

2019



CONSOLIDATED NON-FINANCIAL STATEMENT

PURSUANT TO ARTICLES 3 AND 4 OF ITALIAN LEGISLATIVE DECREE 254/16

SUSTAINABILITY REPORT

*YOUR WORLD,
ALL AROUND.*

INTEGRITY



YOUR WORLD,
ALL AROUND.

The evolution of serenity

The uniqueness of individuals enriches the community. Together we make up a world of amazing values and talents. When we are connected with others, we realise how great our human potential is.

Our symbol is completed graphically and lights up with images that talk about the world (with a desire to protect it) through the eyes of our employees, through their photographs.

We know we face great challenges ahead of us and we're ready to do all that is needed, with flexibility and commitment, to increase and protect the overall good, with a mutual serenity intent.

*Please note that the original Report is in Italian.
In case of doubt the Italian version prevails.*



CONSOLIDATED
FINANCIAL STATEMENTS

FOCUS ON
RESULTS

YOUR WORLD,
ALL AROUND.

INTEGRITY

COURAGE
TO DO AND
TO LEARN

COHESION

MERITOCRACY

REPORT ON
REMUNERATION POLICES
AND FEES PAID

REPORT ON
CORPORATE GOVERNANCE AND
THE OWNERSHIP STRUCTURES

ANNUAL REPORT AND
FINANCIAL STATEMENTS

2019 CONSOLIDATED NON-FINANCIAL STATEMENT

PURSUANT TO ARTICLES 3 AND 4 OF
ITALIAN LEGISLATIVE DECREE 254/16

SUSTAINABILITY REPORT

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*CORPORATIONS ARE ECONOMIC ENTITIES,
TO BE SURE, BUT THEY ARE ALSO
SOCIAL INSTITUTIONS THAT MUST JUSTIFY
THEIR EXISTENCE BY THEIR OVERALL
CONTRIBUTION TO SOCIETY.*

Henry Mintzberg

SUSTAINABILITY: A NECESSARY COMMITMENT

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Being sustainable means
looking to the future,
being confident and committed
to preserving the value created
and generating it again.



SUSTAINABILITY: A NECESSARY COMMITMENT

A PROJECT AIMED AT PEOPLE

Thinking about tomorrow, today: there is no more suitable expression to synthesise the philosophy of sustainability.

By definition, being sustainable means looking to the future, being confident and committed to preserving the value created and generating it again.

Let us not forget that the insurance business arose with the aim of protecting and preserving value, so that it can be safely handed down for the benefit of the generations to come.

That is why Cattolica's business is directly in line with the new frontiers of sustainability, and is fully aware that the same are not limited to that which is highlighted by income and financial results.

We have always tried to consider the future in our business, and create the conditions for it to offer prospects for long-lasting development for people and the community.

We work in the present so that tomorrow is better and can be confidently lived. I am convinced that in our sector, responsible management is also the premise on which long-term success is built.

I am referring, for example, to the relationship with the customer, which very often lasts a very long time, sometimes decades. The most authentic core of this daily work is to support and advise current and potential customers when they choose us as their reference company, or approach us for their safety and protection needs.

But we also know that an increasing number of people are sensitive to the way in which, as an economic player, Cattolica conducts its business and makes its contribution to the development of society, the territory and to the protection of the environment.

The ultimate base of our action must therefore lie in a system of modern values and founding principles that are often, and rightly, referred to in the Non-Financial Statement; operating in a sustainable and responsible manner is only a natural corollary of this value structure.

Social responsibility must first and foremost be expressed in our core business: insurance products and solutions that help people and businesses implement their projects and make them feel safe and protected.

However, we want to go beyond this and take initiatives that go over and above the scope of institutional operations.

We do this by offering various forms of support to projects that promote the centrality of the person and his/her development, both inside and outside the Group.

Every year we compare ourselves to that which has been achieved in the past, and above all, what we are able to do: this is how we contribute to the common good with transparency, comparability and evaluability.

And once again the Sustainability Report is the synthetic but exhaustive representation of the initiatives that Cattolica has implemented, as well as the constant dialogue with stakeholders who have growing expectations of us.

Those who know me well know how much importance I have always given to the relationship and ties that Cattolica can and must establish with the reference territories.

I believe that the success of future models of society and business must be sought in innovation, in the ability to rethink products and services, but also in forms of social coexistence that are more attentive to people.

It is a concept of sustainability that is measured in the cohesion of a community and in the quality of life of all its members, no one excluded. I am convinced that a cooperative like Cattolica is in a privileged position and internally has all the ethical, human and managerial qualities to assume this responsibility.



Paolo Bedoni
Chairman



The Company's choices converge towards a clear and coherent goal: to contribute to the construction of a positive scenario for customers, individuals and the community.



FOR ACTIVE RESPONSIBILITY

We have reached the end of the second year of the 2018-2020 Business Plan and we are pleased to note that much has been achieved in this period of great activity and dynamism for the Cattolica Group. Our evolution continues and our efforts are increasing, both in terms of innovation and competitive strategy and in the field of corporate responsibility, of concrete and tangible sustainability.

The Company's choices converge towards a clear and coherent goal: to contribute to the construction of a positive scenario for customers, individuals and the community.

It is the result of daily work, constant dialogue with internal and external players, the search for more effective business solutions in the present, but with a perspective capable of interpreting and anticipating the signals that foreshadow the new.

It is an effort that focuses on the concepts of change and transformation, on the updating of products and services, but also on the ways in which individuals work and feel like part of a large organisation. I believe that the ability to inspire and motivate people is still one of the most important human and managerial qualities, decisive for anyone who wants to harmonise their individual ethics with the social responsibility of the company in which they operate.

I believe that trust - and therefore the ability to generate and spread trust - is one of the essential ingredients of a concept of sustainability that goes beyond the achievement of one or more measurable objectives, however important and worthwhile, and has the ambition instead of carrying out a cultural transformation within companies and civil society.

Almost all recent studies in the area of social responsibility show that people trust companies less and at the same time demand greater efforts and results from them. Sustainability becomes a non-negotiable aspect for customers and consumers, a value that an organisation must be quite able to demonstrate in the field.

The new Code of Corporate Governance of listed companies which will enter into force in 2021 has fully implemented the emerging issues on these topics, promoting companies' adoption of strategies oriented towards sustainability and assigning top management with the task of pursuing "sustainable success".

This is a real paradigm shift, and in this scenario the Group has the skills and energy to play a leading role.

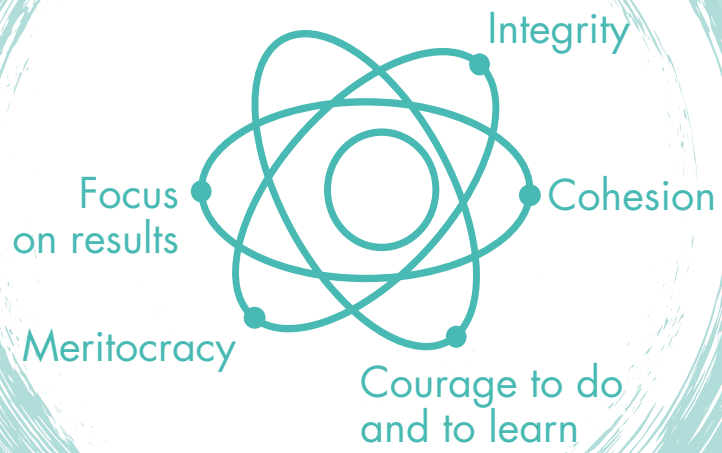
I have strongly supported Cattolica's subscription to the Principles for Responsible Investment promoted by the United Nations and its full support for the principles themselves and the philosophy that inspires them; a commitment that we will try to make evermore substantial and visible in future investment activities. The Non-Financial Statement also includes the trace of a path that has already been started and that we want to continue to the best of our ability.

If companies today have a growing responsibility in caring for and defending the planet, in preserving the social fabric and in people's lives, the many initiatives that we are implementing this year also seek to reaffirm our idea of sustainability and the role that we continue to pursue as a responsible company, with that combination of ethical idealism and concrete and laborious entrepreneurial vision that distinguishes us.



Carlo Ferraresi
General Manager

OUR VALUES



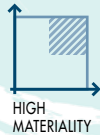
THE FOUNDATIONS OF CSR

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THE FOUNDATIONS OF CSR



CORPORATE VALUES: THE VALUE OF VALUES



Harmoniously combining business objectives and individual behaviours: the corporate values of Cattolica represent the ideal nucleus of its corporate identity, but are at the same time operational concepts and of immediate practical application.

Starting from the founding principles inspired by the Social Doctrine of the Church (SDC), Cattolica has evolved while strongly maintaining the idea that values are living and concrete references, to be expressed in everyday practice.

The Group's five values are the natural results of a value DNA that is visible in filigree throughout the Company's history.

Integrity

It is the most ethical and personal value of the five, a principle that underlies a moral internal pressure, yet with strongly pragmatic implications. It is expressed in the maintenance of full coherence between daily life and the reference values stated, exercising honesty towards oneself as the precondition of the correctness in relations with others.

Cohesion

It is a value that expresses the strength and unity of intention of the Group, the strong sense of belonging to a team and the ability to develop effective ways of cooperation among the individuals, in view of achieving a common goal. It also indicates the desire to share experiences of mutual enrichment, which overcome organisational boundaries and functional subdivisions.

Courage to do and to learn

It recounts the intellectual and professional curiosity, directed at the constant search for innovation and supported by the inclination to explore new ideas and solutions, without being afraid to make mistakes or expose oneself. It is a kind of courage which implies a sense of responsibility and accountability towards the solution proposed, which dares to take new paths and has the energy and faith to transform even a mistake into a learning experience.

