	% Total participating interest (3)	% Votes available at ordinary General Meetings (4)	% Consolidation
	63.85% UnipolSai Assicurazioni SpA	84.93%		100.00%
51.00%		92.61%		100.00%
	49.00% UnipolSai Assicurazioni SpA			
	70.00% UnipolService Spa	59.45%		100.00%
	100.00% UnipolSai Assicurazioni SpA	84.93%		100.00%
	100.00% UnipolSai Assicurazioni SpA	84.93%		100.00%
	100.00% UnipolSai Assicurazioni SpA	84.93%		100.00%
	100.00% Casa di Cura Villa Donatello - SpA	84.93%		100.00%
	100.00% UnipolSai Assicurazioni SpA	84.93%		100.00%
	100.00% UnipolSai Assicurazioni SpA	84.93%		100.00%
	100.00% UnipolSai Assicurazioni SpA	84.93%		100.00%
	0.25% UniSalute SpA	84.83%		100.00%
	3.00% Compagnia Assicuratrice Linear SpA			
	0.10% Unisalute Servizi Srl			
	95.65% UnipolSai Assicurazioni SpA			
	0.10% Arca Assicurazioni SpA			
	0.15% Incontra Assicurazioni SpA			
	0.25% UnipolTech Spa			
	0.50% UnipolRental SpA			
	100.00% UnipolSai Assicurazioni SpA	84.93%		100.00%
	99.57% Nuove Iniziative Toscane - Societa' a Responsabilita' Limitata	84.56%		100.00%
	100.00% UnipolSai Assicurazioni SpA	84.93%		100.00%
	100.00% UnipolSai Assicurazioni SpA	84.93%		100.00%
	100.00% UnipolSai Assicurazioni SpA	84.93%		100.00%
	100.00% UnipolSai Assicurazioni SpA	84.93%		100.00%
	100.00% UnipolSai Assicurazioni SpA	84.93%		100.00%
	89.59% UnipolSai Assicurazioni SpA	76.09%		100.00%
	100.00% UnipolSai Assicurazioni SpA	84.93%		100.00%
	100.00% UnipolSai Assicurazioni SpA	84.93%		100.00%
	65.00% UnipolSai Finance SpA	55.20%		100.00%
	100.00% UnipolSai Assicurazioni SpA	84.93%		100.00%
85.24%		97.78%		100.00%
	14.76% UnipolSai Assicurazioni SpA			
	100.00% UnipolSai Assicurazioni SpA	84.93%		100.00%
	100.00% UnipolSai Assicurazioni SpA	84.93%		100.00%
	100.00% UnipolRental SpA	84.93%		100.00%
100.00%		100.00%		100.00%
	100.00% UnipolSai Assicurazioni SpA	84.93%		100.00%
	100.00% UnipolSai Assicurazioni SpA	84.93%		100.00%

Consolidation scope

Name	Country of registered office		Registered office	Country of operations (5)	Method (1)	Business activity (2)
Cambiomarcia Srl	086	Italy	Bologna		G	11
UnipolPay Spa	086	Italy	Bologna		G	11
MNTTN Spa	086	Italy	Bologna		G	11

(1) Consolidation method: G=on a line-by-line basis; P=proportional; U=on a line-by-line basis as per unitary management.
(2) 1=Italyn insurers; 2=EU insurers; 3=non-EU insurers; 4=insurance holdings; 4.1=mixed financial holding companies; 5=EU reinsurers; 6=non-EU reinsurers; 7=banks; 8=asset management companies; 9=other holdings; 10=real estate companies; 11=other.
(3) The product of investment relations concerning all companies which, positioned in an investment chain, may be between the company responsible for the consolidated financial statements and the company in question. If the latter is a direct investee of multiple subsidiaries, add together the individual products first.
(4) Total % availability of votes at ordinary general meetings if different from the direct or indirect investment.
(5) This disclosure is required only if the country of operations is different from the country of the registered office.

% Direct holding	% Indirect holding		% Total participating interest (3)	% Votes available at ordinary General Meetings (4)	% Consolidation
	100.00%	UnipolSai Assicurazioni SpA	84.93%		100.00%
	100.00%	UnipolSai Assicurazioni SpA	84.93%		100.00%
	100.00%	UnipolSai Assicurazioni SpA	84.93%		100.00%

Consolidation scope: interests in entities with material non-controlling interests

Amounts in €m

Name	% non-controlling interests	% Votes available at Ordinary General Meetings to non-controlling interests	Consolidated profit (loss) attributable to non-controlling interests	Shareholders' Equity attributable to non-controlling interests
UnipolSai Assicurazioni SpA	15.07%		114.7	1,283.5

Details of unconsolidated investments

Name	Country of registered office		Registered office	Country of operations (5)	Business activity (1)
Assicoop Toscana SpA	086	Italy	Siena		11
Pegaso Finanziaria SpA	086	Italy	Bologna		9
Fondazione Unipolis	086	Italy	Bologna		11
Uci - Ufficio Centrale Italiano	086	Italy	Milan		11
SCS Azioninnova SpA	086	Italy	Bologna		11
Garibaldi Sca	092	Luxembourg	Luxembourg		11
Isola Sca	092	Luxembourg	Luxembourg		11
Fin.Priv. Srl	086	Italy	Milan		11
Ddor Auto - Limited Liability Company	289	Serbia	Novi Sad (Serbia)		3
Funivie del Piccolo San Bernardo SpA	086	Italy	La Thuile (AO)		11
Ddor Garant	289	Serbia	Belgrad (Serbia)		11
Borsetto Srl	086	Italy	Turin		10
Golf Club Poggio dei Medici Spa Societa' Dilettantistica Sportiva	086	Italy	San Piero (FI)		11
BPER Banca SpA	086	Italy	Modena		7
Assicoop Bologna Metropolitana SpA	086	Italy	Bologna		11
Hotel Villaggio Citta' del Mare SpA in Liquidazione	086	Italy	Modena		11
Assicoop Modena & Ferrara SpA	086	Italy	Modena		11
Assicoop Romagna Futura SpA	086	Italy	Ravenna		11
Assicoop Emilia Nord Srl	086	Italy	Parma		11
Promorest Srl	086	Italy	Castenaso (BO)		11

(1) 1=Italy insurers; 2=EU insurers; 3=non-EU insurers; 4=insurance holdings; 4.1=mixed financial holding companies; 5=EU reinsurers; 6=non-EU reinsurers; 7=banks; 8=asset management companies; 9=other holdings; 10=real estate companies; 11=other.