Meritocracy

It affirms the worth and its recognition as criterion and promotes the capacity to grasp it, evaluate it and enhance it: meritocracy sets itself as the guarantee of a fair process in rewarding the result, stimulating the commitment and quality of serious effort. Its natural corollary is respect for the work of people, at every organisational level.

Focus on results

It represents the most pragmatic value, which is based on a proactive striving to achieve the best results possible, with an aptitude for the quality of work and the pressure to advance. It promotes the organisation of work by objectives, the ability to listen to the needs of the customer (internal and external) and the willingness to ensure high-quality service.

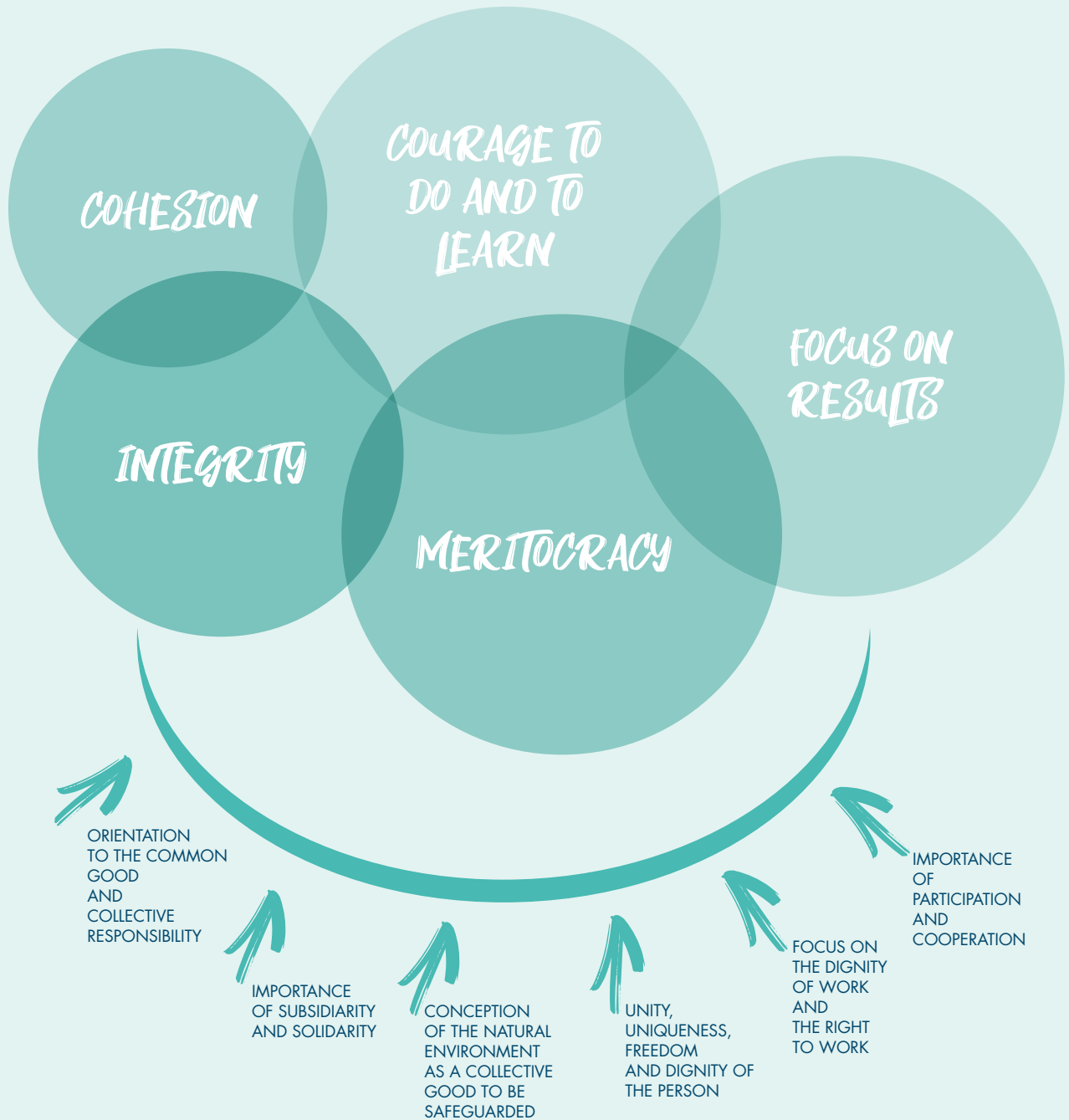
The person at the origin of ethics: the Code of Conduct

The ethical dimension, an eminently individual quality, remains an irreplaceable element on which to graft corporate initiatives that favour and reward virtuous conduct oriented to the common good.

The internal Code of Conduct for the Group companies outlines the principles and rules of conduct that employees and consultants must follow when carrying out their work.

A working table is planned in 2020 aimed at updating and extending the Code of Conduct in order to incorporate the requests from the new national and international legislative framework, as well as the latest best practices in terms of ethics and corporate sustainability.

OUR VALUES



SDC Principles

THE CORNERSTONES OF CATTOLICA'S CSR: CONCEPTUAL STRUCTURE AND GOVERNANCE

Cattolica's idea of "integrated" sustainability which has been developing since 2017 has translated into a CSR governance structure and operational methods that take into account the organisational and cultural peculiarities of the Company.

It is a systemic view, in which the strategic guidelines that inspire and make up its long-term orientation

- the principle of customer centrality
- the leverage of efficiency in distribution
- the emphasis on innovation, digitisation and a multichannel system
- the basis of social responsibility
- the importance given to environmental sustainability
- respect for and development of resources

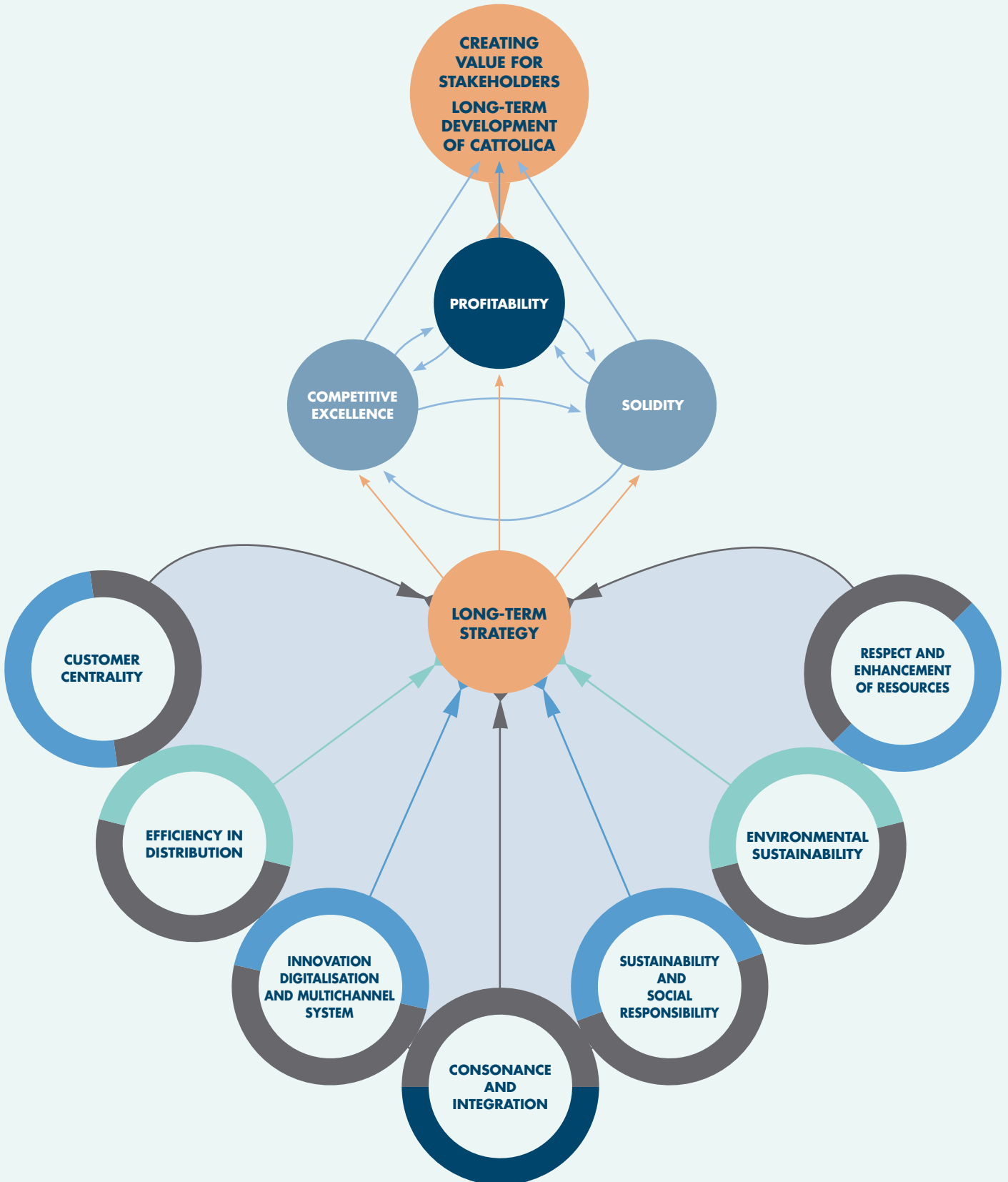
are fully harmonised and integrated to define an entrepreneurial formula that feeds and supports the three economic pillars:

- Financial and equity solidity
- Profitability
- Competitive excellence

with the ultimate aim of achieving lasting value creation for stakeholders and the stability and cost-effectiveness necessary for balanced long-term growth.