(2) a=subsidiaries (IFRS10); b= associates (IAS28); c=joint ventures (IFRS11).

(3) The product of investment relations concerning all companies which, positioned in an investment chain, may be between the company responsible for the consolidated financial statements and the company in question. If the latter is a direct investee of multiple subsidiaries, add together the individual products first.

(4) Total % availability of votes at ordinary general meetings if different from the direct or indirect investment.

(5) This disclosure is required only if the country of operations is different from the country of the registered office.

Summary income and financial position data							
Total assets	Investments	Technical provisions	Financial liabilities	Shareholders' equity	Profit (loss) for the year	Dividends distributed to non-controlling interests	Gross premiums written
59,033.8	53,412.5	43,130.9	5,309.0	8,515.1	2,185.3	80.9	9,420.6

Type (2)	% Direct holding	% Indirect holding		% Total participating interest (3)	% Votes available at ordinary General Meetings (4)	Carrying amount (€m)
b		46.77%	UnipolSai Finance SpA	39.72%		2.3
b		45.00%	UnipolSai Finance SpA	38.22%		5.5
a		100.00%	UnipolSai Assicurazioni SpA	84.93%		0.3
b		0.0002%	Compagnia Assicuratrice Linear SpA	32.47%		0.2
		38.14%	UnipolSai Assicurazioni SpA			
		0.01%	Arca Assicurazioni SpA			
		0.002%	Incontra Assicurazioni SpA			
		0.092%	Siat-Societa' Italyna Assicurazioni e Riassicurazioni – per Azioni			
b		42.85%	UnipolSai Finance SpA	36.39%		2.9
b		32.00%	UnipolSai Assicurazioni SpA	27.18%		2.9
b		29.56%	UnipolSai Assicurazioni SpA	25.11%		0
b		28.57%	UnipolSai Assicurazioni SpA	24.26%		41.5
a		100.00%	Ddor Novi Sad	84.93%		0.0
b		23.55%	UnipolSai Assicurazioni SpA	20.00%		1.4
b		32.46%	Ddor Novi Sad	33.97%		0.6
		7.54%	Ddor Re			
b		44.93%	UnipolSai Assicurazioni SpA	38.16%		0.5
b		40.32%	Athens R.E. Fund	30.68%		0.9
b	9.57%			18.92%		1207.9
		9.35%	UnipolSai Assicurazioni SpA			
b		49.19%	UnipolSai Finance SpA	41.78%		9.7
b		49.00%	UnipolSai Assicurazioni SpA	41.61%		0
b		43.75%	UnipolSai Finance SpA	37.16%		8.3
b		50.00%	UnipolSai Finance SpA	42.46%		7.6
b		50.00%	UnipolSai Finance SpA	42.46%		6.9
b		49.92%	UnipolSai Finance SpA	42.39%		5.0

Statement of financial position by business segment

		Non-Life business		Life business	
	Amounts in €m	31/12/2021	31/12/2020	31/12/2021	31/12/2020
1	INTANGIBLE ASSETS	1,681.3	1,634.7	381.6	388.8
2	PROPERTY, PLANT AND EQUIPMENT	1,622.4	1,527.7	73.8	73.3
3	TECHNICAL PROVISIONS - REINSURERS' SHARE	808.1	808.3	23.2	27.1
4	INVESTMENTS	15,663.1	15,680.8	49,646.1	49,265.7
4.1	Investment property	424.0	437.3	4.1	4.3
4.2	Investments in subsidiaries, associates and interests in joint ventures	641.5	563.5	2.9	3.1
4.3	Held-to-maturity investments	47.5	50.8	319.2	370.0
4.4	Loans and receivables	2,449.6	2,703.4	2,735.8	2,536.0
4.4bis	Financial assets at amortised cost				
4.5	Available-for-sale financial assets	11,940.3	11,767.1	38,170.8	39,075.9
4.5bis	Available-for-sale financial assets				
4.6	Financial assets at fair value through OCI	160.2	158.6	8,413.3	7,276.4
5	SUNDRY RECEIVABLES	2,545.5	2,506.2	835.8	674.8
6	OTHER ASSETS	799.5	743.6	95.0	88.9
6.1	Deferred acquisition costs	37.1	38.8	63.1	60.3
6.2	Other assets	762.5	704.8	32.0	28.6
7	CASH AND CASH EQUIVALENTS	240.3	334.5	567.9	267.8
	TOTAL ASSETS	23,360.2	23,235.8	51,623.6	50,786.3
1	SHAREHOLDERS' EQUITY				
2	PROVISIONS	396.4	403.2	6.9	14.6
3	TECHNICAL PROVISIONS	14,714.9	14,387.8	42,413.4	43,319.2
4	FINANCIAL LIABILITIES	1,428.9	1,946.9	6,943.2	5,082.4
4.1	Financial liabilities at fair value through profit or loss	80.3	129.1	6,276.1	4,250.2
4.2	Financial liabilities at amortised cost	1,348.6	1,817.8	667.1	832.2
5	PAYABLES	922.1	874.4	171.6	117.4
6	OTHER LIABILITIES	822.9	771.3	341.2	415.8
	TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES				