An outline of this concept is offered in the following diagram.

CATTOLICA'S INTEGRATED CSR



GROUP CSR GOVERNANCE

The CSR governance structure has recently been updated, along with some changes in the organisational structure, preserving the transparent allocation of functions and responsibilities and strengthening connections with top management, in order to optimise the processes of evaluation, deliberation and implementation of initiatives and activities, with attention to market benchmarks and prevailing best practices.

The current governance model is shown in the following diagram.

Corporate Sustainability and Responsibility Unit: operates within the Communication area and has the task of promoting and coordinating CSR activities and initiatives, including in particular the drafting of the Consolidated Non-Financial Statement (hereinafter also NFS). The Unit also has the task of promoting the dissemination of a corporate culture oriented towards sustainability and encouraging the adoption and dissemination of best practices within the Group.

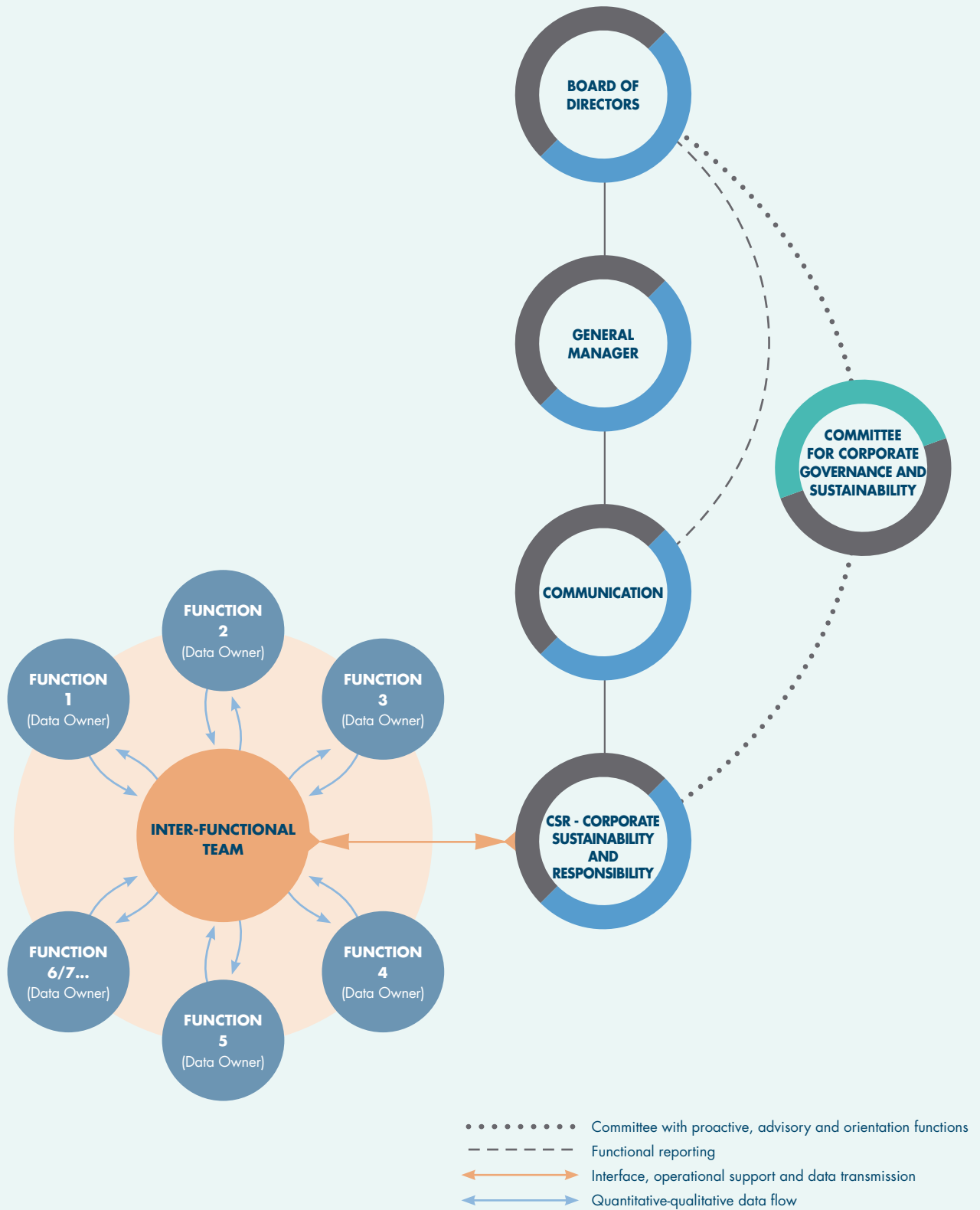
CSR inter-functional team: under the leadership of the CSR Unit, it connects the same Unit and the individual subjects responsible for data and information (data owners), who are part of the multiple corporate units involved, ensuring the prompt and efficient transmission of the qualitative and quantitative data necessary for the preparation of the NFS. The Team is a key hub for shared and widespread sustainability governance.

Committee for Corporate Governance and Sustainability: the internal Board committee in charge - inter alia - of sustainability and corporate responsibility. It has proactive, advisory and guidance functions regarding the strategy, the policies and the activities of the Cattolica Group's corporate sustainability.

Board of Directors: responsible for the approval of the NFS. As the supreme body of governance, the Board is also responsible for approving the CSR documents and initiatives which fall within its decision-making scope.

General Manager: responsible for reviewing the NFS before sharing it with the Committee for Corporate Governance and Sustainability and is a point of reference for the activities of the CSR Unit, which regularly updates him on the ongoing and scheduled initiatives.

CHART OF THE GROUP CSR GOVERNANCE



THE COMMON LANGUAGE OF SUSTAINABILITY: THE SDGs

Cattolica continues its approach, which it has chosen since 2018, to refer many of the activities and initiatives undertaken in the field of corporate sustainability to the 17 Sustainable Development Goals (SDGs) defined by the United Nations.

Through their 169 specific and immediately operational targets, the SDGs are a universally recognised standard for mapping initiatives and projects that promote sustainable development, an outcome whose achievement has its own time horizon of 2030.

The Group reiterates the choice to use the SDGs chosen as a shared benchmark to define the agenda of corporate sustainability activities, with a long-term perspective and with a particular sensitivity to the emergence of new opportunities for intervention.

Similar to that which occurred in 2018, the SDGs assessed as most relevant - considering the nature, characteristics, type of business and present and prospective lines of intervention of the Company - are reported within the 2019 NFS.



The SDGs: the vision of Cattolica

Cattolica reaffirms the idea of concentrating efforts and using resources in areas in which it believes it can achieve a significant and lasting impact, according to the orientation already outlined by the 2018 and 2019 CSR action plans and with special attention to the strategic growth guidelines expressed in the Business Plan.

The following overview describes the SDGs identified since 2018 and the related material topics¹, together with a list of activities and initiatives implemented in 2019.

The sections of the document which are directly related to the activities and initiatives attributable to the indicated SDGs are highlighted with the relative symbols.

¹ For the definition of "material topics" refer to the section on the materiality analysis in the next chapter.

MACRO-SUBJECT	MATERIAL TOPICS	POLICY IMPLEMENTED	SDGs	NFS REFERENCE
GOVERNANCE AND RESPONSIBLE CONDUCT	Corporate Governance Business ethics and transparency Risk management	One-tier system adoption Stakeholder engagement expansion Code of Conduct <i>Corporate values</i>		SUSTAINABLE FROM THE START: CORPORATE GOVERNANCE
ECONOMIC RESPONSIBILITY	Economic performance and financial solidity	Economic value generated and distributed Total Tax Contribution		SUSTAINABLE COST-EFFECTIVENESS: ECONOMIC RESULTS
PRODUCT RESPONSIBILITY RESPONSIBILITY TOWARDS CUSTOMERS	Customer satisfaction Innovation and multichannel system Product transparency and linearity Products and services supporting sustainable and responsible behaviours Marketing and brand image Principles of responsible investment Management of agents and intermediaries Data security Excellence in accident management	Innovative products and services Products of particular social value Areas of excellence: Agri-food Religious Organisations Third Sector associations <i>ESG Investing</i> CSR activities and initiatives Diversification and speciality lines Complaints management Fondazione Sodalitas - CEO call to action	  	THE MISSION TO PROTECT: CUSTOMER SERVICE BETWEEN THE LAGOON AND THE TERRITORY: TENUTA CA' TRON AGRICULTURAL ESTATE THE FOUNDATIONS OF CSR
RESPONSIBILITY TOWARDS PEOPLE	Training and management of employees Work-life balance Diversity and inclusion Health and safety of workers / employees	Great Place To Work® WITH Evaluation Smart working Corporate welfare Training activities Prevention and safety activities Job Market Industrial relations Equal opportunities commission Well-being and solidarity	  	PERSONAL DEVELOPMENT AND GROUP COHESION: CATTOLICA AND PEOPLE
SOCIAL RESPONSIBILITY	Indirect social impact	Activities and initiatives in the territory "Intraprendere nel sociale" projects [social entrepreneurship] Membership in Il Quinto Ampliamento and Fondazione Sodalitas	 	FOR THE COMMON GOOD: SOCIAL INITIATIVES
ENVIRONMENTAL RESPONSIBILITY	Climate change and natural disasters Energy consumption and emissions Risk management Principles of responsible investment	<i>ESG Investing</i> Cooperation with FEEM Catastrophic insurance policies Risks in agriculture policies Renewable energies fund Ca' Tron environmental policy Group environmental policy Energy saving initiatives Sustainable real estate initiatives	 	A RESPONSIBILITY OF ALL: CATTOLICA AND THE ENVIRONMENT INVESTING RESPONSIBLY: ESG INVESTING BETWEEN THE LAGOON AND THE TERRITORY: TENUTA CA' TRON AGRICULTURAL ESTATE

LEADER IN PROTECTION: THE CATTOLICA GROUP AND ITS BUSINESS

Cattolica is a reference company for individuals, families and businesses looking for effective and innovative products and services for economic and financial protection from risks and adverse events.

The Company is one of the main protagonists in the Italian insurance market, thanks to a total collection of premiums of € 6.9 billion at the end of 2019 (2018: € 5.8 billion). Almost 3.6 million customers choose our insurance solutions and the products distributed by the Group. Customer care, offering quality and the creation of long-term relationships are still the essential features of the Company's business model, according to a distinctive competitive and social philosophy.

The multichannel and multi-product, flexible and dynamic model adopted combines innovation strategies and consolidation and loyalty activities, with a special focus on lifestyles and emerging social and demographic trends.

Cattolica offers specific solutions for individuals, families, businesses and other types of customers traditionally linked to the Company, primarily those operating in the agri-food sector, Religious Organisations and Third Sector associations.

THE STRUCTURE OF THE CATTOLICA GROUP

The Group's activities are divided up into three business segments: non-life, life and other.

Cattolica Assicurazioni is the Parent Company that covers the life and non-life business.

The business in the non-life segment includes: ABC Assicura, BCC Assicurazioni, TUA Assicurazioni, Vera Assicurazioni, CATTRe and C.P. Servizi Consulenziali² for the Cattolica non-life mandate and the closed-end property funds allocated to the non-life portfolio.

The life segment includes: BCC Vita, Berica Vita, Cattolica Life, Lombarda Vita, Vera Financial, Vera Protezione, Vera Vita, C.P. Servizi Consulenziali³ for the Cattolica life mandate and the closed-end property funds allocated to the life portfolio.

Other business includes the agricultural-real estate sector, with Cattolica Agricola and Cattolica Beni Immobili, and the operating services of Cattolica Services and Cattolica Immobiliare, instrumental in the performance of the Group's activities. Also included are Estinvest, All Risks Solutions, Satec, Meteotec and Qubo Insurance Solutions.

As at 31 December, the consolidation area⁴ included the insurance Parent Company, 12 insurance companies, of which one reinsurance company, nine service companies, two companies in the agricultural-real estate sector and six real estate investment funds.

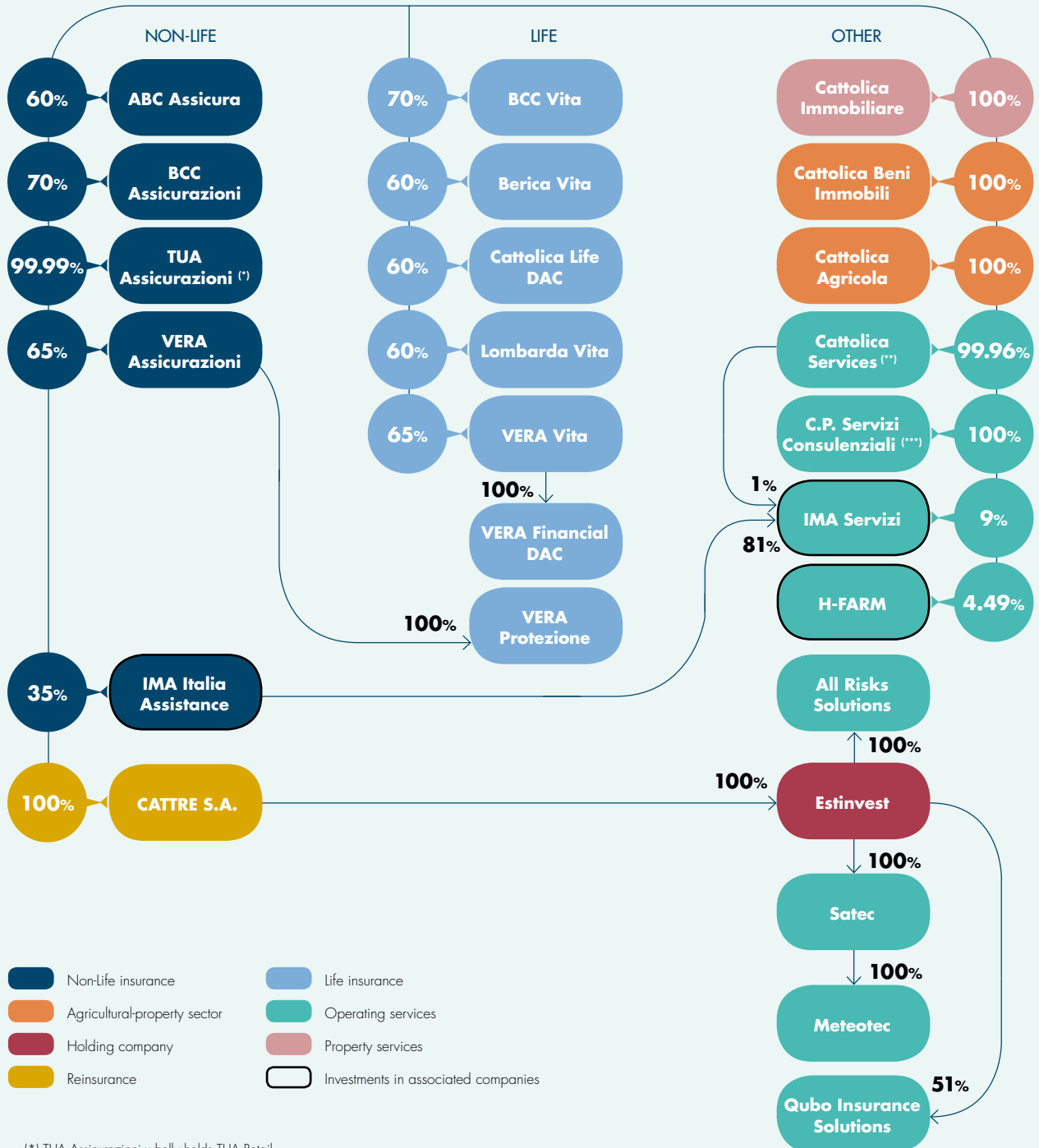
The structure of the Group, which includes the subsidiaries and associates in addition to the Parent Company, is shown in the following chart.

² The company was merged by incorporation into Cattolica Immobiliare with effect from 1.1.2020.

³ See footnote 2.

⁴ The list includes the fully consolidated legal entities, while the chart with the Group structure considers subsidiaries and associates; the chart therefore does not contain the six real estate funds described in the text.

GROUP STRUCTURE AS OF DECEMBER 31, 2019⁵



(*) TUA Assicurazioni wholly holds TUA Retail.
 (***) 0.005% of the share capital is held individually by ABC Assicura, BCC Assicurazioni, BCC Vita, Berica Vita, Lombarda Vita and C.P. Servizi Consulenziali, and 0.01% by TUA Assicurazioni.
 (***) Merged by incorporation into Cattolica Immobiliare with effect from January 1, 2020.

⁵ The following funds are also included in the scope of consolidation of the Sustainability Report, but not shown in the table: Fondo Euripide, Fondo San Zeno, Fondo Perseide, Fondo Innovazione Salute, Fondo Andromacca and Fondo Girolamo.

The Companies of the non-life segment

- ABC Assicura, based in Verona, with share capital of € 8.9 million, is authorised to operate in the non-life sector. During the year, there was no new production and the company directly ensures assistance to customers for necessary after-sales transactions. The Parent Company owns 60% of the share capital⁶;
- BCC Assicurazioni, based in Milan, share capital of € 14.4 million, is authorised to carry out non-life business and distributes its products using the network of branches of the ICCREA Group. The Parent Company holds 70% of the share capital following the purchase of an additional 19% from ICCREA Banca;
- TUA Assicurazioni, based in Milan, share capital of € 23.2 million, carries out insurance activities in the non-life business, offering the market a specialist range of insurance and financial products and services able to meet the needs of personal line customers. The Parent Company owns 99.99% of the share capital;
- Vera Assicurazioni, based in Verona, share capital of € 63.5 million, is authorised to carry out non-life business. Cattolica owns 65% of the company.

The Companies of the life segment

- BCC Vita, based in Milan, share capital of € 62 million, is authorised to carry out life insurance activities and distributes its products via the branches of the ICCREA Group. The Parent Company holds 70% of the share capital following the purchase of an additional 19% from ICCREA Banca;
- Berica Vita, based in Vicenza, share capital of € 31 million, is authorised to carry out life insurance activities. During the year, there was no new production; the company directly ensures assistance to customers for necessary after-sales transactions. The Parent Company owns 60% of the share capital;
- Cattolica Life DAC is a life insurance company with headquarters in Dublin, Ireland, share capital of € 635 thousand, specialising in the structuring of index and unlinked contracts for customer segments. The Parent Company owns 60% of the share capital;
- Lombarda Vita, based in Brescia, share capital of € 185.3 million, is authorised to carry out life insurance activities, distributing them via the network of branches of the UBI Banca Group. The Parent Company owns 60% of the share capital;

- Vera Protezione, based in Verona, share capital of € 47.5 million, is authorised to carry out life business and is specialised in TCM (temporary life insurance) policies. Cattolica holds 65% of Vera Assicurazioni, which in turn holds 100% of the company;
- Vera Vita, with headquarters in Verona, share capital of € 219.6 million, is authorised to carry out life business and is specialised in the savings and investment products business. Cattolica holds 65% of the company;
- Vera Financial DAC is a life insurance company with headquarters in Dublin, Ireland, share capital of € 803 thousand, specialising in class III life insurance policies. Cattolica holds 65% of Vera Vita which in turn holds 100% of the company.