Holding and Other businesses		Real Estate		Intersegment eliminations		Total	
31/12/2021	31/12/2020	31/12/2021	31/12/2020	31/12/2021	31/12/2020	31/12/2021	31/12/2020
17.9	15.4	0.0	0.0			2,080.8	2,038.9
217.8	164.9	600.7	599.8			2,514.7	2,365.7
						831.3	835.3
1,919.4	2,899.5	1,725.0	1,765.0	(784.6)	(967.3)	68,169.0	68,643.6
25.1	32.8	1,619.3	1,701.6			2,072.5	2,176.0
659.1	586.2	0.9	0.9			1,304.4	1,153.7
						366.7	420.8
302.3	211.7	50.9	28.7	(784.6)	(960.5)	4,754.0	4,519.3
357.2	422.7					357.2	422.7
29.4	29.4	53.8	33.9		(6.8)	50,194.4	50,899.5
494.6	1,601.4					494.6	1,601.4
51.8	15.2					8,625.2	7,450.2
268.9	237.3	31.4	20.6	(248.8)	(198.0)	3,432.9	3,241.0
347.5	400.7	177.4	138.6	(128.7)	(184.6)	1,290.8	1,187.2
						100.1	99.2
347.5	400.7	177.4	138.6	(128.7)	(184.6)	1,190.7	1,088.0
1,108.4	466.1	22.3	26.3			1,938.9	1,094.8
3,880.0	4,183.9	2,556.9	2,550.3	(1,162.1)	(1,349.9)	80,258.5	79,406.5
						9,721.5	9,525.3
38.5	56.9	5.1	4.8			446.9	479.6
						57,128.3	57,707.0
2,981.4	3,460.3	201.7	207.4	(784.4)	(966.9)	10,770.8	9,730.2
0.4						6,356.9	4,379.3
2,981.0	3,460.3	201.7	207.4	(784.4)	(966.9)	4,413.9	5,350.8
176.9	79.8	68.5	41.5	(243.6)	(195.1)	1,095.5	918.1
51.8	32.9	13.7	14.3	(134.1)	(187.9)	1,095.4	1,046.3
						80,258.5	79,406.5

Income statement by business segment

		Non-Life business		Life business	
	Amounts in €m	**31/12/2021**	31/12/2020	**31/12/2021**	31/12/2020
1.1	Net premiums	7,780.4	7,604.7	4,098.2	3,744.5
	1.1.1 Gross premiums earned	*8,235.0*	*8,051.3*	*4,114.1*	*3,759.0*
	1.1.2 Earned premiums ceded to reinsurers	*(454.6)*	*(446.7)*	*(16.0)*	*(14.5)*
1.2	Commission income	4.4	2.5	41.1	32.1
1.3	Gains and losses on financial instruments at fair value through profit or loss	164.9	(250.6)	23.6	63.4
1.4	Gains on investments in subsidiaries, associates and interests in joint ventures	73.9	6.1		5.5
1.5	Gains on other financial instruments and investment property	620.2	766.3	1,180.0	1,419.3
1.6	Other revenue	739.8	687.2	62.9	45.3
	TOTAL REVENUE AND INCOME	**9,383.6**	**8,816.2**	**5,405.8**	**5,310.1**
2.1	Net charges relating to claims	(5,095.1)	(4,324.3)	(4,714.0)	(4,520.0)
	2.1.1 Amounts paid and changes in technical provisions	*(5,269.6)*	*(4,487.1)*	*(4,722.5)*	*(4,528.2)*
	2.1.2 Reinsurers' share	*174.5*	*162.8*	*8.5*	*8.1*
2.2	Commission expenses	(5.8)	(4.5)	(30.5)	(15.1)
2.3	Losses on investments in subsidiaries, associates and interests in joint ventures	(1.1)	(0.1)	(0.3)	(0.3)
2.4	Losses on other financial instruments and investment property	(329.2)	(229.8)	(63.8)	(328.6)
2.5	Operating expenses	(2,222.0)	(2,202.2)	(254.4)	(232.3)
2.6	Other costs	(909.7)	(951.1)	(129.5)	(143.2)
2	**TOTAL COSTS AND EXPENSES**	**(8,562.9)**	**(7,712.0)**	**(5,192.7)**	**(5,239.6)**
	PRE-TAX PROFIT (LOSS) FOR THE YEAR	**820.7**	**1,104.1**	**213.1**	**70.5**

Holding and Other businesses		Real Estate		Intersegment eliminations		Total	
31/12/2021	31/12/2020	**31/12/2021**	31/12/2020	**31/12/2021**	31/12/2020	**31/12/2021**	31/12/2020
						11,878.5	11,349.2
						12,349.1	*11,810.4*
						(470.6)	*(461.2)*
14.7	9.3			(14.8)	(9.5)	45.3	34.4
23.9	3.2					212.4	(183.9)
78.7	7.8					152.6	19.4
71.0	73.4	68.3	47.8	(28.7)	(24.3)	1,910.8	2,282.4
176.0	124.1	36.9	23.1	(77.9)	(59.4)	937.8	820.3
364.4	**217.8**	**105.2**	**70.9**	**(121.4)**	**(93.2)**	**15,137.6**	**14,321.7**
						(9,809.2)	(8,844.3)
						(9,992.1)	*(9,015.2)*
						183.0	*170.9*
(1.0)	(0.8)	(0.0)	(0.0)			(37.4)	(20.4)
(0.1)	(0.0)					(1.6)	(0.5)
(133.0)	(129.5)	(95.9)	(42.0)	13.2	13.2	(608.8)	(716.7)
(176.1)	(141.6)	(34.9)	(31.0)	21.6	18.3	(2,665.9)	(2,588.8)
(73.6)	(60.2)	(37.9)	(32.3)	86.6	61.7	(1,064.0)	(1,125.2)
(383.9)	**(332.1)**	**(168.7)**	**(105.4)**	**121.4**	**93.2**	**(14,186.8)**	**(13,295.9)**
(19.5)	**(114.3)**	**(63.6)**	**(34.5)**		**(0.0)**	**950.7**	**1,025.8**

Details of property, plant and equipment and intangible assets

Amounts in €m	At cost	At restated or fair value	Total carrying amount
Investment property	2,072.5		2,072.5
Other properties	1,584.0		1,584.0
Other tangible assets	930.7		930.7
Other intangible assets	450.0		450.0

Details of financial assets

	Held-to-maturity investments		Loans and receivables		Financial assets at amortised cost		Available-for-sale financial assets	
Amounts in €m	31/12/2021	31/12/2020	31/12/2021	31/12/2020	31/12/2021	31/12/2020	31/12/2021	31/12/2020
Equity instruments and derivatives at cost							4.4	4.8
Equity instruments at fair value							1,445.8	644.7
of which: listed securities							*1,244.3*	449.7
Debt securities	366.7	420.8	4,018.9	3,936.4			44,777.2	47,036.5
of which: listed securities	*366.7*	*420.8*					*44,315.2*	46,389.2
UCITS units							3,967.0	3,213.4
Loans and receivables from bank customers					357.2	422.7		
Interbank loans and receivables								
Deposits with ceding companies			105.8	86.3				
Financial receivables on insurance contracts								
Other loans and receivables			629.3	496.6				
Non-hedging derivatives								
Hedging derivatives								
Other financial investments								
Total	**366.7**	**420.8**	**4,754.0**	**4,519.3**	**357.2**	**422.7**	**50,194.4**	**50,899.5**

Financial assets at fair value through OCI		Financial assets at fair value through profit or loss						Total carrying amount	
		Held-for-trading financial assets		Financial assets at fair value through profit or loss		Financial assets at fair value through profit or loss			
31/12/2021	31/12/2020	**31/12/2021**	31/12/2020	**31/12/2021**	31/12/2020	**31/12/2021**	31/12/2020	**31/12/2021**	31/12/2020
								4.4	4.8
195.8	55.3	0.0	0.0	155.0	138.8	0.0	0.0	1,796.6	838.9
195.8	55.3	*0.0*	*0.0*	155.0	138.8	*0.0*	*0.0*	*1,595.1*	*643.8*
298.7	1,546.1	80.7	142.4	3,206.4	2,987.1	18.1	15.0	52,766.9	56,084.1
298.7	*1,546.1*	*80.5*	*141.1*	*3,206.1*	*2,986.7*	*18.1*	*15.0*	*48,285.4*	*51,498.9*
		1.9	1.8	4,266.5	3,015.2	33.1	0.2	8,268.5	6,230.7
								357.2	422.7
								105.8	86.3
				716.6	1,036.6			716.6	1,036.6
								629.3	496.6
		66.9	22.7					66.9	22.7
		80.0	90.4					80.0	90.4
494.6	**1,601.4**	**229.5**	**257.2**	**8,344.5**	**7,177.8**	**51.2**	**15.2**	**64,792.1**	**65,313.9**

Details of assets and liabilities relating to insurance contracts where the investment risk is borne by policyholders and arising from pension fund management

Amounts in €m	Benefits linked to investment funds and market indices		Benefits linked to pension fund management		Total	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020	31/12/2021	31/12/2020
Recognised assets	3,992.6	2,849.2	4,351.9	4,328.5	8,344.5	7,177.8
Intragroup assets *						
Total Assets	**3,992.6**	**2,849.2**	**4,351.9**	**4,328.5**	**8,344.5**	**7,177.8**
Recognised financial liabilities	3,681.9	2,568.4	2,217.2	1,465.6	5,899.2	4,033.9
Recognised technical provisions	310.7	280.9	2,135.1	2,863.2	2,445.8	3,144.1
Intragroup liabilities *						
Total liabilities	**3,992.6**	**2,849.2**	**4,352.3**	**4,328.7**	**8,344.9**	**7,178.0**

* Assets and liabilities eliminated on consolidation

Details of technical provisions – reinsurers' share

Amounts in €m	Direct business		Indirect business		Total carrying amount	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020	31/12/2021	31/12/2020
Non-Life provisions	**760.5**	**790.0**	**47.6**	**18.3**	**808.1**	**808.3**
Premium provisions	220.8	214.3	3.3	3.2	224.1	217.5
Claims provision	539.7	575.7	44.4	15.1	584.0	590.8
Other technical provisions						
Life provisions	**21.7**	**25.2**	**1.5**	**1.9**	**23.2**	**27.1**
Provision for amounts payable	6.0	8.3	0.1	0.0	6.0	8.3
Mathematical provisions	15.7	16.9	1.4	1.9	17.1	18.7
Technical provisions where the investment risk is borne by policyholders and provisions arising from pension fund management						
Other technical provisions						
Total technical provisions - reinsurers' share	**782.2**	**815.2**	**49.1**	**20.1**	**831.3**	**835.3**