The companies operating in both branches

- C.P. Servizi Consulenziali, based in Verona, share capital of € 120 thousand. It carried out non-life premium collection activities (with TUA and Cattolica products) as well as in the life branches (Cattolica) by means of subagents until it ceased its activity in November. It is entirely owned by Cattolica. The company was merged by incorporation into Cattolica Immobiliare with effect from 1.1.2020.

Companies operating in reinsurance

- CATTRe, with headquarters in Luxembourg, share capital of € 3.6 million, is authorised to exercise the reinsurance business. Cattolica owns 100% of the company.

The funds

- Fondo Andromaca is a newly established real estate property mutual fund owned 100% by Cattolica. Part of the units is allocated in the non-life portfolio;
- Fondo Euripide is a common closed-end real estate investment fund managed by Finanziaria Internazionale Investments SGR. The overall shares are: Cattolica 69.21%, Lombarda Vita 17.26%, TUA Assicurazioni 1.08%, Vera Vita 10.52%, Vera Protezione 1.39% and Vera Assicurazioni 0.54%. They are partially allocated to Cattolica's, TUA Assicurazioni's and Vera Assicurazioni's non-life portfolios;
- Fondo Girolamo is a common closed-end real estate investment fund managed by Savills IM SGR. It is 80.65% owned by Cattolica and 19.35% by TUA Assicurazioni. Part of the units is allocated to Cattolica's and TUA Assicurazioni's non-life portfolio;

⁶ In February 2020, Cattolica completed the purchase of 40% of ABC Assicura from Banca Popolare di Vicenza in compulsory administrative liquidation, bringing the share capital held by the Parent Company to 100%.

- Fondo Innovazione Salute is a real estate mutual investment fund dedicated to housing for the elderly and was formed in 2018. Cattolica owns 76.80% of the fund;
- Fondo Perseide is a real estate property mutual fund dedicated to investment in renewable energies, managed by Finanziaria Internazionale Investments SGR. The overall shares are: Cattolica 79.15%, Lombarda Vita 11%, TUA Assicurazioni 5.16% and BCC Vita 4.69%. Part of said shares is allocated to Cattolica's and TUA Assicurazioni's non-life portfolio;
- Fondo San Zeno is a closed-end real estate property mutual investment fund, managed by CB Richard Ellis, which was wholly acquired by the Group companies. The overall shares are: Cattolica 68.01%, Lombarda Vita 12.65% and BCC Vita 19.33%. Part of said shares is allocated to Cattolica's non-life portfolio.
- Cattolica Services, a consortium company based in Verona, with share capital of € 21 million, carries out services activities for the Group. The services and activities provided are: planning, implementation and management of IT applications and operating processes, along with the services relating to telecommunications systems; supervision of the digital innovation of the Group with regard to IT and organisational aspects; handling of the settlement of Group claims with the exception of the security, hail and transport areas; teaching and training services for the Group resources; the life and welfare technical area; non-life operations and accounting and financial statements of the Group companies. It is controlled by Cattolica which owns 99.96%; the remaining share is held by other companies of the Group (ABC Assicura, BCC Assicurazioni, BCC Vita, Berica Vita, C.P. Servizi Consulenziali, Lombarda Vita in equal percentage of 0.005%) and by TUA Assicurazioni with 0.01%;

Other Companies

Agricultural-real estate property sector

- Cattolica Agricola was established in 2012 by Cattolica as single-member within the sphere of the purchase of the property complex known as Tenuta Ca' Tron. It is based in Verona, share capital of € 35.5 million and has as its object the exclusive purpose of carrying out agricultural activities pursuant to Article 2135 of the Italian Civil Code;
- Cattolica Beni Immobili was established in 2012 by Cattolica and is still the single-member company within the scope of the purchase of the property complex known as Tenuta Ca' Tron. It is based in Verona with share capital of € 7 million. It manages, amongst other aspects, the properties not instrumental to the agricultural activities located on the Estate, as well as the "Cattolica Center" property complex located in Verona.
- All Risks Solutions, based in Rome, carries out insurance brokerage activities. It has a share capital of € 10 thousand and is 100% owned by Estinvest;
- Estinvest, based in Venice, is a holding company, share capital of € 81 thousand. CATTRE has held 100% of its capital since December;
- Meteotec, based in Venice, carries out meteorological and climatic research activities, share capital € 30 thousand. It is wholly owned by Satec;
- Qubo Insurance Solutions, based in Milan, carries out insurance brokerage activities, share capital € 10 thousand. Estinvest holds 51% of the company;
- Satec, based in Venice, carries out insurance brokerage activities, share capital € 135 thousand. It has been 100% controlled by Estinvest since December;
- Campo dei Fiori is a limited liability company, 100% controlled by Fondo San Zeno, of which Cattolica holds 68.01%.

Real estate, equipment and services

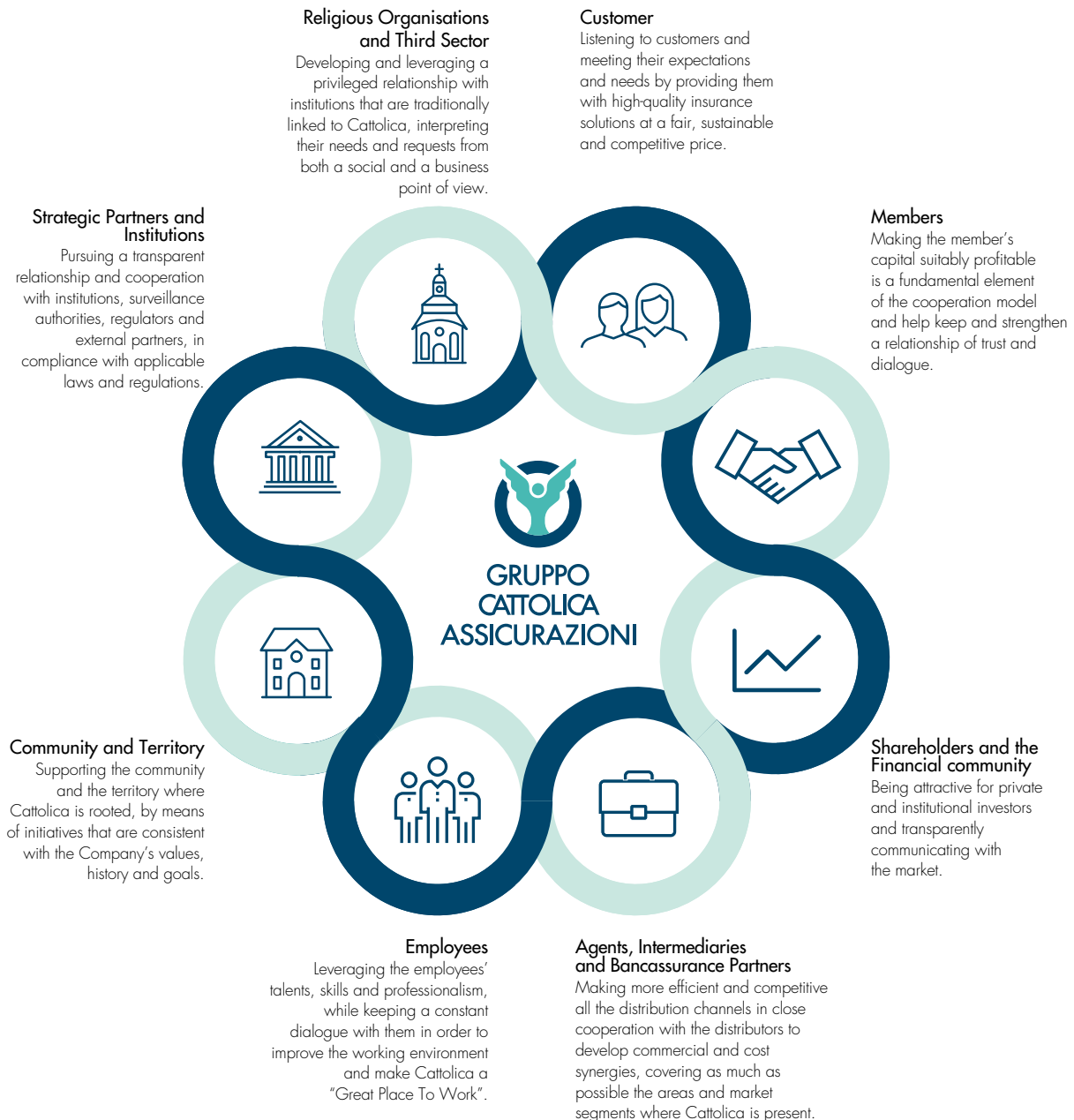
- Cattolica Immobiliare, based in Verona, share capital of € 400 thousand, carries out activities for developing and leveraging real estate assets and those typical of property services. It is wholly owned by the Parent Company;

THE STAKEHOLDERS OF CATTOLICA

The figure shows the graphic summary of Cattolica's most relevant stakeholders, including the categories that are most closely linked to the Company's life. The lasting fulfilment of the expectations and needs of these stakeholders is a necessary condition for Cattolica's long-term success and cost-effectiveness.

The list was drawn up in 2017 at the same time as the first materiality analysis and was confirmed in 2019 following an internal workshop with management. The Cattolica Group's point of view regarding the materiality analysis described below was also discussed and defined.

CATTOLICA AND ITS STAKEHOLDERS



LISTENING: STAKEHOLDER ENGAGEMENT

The capacity of a company to understand and satisfy the expectations and requests of the stakeholders is a key requirement for the achievement of high institutional legitimacy and appropriate social performance.

Also for the 2019 NFS, the CSR Unit is committed to engaging stakeholders to learn their point of view on the topics deemed relevant, in order to refine the materiality process and make it more effective and credible.

The engagement process involved an update of the consultation of employees and agents, while the new aspect concerns the extension of the investigation to customers, involved for the first time.

The tool chosen was a questionnaire, through which opinions were gathered on the topics that emerged as the most significant following benchmark and sector analyses.

With the total engagement of about 1,500 people including employees, agents and customers, the analysis was extremely positive:

→ employees were involved for the second consecutive year through a newly formulated online questionnaire, sent by email to all staff: 1,180 employees responded, with a response rate of 67%;

→ similarly to last year, agents were also consulted through an online questionnaire proposed to a larger sample of agencies: 258 agents responded, more than twice as many as in 2018;

→ finally, a sample of 92 customers was involved for the first time, always online and in full compliance with privacy regulations.

The results of the stakeholder engagement activity substantially confirmed the material topics, highlighting the increased importance of the topics "excellence in accident management", "data security" and "climate change and natural disasters".

The following table details the channels of dialogue and engagement which Cattolica has in place with the various categories of stakeholders, as well as the main areas of discussion. The stakeholders involved in the 2019 engagement activity are highlighted.

Stakeholders: 35 years of a key concept

The term stakeholder is one of the most important theoretical innovations of the last century and has many implications for the modern conception of company that has developed in recent decades.









The classic definition of stakeholder, which describes it as "any individual or group that is capable of influencing the achievement of an organisation's objectives or that may be influenced by those of a company" dates back to 1984 and was developed by Robert E. Freeman.

From that moment on, the organisation itself has been conceived as the outcome of the interaction and dialectics between a certain number of stakeholders, just as its primary purpose becomes the proper management of their interests, needs and points of view.

A complementary definition considers them as "those subjects that are not just vital for the success, but for the very survival of an organisation".

The introduction of stakeholders into business theory had a far-reaching consequence as its corollary: the decisions of a company, which produce effects on these categories of players, cannot ignore an ethical assessment of their impact and their consequences.

Thus the concepts of social responsibility and sustainability would not have developed on such a large scale if the stakeholder theory had not created the favourable grounds for a different conception of the company and its increased role in the contemporary social-economic context.

STAKEHOLDER	MAIN TOPICS	DISCUSSION CHANNELS										
CUSTOMERS 	Quality of the service Customer satisfaction Transparency of the service offered Data security	Company website Customer service / Complaints management New technologies to support the use of services Social networks Distribution network										
MEMBERS 	Soundness and financial sustainability Transparency towards the market Economic and financial performance Presence on the territory	Meetings in the territory Members' Meeting Financial statements and reports Company website Conferences and meetings Questionnaire										
SHAREHOLDERS AND FINANCIAL COMMUNITY 	Soundness and financial sustainability Transparency towards the market Economic and financial performance	Financial statements and reports Company website Conferences and meetings										
AGENTS, INTERMEDIARIES AND BANCASSURANCE PARTNERS 	Building long-lasting relationships Transparency in relations Development of agents' skills Shared value generation	Sales meetings Training and refresher days Partnerships Annual roadshows Online questionnaire Newsletters Dedicated events Digital and social channels										
EMPLOYEES 	Employee welfare Skills development and extension Health protection and occupational safety Equal opportunities Professional growth	<table border="0"> <tr> <td>Corporate intranet</td> <td>Newsletters</td> </tr> <tr> <td>Internal climate survey</td> <td>Mailing</td> </tr> <tr> <td>Talent Check up</td> <td>Videowall</td> </tr> <tr> <td>Training courses</td> <td>Internal events</td> </tr> <tr> <td>Online questionnaire</td> <td></td> </tr> </table>	Corporate intranet	Newsletters	Internal climate survey	Mailing	Talent Check up	Videowall	Training courses	Internal events	Online questionnaire	
Corporate intranet	Newsletters											
Internal climate survey	Mailing											
Talent Check up	Videowall											
Training courses	Internal events											
Online questionnaire												
COMMUNITY AND TERRITORY 	Contribution to social and cultural initiatives Support for local associations Support for employment and small entrepreneurship	Company website Sponsorships Organisation of events Active participation to community events Fondazione Cattolica										
INSTITUTIONS AND STRATEGIC PARTNERS 	Transparency in relationships Relationship continuity and solidity Partnership development Value creation	Institutional relations Company website Long-term agreements Sales meetings										
RELIGIOUS ORGANISATIONS AND THIRD SECTOR ASSOCIATIONS 	Building long-lasting relationships Quality and satisfaction of recipients Shared value generation	Dedicated digital platform / Observatory Direct contact and listening moments Dedicated liquidation division Organisation of events										

■ Stakeholder involved in the engagement for the 2019 materiality matrix.

2019 MATERIALITY ANALYSIS

As early as 2017, Cattolica identified the material issues, i.e. the topics of particular importance from a social, environmental and economic point of view, and therefore priorities for the Group and its stakeholders. For the purposes of the 2019 NFS, the materiality analysis was updated through a workshop that involved a working team composed of top managers, executives, department managers and other professional figures. In addition, the analysis included the results of the stakeholder engagement activities described above.

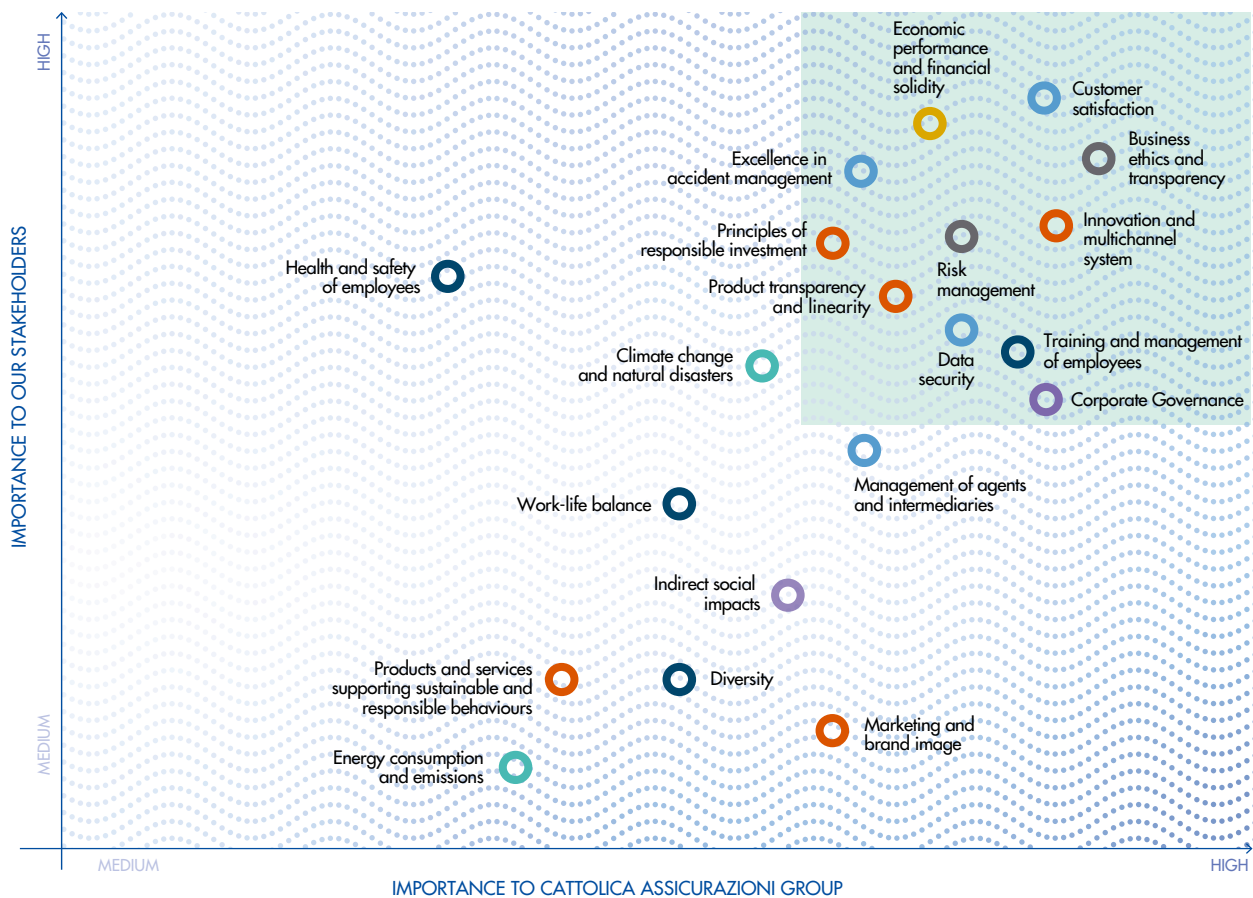
The matrix shown below has been approved by the Corporate Governance and Sustainability Committee and the Board of Directors.








Material issues are the non-financial drivers which the Group must address: simultaneously a source of risks and opportunities.