Details of technical provisions

	Direct business		Indirect business		Total carrying amount	
Amounts in €m	31/12/2021	31/12/2020	31/12/2021	31/12/2020	31/12/2021	31/12/2020
Non-Life provisions	13,886.7	13,791.8	828.2	596.1	14,714.9	14,387.8
Premium provision	3,282.8	3,314.5	92.6	74.5	3,375.5	3,389.0
Claims provision	10,577.1	10,444.8	735.5	521.5	11,312.6	10,966.3
Other technical provisions	26.8	32.5	0.0	0.0	26.9	32.5
including provisions allocated as a result of the liability adequacy test						
Life provisions	42,409.9	43,314.9	3.5	4.3	42,413.4	43,319.2
Provision for amounts payable	335.5	572.2	1.6	1.3	337.1	573.5
Mathematical provisions	35,785.5	34,075.5	1.9	3.0	35,787.4	34,078.5
Technical provisions where the investment risk is borne by policyholders and provisions arising from pension fund management	2,445.8	3,144.1			2,445.8	3,144.1
Other technical provisions	3,843.1	5,523.2			3,843.1	5,523.2
including provisions allocated as a result of the liability adequacy test						
including deferred liabilities to policyholders	3,694.8	*5,379.8*			3,694.8	*5,379.8*
Total technical provisions	56,296.6	57,106.7	831.7	600.4	57,128.3	57,707.0

Details of financial liabilities

Amounts in €m	Financial liabilities at fair value through profit or loss				Financial liabilies at amortised cost		Total carrying amount	
	Financial liabilities held-for trading		Financial liabilities at fair value					
	31/12/2021	31/12/2020	31/12/2021	31/12/2020	31/12/2021	31/12/2020	31/12/2021	31/12/2020
Equity instruments								
Subordinated liabilities					1,446.1	2,088.3	1,446.1	2,088.3
Liabilities from financial contracts issued by insurance companies			5,911.0	4,055.1			5,911.0	4,055.1
Arising from contracts where the investment risk is borne by policyholders			*3,693.8*	*2,589.5*			*3,693.8*	*2,589.5*
Arising from pension fund management			*2,217.2*	*1,465.6*			*2,217.2*	*1,465.6*
Arising from other contracts								
Deposits received from reinsurers					130.5	134.7	130.5	134.7
Financial items payable on insurance contracts								
Debt securities issued					2,515.1	2,741.5	2,515.1	2,741.5
Payables to bank customers								
Interbank payables								
Other loans obtained					321.6	385.9	321.6	385.9
Non-hedging derivatives	38.5	36.7					38.5	36.7
Hedging derivatives	407.4	287.6					407.4	287.6
Sundry financial liabilities					0.6	0.5	0.6	0.5
Total	**445.9**	**324.3**	**5,911.0**	**4,055.1**	**4,413.9**	**5,350.8**	**10,770.8**	**9,730.2**

Details of technical insurance items

		31/12/2021			31/12/2020		
	Amounts in €m	Gross amount	Reinsurers' share	Net amount	Gross amount	Reinsurers' share	Net amount
Non-Life business							
NET PREMIUMS		**8,235.0**	**(454.6)**	**7,780.4**	**8,051.3**	**(446.7)**	**7,604.7**
a	Written premiums	8,214.3	(463.2)	7,751.1	8,107.5	(439.9)	7,667.6
b	Change in premium provision	20.6	8.6	29.3	(56.1)	(6.8)	(62.9)
NET CHARGES RELATING TO CLAIMS		**(5,269.6)**	**174.5**	**(5,095.1)**	**(4,487.1)**	**162.8**	**(4,324.3)**
a	Amounts paid	(5,086.3)	188.4	(4,897.9)	(5,337.8)	296.4	(5,041.4)
b	Change in claims provision	(318.4)	(5.1)	(323.5)	717.2	(126.1)	591.2
c	Change in recoveries	135.2	(8.9)	126.4	134.8	(7.6)	127.2
d	Change in other technical provisions	(0.1)		(0.1)	(1.3)		(1.3)
Life business							
NET PREMIUMS		**4,114.1**	**(16.0)**	**4,098.2**	**3,759.0**	**(14.5)**	**3,744.5**
NET CHARGES RELATING TO CLAIMS		**(4,722.5)**	**8.5**	**(4,714.0)**	**(4,528.2)**	**8.1**	**(4,520.0)**
a	Amounts paid	(3,177.5)	11.8	(3,165.7)	(3,984.6)	15.9	(3,968.7)
b	Change in provision for amounts payable	244.4	(1.9)	242.5	(168.0)	3.9	(164.1)
c	Change in mathematical provisions	(1,748.6)	(1.4)	(1,749.9)	(969.3)	(11.7)	(981.0)
d	Change in technical provisions where the investment risk is borne by policyholders and arising from pension fund management	(28.6)		(28.6)	671.8		671.8
e	Change in other technical provisions	(12.4)	0.0	(12.4)	(78.1)	(0.0)	(78.1)

Investment income and charges

Amounts in €m		Interests	Other income	Other charges	Realised gains	Realised losses
Balance on investments		**1,431.9**	**467.9**	**(201.1)**	**406.7**	**(248.7)**
a	Arising from investment property		69.9	(24.8)	73.8	(0.6)
b	Arising from investments in subsidiaries, associates and interests in joint ventures		152.6	(1.6)		
c	Arising from held-to-maturity investments	17.3		(0.0)		
d	Arising from loans and receivables	125.1		(0.0)	0.5	(0.4)
e	Arising from financial assets at amortised cost	18.1			31.5	(8.9)
f	Arising from available-for-sale financial assets	1,213.6	157.2	(2.1)	164.2	(114.8)
g	Arising from financial assets at fair value through OCI	7.7	4.3	(0.2)	0.6	(0.5)
h	Arising from held-for-trading financial assets	2.7	61.6	(93.4)	45.2	(85.0)
i	Arising from financial assets at fair value through profit or loss	46.5	21.7	(79.0)	61.6	(30.3)
l	Arising from financial assets mandatorily at fair value	0.9	0.7	(0.1)	29.2	(8.3)
Balance on sundry receivables		**4.0**				
Balance on cash and cash equivalents		**0.9**		**(0.0)**		
Balance on financial liabilities		**(159.4)**	**0.0**	**(167.7)**	**0.1**	
a	Arising from held-for-trading financial liabilities				0.1	
b	Arising from financial liabilities at fair value		0.0	(159.8)		
c	Arising from financial liabilities at amortised cost	(159.4)		(7.9)		
Balance on payables		**(1.4)**		**(0.2)**		
Total		**1,276.1**	**468.0**	**(369.0)**	**406.8**	**(248.7)**

Total realised gains and losses	Unrealised gains		Unrealised losses		Total unrealised gains and losses	**Total gains and losses 31/12/2021**	Total gains and losses 31/12/2020
	Unrealised capital gains	Write-backs	Unrealised capital losses	Impairment			
1,856.7	**667.0**	**0.0**	**(325.8)**	**(75.6)**	**265.6**	**2,122.3**	**1,651.2**
118.4			(49.7)	(42.5)	(92.2)	26.2	9.9
151.1						151.1	18.9
17.3						17.3	18.4
125.2		0.0			0.0	125.2	26.6
40.8				(25.8)	(25.8)	15.0	23.8
1,418.0	19.3		(160.0)	(7.1)	(147.7)	1,270.3	1,652.4
12.0	0.6			(0.2)	0.4	12.4	9.5
(68.9)	201.8		(16.1)		185.7	116.8	(268.7)
20.5	444.1		(99.8)		344.2	364.7	157.2
22.4	1.1		(0.2)		0.9	23.3	3.2
4.0						**4.0**	**1.9**
0.8						**0.8**	**1.2**
(327.0)	**2.0**		**(135.2)**		**(133.1)**	**(460.2)**	**(251.2)**
0.1						0.1	0.0
(159.8)			(132.7)		(132.7)	(292.5)	(75.6)
(167.3)	2.0		(2.5)		(0.4)	(167.7)	(175.6)
(1.5)						**(1.5)**	**(2.5)**
1,533.0	**669.0**	**0.0**	**(460.9)**	**(75.6)**	**132.5**	**1,665.5**	**1,400.6**

Details of insurance business expenses

Amounts in €m	Non-Life business		Life business	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
Gross commissions and other acquisition costs	**(1,885.5)**	**(1,873.3)**	**(118.2)**	**(103.8)**
a Acquisition commissions	(1,364.5)	(1,329.3)	(72.1)	(59.2)
b Other acquisition costs	(362.7)	(387.5)	(42.7)	(39.3)
c Change in deferred acquisition costs	(1.2)	(1.0)	2.7	1.2
d Collection commissions	(157.1)	(155.5)	(6.2)	(6.5)
Commissions and profit-sharing received from insurers	**144.8**	**129.3**	**2.3**	**3.1**
Investment management expenses	**(51.7)**	**(56.4)**	**(47.7)**	**(46.9)**
Other administrative expenses	**(429.6)**	**(401.8)**	**(90.8)**	**(84.8)**
Total	**(2,222.0)**	**(2,202.2)**	**(254.4)**	**(232.3)**

Details of the consolidated comprehensive income statement

Amounts in €m	Amounts allocated		Adjustments from reclassification to profit or loss	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
Other income items not reclassified to profit or loss	**32.2**	**(45.4)**		
Reserve deriving from changes in the shareholders' equity of the investees	21.7	(8.2)		
Revaluation reserve for intangible assets				
Revaluation reserve for property, plant and equipment				
Gains and losses on non-current assets or assets of a disposal group held for sale				
Actuarial gains and losses and adjustments relating to defined benefit plans	0.4	(5.0)		
Gains or losses on equity instruments at fair value through OCI	11.4	(32.1)		
Reserve deriving from variation on credit risk on financial liabilities at fair value through profit or loss				
Other items	(1.3)			
Other income items reclassified to profit or loss	**(233.2)**	**441.0**	**151.3**	**(180.8)**
Reserve for foreign currency translation differences	(0.1)	(1.1)		
Gains or losses on available-for-sale financial assets	(194.6)	417.0	151.7	(185.8)
Gains or losses on financial assets (other than equity instruments) at fair value through OCI	0.2	5.7	(0.4)	5.0
Gains or losses on cash flow hedges	(42.1)	4.2		
Gains or losses on hedges of a net investment in foreign operations				
Reserve deriving from changes in the shareholders' equity of the investees	3.5	15.2		
Gains and losses on non-current assets or of a disposal group held for sale				
Other items				
TOTAL OTHER COMPREHENSIVE INCOME (EXPENSE)	**(201.0)**	**395.7**	**151.3**	**(180.8)**

Other changes		Total changes		Income taxes		Balance	
31/12/2021	31/12/2020	31/12/2021	31/12/2020	31/12/2021	31/12/2020	31/12/2021	31/12/2020
		32.2	**(45.4)**	**(3.9)**	**13.2**	**(56.3)**	**(88.5)**
		21.7	(8.2)	(0.0)	0.6	25.4	3.7
		0.4	(5.0)	(0.5)	2.3	(35.3)	(35.7)
		11.4	(32.1)	(3.4)	10.3	(46.4)	(57.8)
		(1.3)					1.3
		(81.9)	**260.2**	**32.0**	**(105.1)**	**1,369.0**	**1,450.9**
		(0.1)	(1.1)			3.9	4.0
		(42.9)	231.2	13.3	(99.8)	1,359.4	1,402.3
		(0.2)	10.7	(0.1)	(3.4)	10.5	10.8
		(42.1)	4.2	18.8	(1.9)	(26.1)	16.0
		3.5	15.2			21.2	17.7
		(49.7)	**214.9**	**28.1**	**(92.0)**	**1,312.7**	**1,362.4**

Details of reclassified financial assets and their effects on the income statement and comprehensive income statement