The upper right area of the figure includes the topics to which the 2019 materiality analysis has attributed the utmost importance (i.e. for both the Cattolica Group and the stakeholders):

- Customer satisfaction
- Economic performance and financial solidity
- Business ethics and transparency
- Excellence in accident management*
- Innovation and multichannel system
- Risk management
- Principles of responsible investment*
- Product transparency and linearity
- Data security*
- Training and management of employees
- Corporate governance

MATERIALITY MATRIX



-  Governance and responsible conduct
-  Responsibility towards customers
-  Product responsibility
-  Environmental responsibility
-  Responsibility towards people
-  Economic responsibility
-  Social responsibility

A comparative look with respect to the results of the 2018 materiality analysis highlights the confirmation of the issues which had already previously emerged and an increase in those of high relevance, which passed from 8 to 11 to also include “data security”, “excellence in accident management” and “principles of responsible investment”.

The topics of high materiality are highlighted in this document with a dedicated symbol.

The following diagram summarises the boundary and the type of impact for each of the material topics.

MATERIAL TOPICS	IMPACT BOUNDARY	INVOLVEMENT OF THE CATTOLICA GROUP
CUSTOMER SATISFACTION	Cattolica Assicurazioni Group	Caused by the Group
ECONOMIC PERFORMANCE AND FINANCIAL SOLIDITY	Cattolica Assicurazioni Group	Caused by the Group
BUSINESS ETHICS AND TRANSPARENCY	Cattolica Assicurazioni Group Agents and intermediaries Bancassurance Partners	Caused by the Group and related to the Group through its business relationships
INNOVATION AND MULTICHANNEL SYSTEM	Cattolica Assicurazioni Group Agents and intermediaries Bancassurance Partners	Caused by the Group and related to the Group through its business relationships
RISK MANAGEMENT	Cattolica Assicurazioni Group	Caused by the Group
PRODUCT TRANSPARENCY AND LINEARITY	Cattolica Assicurazioni Group	Caused by the Group
TRAINING AND MANAGEMENT OF EMPLOYEES	Cattolica Assicurazioni Group	Caused by the Group
CORPORATE GOVERNANCE	Parent Company	Caused by the Group
PRINCIPLES OF RESPONSIBLE INVESTMENT	Cattolica Assicurazioni Group	Caused by the Group
DATA SECURITY	Cattolica Assicurazioni Group	Caused by the Group
PRODUCTS AND SERVICES SUPPORTING SUSTAINABLE AND RESPONSIBLE BEHAVIOURS	Products and services of the Cattolica Assicurazioni Group	To which the Group contributes
EXCELLENCE IN ACCIDENT MANAGEMENT	Cattolica Assicurazioni Group	Caused by the Group and related to the Group through its business relationships
MANAGEMENT OF AGENTS AND INTERMEDIARIES	Cattolica Assicurazioni Group	Caused by the Group
INDIRECT SOCIAL IMPACT	Cattolica Assicurazioni Group	Caused by the Group and to which the Group contributes
MARKETING AND BRAND IMAGE	Cattolica Assicurazioni Group	Caused by the Group and related to the Group through its business relationships
CLIMATE CHANGE AND NATURAL DISASTERS	Cattolica Assicurazioni Group	Caused by the Group and to which the Group contributes
HEALTH AND SAFETY OF EMPLOYEES	Employees of Cattolica Assicurazioni Group ⁷	Caused by the Group
WORK-LIFE BALANCE	Employees of Cattolica Assicurazioni Group	Caused by the Group
DIVERSITY	Cattolica Assicurazioni Group	Caused by the Group
ENERGY CONSUMPTION AND EMISSIONS	Cattolica Assicurazioni Group	Caused by the Group and related to the Group through its business relationships

⁷ Given the business sector, the health and safety of employees is considered relevant only with respect to the Group’s employees and not to other categories working in the organisation’s offices. Cattolica confirms the intention to implement a structured process for the collection of data and information about health and safety at Ca’ Tron agricultural estate, also involving third-party contractors. Furthermore, the Group is considering further exploring the analysis relative to the significance of the other non-employee workers, in order to assess the need to collect data from the employers of the outside partners and suppliers who operate at the sites of the Group and/or under the control of the Group, evaluating the quality and accuracy of the data over which it does not exercise direct control.





First BOARD OF DIRECTORS

**APPOINTED ACCORDING
TO ONE-TIER SYSTEM**

SUSTAINABLE FROM THE START: CORPORATE GOVERNANCE

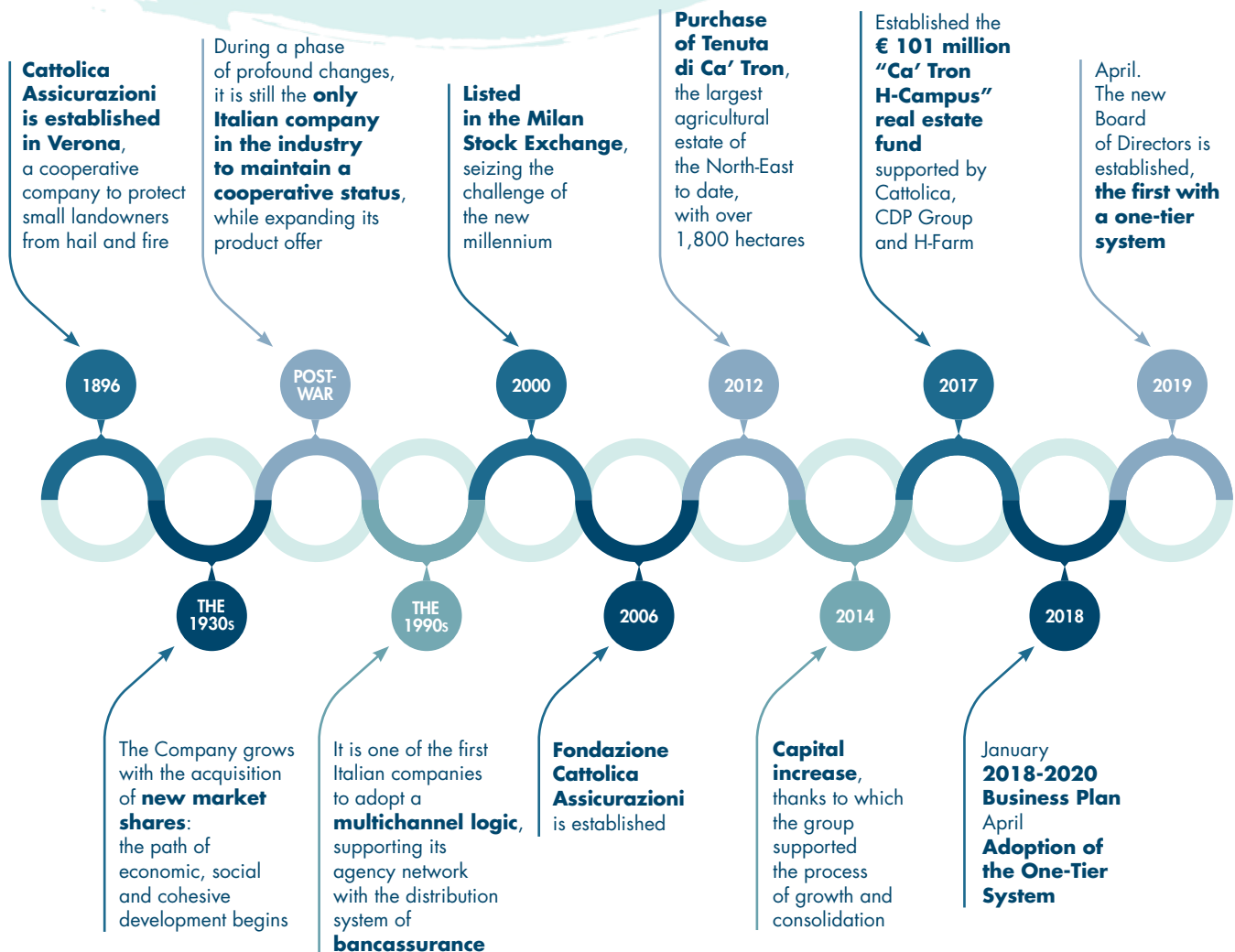
In contact with the community: Cattolica and its development	32
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SUSTAINABLE FROM THE START: CORPORATE GOVERNANCE

IN CONTACT WITH THE COMMUNITY: CATTOLICA AND ITS DEVELOPMENT

A THREE CENTURIES LONG PATH: THE CATTOLICA GROUP FROM ITS ORIGINS TO PRESENT



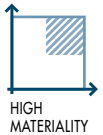
Cattolica Assicurazioni demonstrates a longevity that distinguishes it in the Italian industrial landscape.

Since its foundation in 1896, it has adopted the corporate form of a cooperative, which provides for the distinction between members and shareholders, a formula that has moreover been updated over time. Its development has

been characterised by the search for capital soundness and adequate profitability, also thanks to a consolidated rooting in the territory.

The Company has been listed on the Milan Stock Exchange since 2000, choosing to start the millennium with a decisive opening to the market and intensifying its evolutionary dynamics.