Categories of financial assets subject to reclassification		Type of asset	Date of reclassification (*)	Amount of assets reclassified during 2021 at the reclassification date	Carrying amount at 31/12/2021 of reclassified assets		Fair value at 31/12/2021 of reclassified assets	
from	to				Assets reclassified during the year	Assets reclassified up to 31/12/2021	Assets reclassified during the year	Assets reclassified up to 31/12/2021
At FV through profit or loss	Loans and receivables	debt securities						
At FV through profit or loss	Loans and receivables	other fin. instr.						
Available-for-sale	Loans and receivables	debt securities						
Available-for-sale	Loans and receivables	other fin. instr.				41.5		45.8
At FV through profit or loss	Available-for-sale	equity instruments						
At FV through profit or loss	Available-for-sale	debt securities						
At FV through profit or loss	Available-for-sale	other fin. instr.						
At FV through profit or loss	Held-to-maturity investments	debt securities						
At FV through profit or loss	Held-to-maturity investments	other fin. instr.						
Available-for-sale	Held-to-maturity investments	debt securities						
Available-for-sale	Held-to-maturity investments	other fin. instr.						
Total						**41.5**		**45.8**

(*) Applicable only to financial assets classified according to IFRS9

Amounts in €m

Assets reclassified during the year		Assets reclassified up to 31/12/2021		Assets reclassified during the year		Assets reclassified up to 31/12/2021	
Gains or losses recognised through profit or loss	Gains or losses recognised in the statement of other comprehensive income	Gains or losses recognised through profit or loss	Gains or losses recognised in the statement of other comprehensive income	Profit or loss that would have been recognised through profit or loss if there had been no reclassification	Profit or loss that would have been recognised in the statement of other comprehensive income if there had been no reclassification	Profit or loss that would have been recognised through profit or loss if there had been no reclassification	Profit or loss that would have been recognised in statement of other comprehensive income if there had been no reclassification
							(0.9)
							(0.9)

Assets and liabilities at fair value on a recurring and non-recurring basis: breakdown by fair value level

		Level 1		Level 2		Level 3		Total	
	Amounts in €m	31/12/2021	31/12/2020	31/12/2021	31/12/2020	31/12/2021	31/12/2020	31/12/2021	31/12/2020
Assets and liabilities at fair value on a recurring basis									
Available-for-sale financial assets		47,076.1	48,434.2	403.6	463.4	2,714.7	2,001.9	50,194.4	50,899.5
Financial assets at fair value through OCI		494.6	1,601.4					494.6	1,601.4
Financial assets at fair value through profit or loss	Held for trading financial assets	95.6	160.0	130.2	69.5	3.8	27.7	229.5	257.2
	Financial assets at fair value	8,292.7	7,171.3			51.8	6.5	8,344.5	7,177.8
	Financial assets at fair value through profit or loss	51.1	15.0			0.1	0.2	51.2	15.2
Investment property									
Property, plant and equipment									
Intangible assets									
Total assets at fair value on a recurring basis		***56,010.1***	***57,381.9***	***533.8***	***532.8***	***2,770.3***	***2,036.3***	***59,314.2***	***59,951.1***
Financial liabilities at fair value through profit or	Held for trading financial liabilities	13.0	25.6	401.6	292.4	31.3	6.3	445.9	324.3
	Financial liabilities at fair value through profit or loss					5,911.0	4,055.1	5,911.0	4,055.1
Total liabilities measured at fair value on a recurring basis		***13.0***	***25.6***	***401.6***	***292.4***	***5,942.3***	***4,061.4***	***6,356.9***	***4,379.3***
Assets and liabilities at fair value on a non-recurring basis									
Non-current assets or assets of disposal groups held for sale									
Liabilities associated with disposal groups									

Details of changes in level 3 financial assets and liabilities at fair value on a recurring basis

Amounts in €	Available-for-sale financial assets	Financial assets at fair value through OCI	Financial assets at fair value through profit or loss			Investment property	Property, plant and equipment	Intangible assets	Financial liabilities at fair value	
			Held-for-trading financial assets	Financial assets at fair value	Other financial assets mandatorily at fair value				Held-for-trading financial liabilities	Financial liabilities at fair value through profit or loss
Opening balance	**2,001.9**		**27.7**	**6.5**	**0.2**				**6.3**	**4,055.1**
Acquisitions/Issues	765.1		0.2	38.3						
Sales/Repurchases	(35.9)			(0.0)						
Repayments	(154.9)		(0.3)	(2.3)					(0.0)	
Gains or losses recognised through profit or loss			0.0	9.3	(0.2)				0.8	
- of which unrealised gains/losses			*0.0*	*9.3*	*(0.2)*				*0.8*	
Gains or losses recognised in the statement of other comprehensive income	159.3									
Transfers to level 3										
Transfers to other levels	(20.3)									
Other changes	(0.6)		(23.8)	0.0					(25.7)	(1,855.9)
Closing balance	**2,714.7**		**3.8**	**51.8**	**0.1**				**31.3**	**5,911.0**

Assets and liabilities not measured at fair value: breakdown by fair value level

	Carrying amount		*Fair value*							
			Level 1		Level 2		Level 3		Total	
Amounts in €m	**31/12/2021**	31/12/2020	**31/12/2021**	31/12/2020	**31/12/2021**	31/12/2020	**31/12/2021**	31/12/2020	**31/12/2021**	31/12/2020
Assets										
Held-to-maturity investments	366.7	420.8	343.8	584.1	22.9	6.9		2.2	366.7	593.2
Loans and receivables	4,754.0	4,519.3			3,336.8	3,659.6	1,417.3	1,344.5	4,754.0	5,004.1
Financial assets at amortised cost	357.2	422.7					357.2	422.7	357.2	422.7
Investments in subsidiaries, associates and interests in joint ventures	1,304.4	1,153.7	750.9	660.6			96.5	64.6	847.4	725.2
Investment property	2,072.5	2,176.0					2,363.2	2,349.6	2,363.2	2,349.6
Property, plant and equipment	2,514.7	2,365.7					2,692.9	2,508.6	2,692.9	2,508.6
Total assets	**11,369.6**	**11,058.3**	**1,094.7**	**1,244.7**	**3,359.7**	**3,666.5**	**6,927.0**	**6,692.2**	**11,381.4**	**11,603.4**
Liabilities										
Financial liabilities at amortised cost	4,413.9	5,350.8	4,743.2	4,904.2			163.4	757.9	4,906.7	5,662.1


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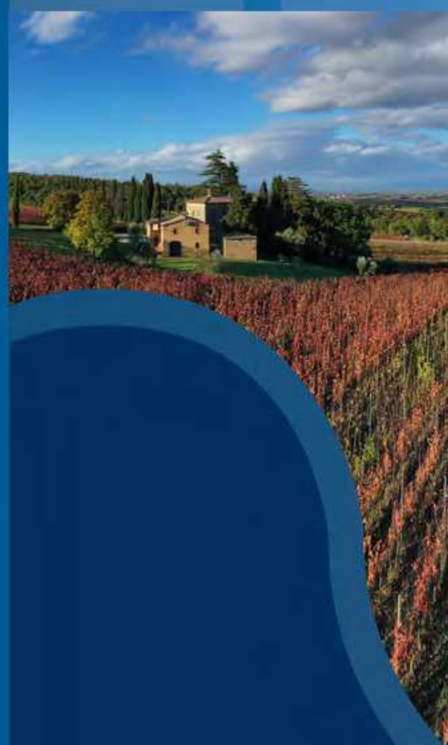
SUMMARY OF FEES FOR THE YEAR FOR SERVICES PROVIDED BY THE INDEPENDENT AUDITORS

Summary of fees for the year for services provided by the Independent Auditors (Art. 149-duodecies of Issuer's Regulation)

Amounts in €k

Type of services	Provider of the service	Recipient	Fees (*)
Legally-required audit	EY SpA	Unipol SpA	137
Attestation services	EY SpA	Unipol SpA	
Other professional services	EY SpA	Unipol SpA	103
Total Unipol Gruppo			**240**
Legally-required audit	EY SpA	Subsidiaries	1,892
Legally-required audit	Ernst & Young Ireland Unlimited Company - Ireland	Subsidiaries	245
Legally-required audit	Ernst & Young DOO - Serbia	Subsidiaries	83
Legally-required audit	Ernst & Young Société Anonyme - Luxembourg	Subsidiaries	9
Legally-required audit	Ernst & Young Accountants LLP - Netherlands	Subsidiaries	24
Attestation services	EY SpA	Subsidiaries	473
Other professional services	EY SpA	Subsidiaries	233
Other professional services	Ernst & Young Ireland Unlimited Company - Ireland	Subsidiaries	90
Other professional services	EY Advisory SpA	Subsidiaries	24
Total subsidiaries			**3,072**
Grand total			**3,312**

(*) the fees do not include any non-deductible VAT or charged back expenses



6

STATEMENT ON THE CONSOLIDATED FINANCIAL STATEMENTS IN ACCORDANCE WITH ART. 81-TER OF CONSOB REGULATION NO. 11971/1999

Statement on the Consolidated Financial Statements

STATEMENT ON THE INTEGRATED CONSOLIDATED FINANCIAL STATEMENTS IN ACCORDANCE WITH ART. 81-ter, CONSOB REGULATION No. 11971 OF 14 MAY 1999 AND SUBSEQUENT AMENDMENTS AND ADDITIONS

1. The undersigned, Carlo Cimbri, as Chief Executive Officer, and Maurizio Castellina, as Manager in charge of financial reporting of Unipol Gruppo S.p.A., hereby certify, also taking into account the provisions of Art. 154-bis, paragraphs 3 and 4 of Legislative Decree 58 of 24 February 1998:
   - the adequacy in relation to the characteristics of the company and
   - the effective application

   of the administrative and accounting procedures for the preparation of the **integrated consolidated financial statements** for the period 1 January 2021-31 December 2021.
2. The assessment of the adequacy of the administrative and accounting procedures, for preparing the integrated consolidated financial statements at 31 December 2021, is based on a process defined by Unipol Gruppo S.p.A., inspired by the COSO Framework (Internal Control - Integrated Framework, issued by the Committee of Sponsoring Organisations of the Treadway Commission), internationally recognised as the reference standards for the implementation and evaluation of internal control systems.
3. It is also certified that:

   3.1. the integrated consolidated financial statements at 31 December 2021:
   - were prepared in compliance with the International Accounting Standards recognised in the European Community in accordance with: the Regulation (EC) no. 1606/2002 of the European Parliament and of the Council of 19 July 2002, the Legislative Decree no. 38/2005, the Legislative Decree no. 209/2005 and the applicable IVASS measures, regulations and circulars;
   - correspond to the book results and accounting records;
   - are suitable to provide a true and fair view of the equity, economic and financial situation of the issuer and of the consolidated companies;

   3.2. the management report includes a reliable analysis of the performance and of the operating result, and of the situation of the issuer and of the consolidated companies, together with a description of the main risks and uncertainties to which they are exposed.

Bologna, 24 March 2022

The Manager in charge of financial reporting	The Chief Executive Officer and Group CEO
Maurizio Castellina	*Carlo Cimbri*

(signed on the original)

Unipol Gruppo S.p.A.

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Capogruppo del Gruppo Assicurativo Unipol iscritto all'Albo delle società capogruppo al n. 046
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E-MARKET SDIR CERTIFIED

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Share capital
€3,365,292,408.03 fully paid-up
Bologna Register of Companies
Tax No. 00284160371
VAT No. 03740811207
R.E.A. No.160304

Parent company of the Unipol Insurance Group
entered in the Register of the parent companies
at No. 046

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