THE CORPORATE GOVERNANCE STRUCTURE



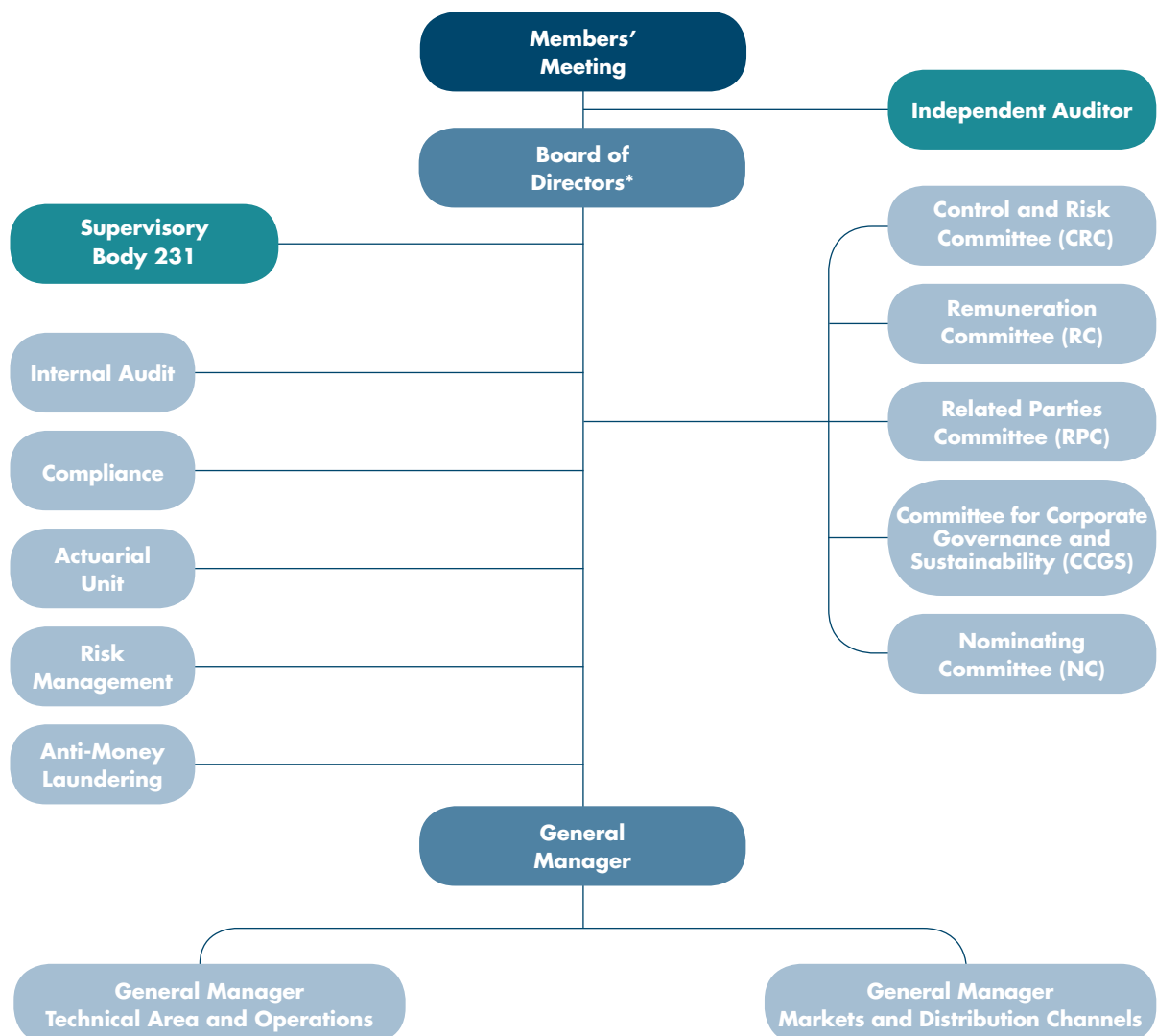
The Cattolica Group competes in the insurance sector with an entrepreneurial formula that is unique, the result of the coexistence of three distinctive aspects:

→ the cooperative business model of the Parent Company, chosen by the founding members;

→ the value identity of Cattolica, which originates from its history and from references to the Social Doctrine of the Church;

→ constant attention to social responsibility and care for the territory and the community.

THE HEART OF THE BUSINESS SYSTEM: CORPORATE GOVERNANCE



* Includes Management Control Committee.

(Società Cattolica di Assicurazione - Società Cooperativa - Corporate Governance Structure as at 31.12.2019).⁸

⁸ On 16 January 2020, the Board of Directors made a change to this structure: a General Joint Management Insurance Department and a Chief Operations Office Deputy General Management were established, reporting to the General Manager.

Società Cattolica di Assicurazione - Società Cooperativa, based in Verona, has been listed on the Milan Stock Exchange since 2000. It adopted the Self-Governance Code of listed companies, as explained in the Annual Report on corporate governance, available on the Company's website.

During the 2019 financial year, it fully implemented the transition from the so-called traditional or two-tier horizontal governance model - based on the presence of two bodies appointed by the member's meeting: the Board of Directors and the Board of Statutory Auditors - to the one-tier governance system.

The Company has a cooperative form, thus the capital vote is instituted to safeguard against the configuration of positions of dominance and/or significant influence within the corporate structure.

The exercise of corporate rights of non-equity relevance is subordinate to the acceptance as Member of the shareholder, under the terms and conditions provided by the Articles of Association.

The statutory provision provides that the Individual Shareholder may not hold shares in excess of the limit set by current legislation, while the Legal Person Shareholder can be registered in the Shareholders' Register for a percentage of capital up to 5% of the same.

The one-tier governance system

Since 13 April 2019, the date on which the Members' Meeting that approved the 2018 financial statements took place, the Company has adopted the one-tier governance model in place of the so-called traditional or two-tier horizontal type, typical of Italian companies.

In fact, the statutory amendments approved by the Members' Meeting of 28 April 2018 have become effective, which had considered the transition to the one-tier system as optimal for the future evolution of the Company and the full deployment of the expansion project outlined in the Business Plan.

The new one-tier system of governance, directed at rationalising and simplifying it with the establishment of a single administrative and control body, provides for a smaller number of representatives (which go from a total of 21 directors and auditors to 17 overall), the elimination of the Executive Committee and the possibility of an adequate representation of the institutional investors in the governing bodies.

In the new model, management is assigned to a Board of Directors appointed by the Members' Meeting, which includes the Management Control Committee. The Committee consists of directors possessing, as a whole, specific

professional requirements (in addition to those of integrity and independence ex lege), and has supervisory tasks similar to those of the Board of Statutory Auditors. Its members are subject, in terms of independence and cumulation of positions, to the regulatory obligations provided for the supervisory bodies of listed companies. The members of the Committee are elected and appointed by the Members' Meeting upon appointment of the Board of Directors.

Accounting control is performed by an independent auditor or auditing firm to which the Meeting grants the assignment pursuant to the provisions of Italian Legislative Decree no. 39/2010 and European Regulation 537/2014.

The Board of Directors

The Board of the Parent Company currently includes 17 Directors - 10 of which are independent - who are selected amongst the Members by the Members' Meeting from specific lists. The Board is vested with extensive powers of ordinary and extraordinary management of the Company, within the limits set by the Law and the Articles of Association.

In particular, the Board is responsible for approving the Company's strategic, industrial and financial plans and operations of major economic and financial importance, appointing the General Managers with the definition of their powers and functions, and approving the organisational structure of the company and the Group.

The Management Control Committee oversees compliance with the laws, regulations and Articles of Association, as well as the adequacy of the organisational structure and internal control system.

The Board was renewed by the Members' Meeting of 13 April 2019 which approved the financial statements as at 31 December 2018, based on the new statutory rules that introduced the one-tier governance system.

At its meeting of 31 October, the Board proceeded to revoke the Managing Director Alberto Minali's operational powers conferred on him on 13 April 2019 and, after consulting the Appointments Committee, at the same meeting assigned the powers, already attributed to the Managing Director, to the General Manager Carlo Ferraresi.⁹

The Board of Statutory Auditors

The Board of Statutory Auditors remained in office until the Members' Meeting that approved the financial statements as at 31 December 2019 and renewed the Board of Directors. As the one-tier system came into effect, the supervisory body was absorbed by the Board, which anticipates including the Management Control Committee.

⁹ The full details of the powers attributed to the General Manager are contained in the appropriate section of the document "2019 Report on Corporate Governance and Ownership Structures".

BOARD OF DIRECTORS AS AT 31.12.2019

MEMBERS	OFFICE	AGE	GENDER	CODE INDEPENDENCE ¹⁰	CONSOLIDATED FINANCE ACT INDEPENDENCE
PAOLO BEDONI	Chairman	64	M	No	Yes
ALDO POLI	Vice Deputy Chairman	77	M	No	Yes
BARBARA BLASEVICH	Deputy Chairman	53	F	No	Yes
ALESSANDRO LAI	Secretary	59	M	No	Yes
FEDERICA BONATO*	Director	64	F	No	Yes
CESARE BRENA*	Director	54	M	No	Yes
PIERGIUSEPPE CALDANA	Director	56	M	Yes	Yes
BETTINA CAMPEDELLI	Director	57	F	Yes	Yes
LUIGI CASTELLETTI	Director	64	M	Yes	Yes
CHIARA DE STEFANI	Director	54	F	Yes	Yes
ROSELLA GIACOMETTI	Director	54	F	Yes	Yes
GIOVANNI GLISENTI *	Director	63	M	No	Yes
ALBERTO MINALI °	Director	54	M	No	No
CARLO NAPOLEONI	Director	52	M	No	Yes
PIERANTONIO RIELLO	Director	60	M	Yes	Yes
ANNA STRAZZERA	Director	60	F	Yes	Yes
EUGENIO VANDA	Director	52	M	Yes	Yes

* Members of the Management Control Committee.

° Managing Director until 31.10.2019.

COMPOSITION OF THE BOARD OF DIRECTORS BY AGE AND GENDER AS AT 31.12.2019

	50-60	> 60	TOTAL
MEN	41%	24%	65%
WOMEN	29%	6%	35%
TOTAL	71%	29%	100%

¹⁰ The Company, by Committee decision of 8 May 2013, decided not to apply the 3.C.1 letter e) application criterion of the Code: those who have held the position of director for more than nine years out of the last twelve years - and who obviously are no longer involved in significant situations on the subject - are considered "independent".

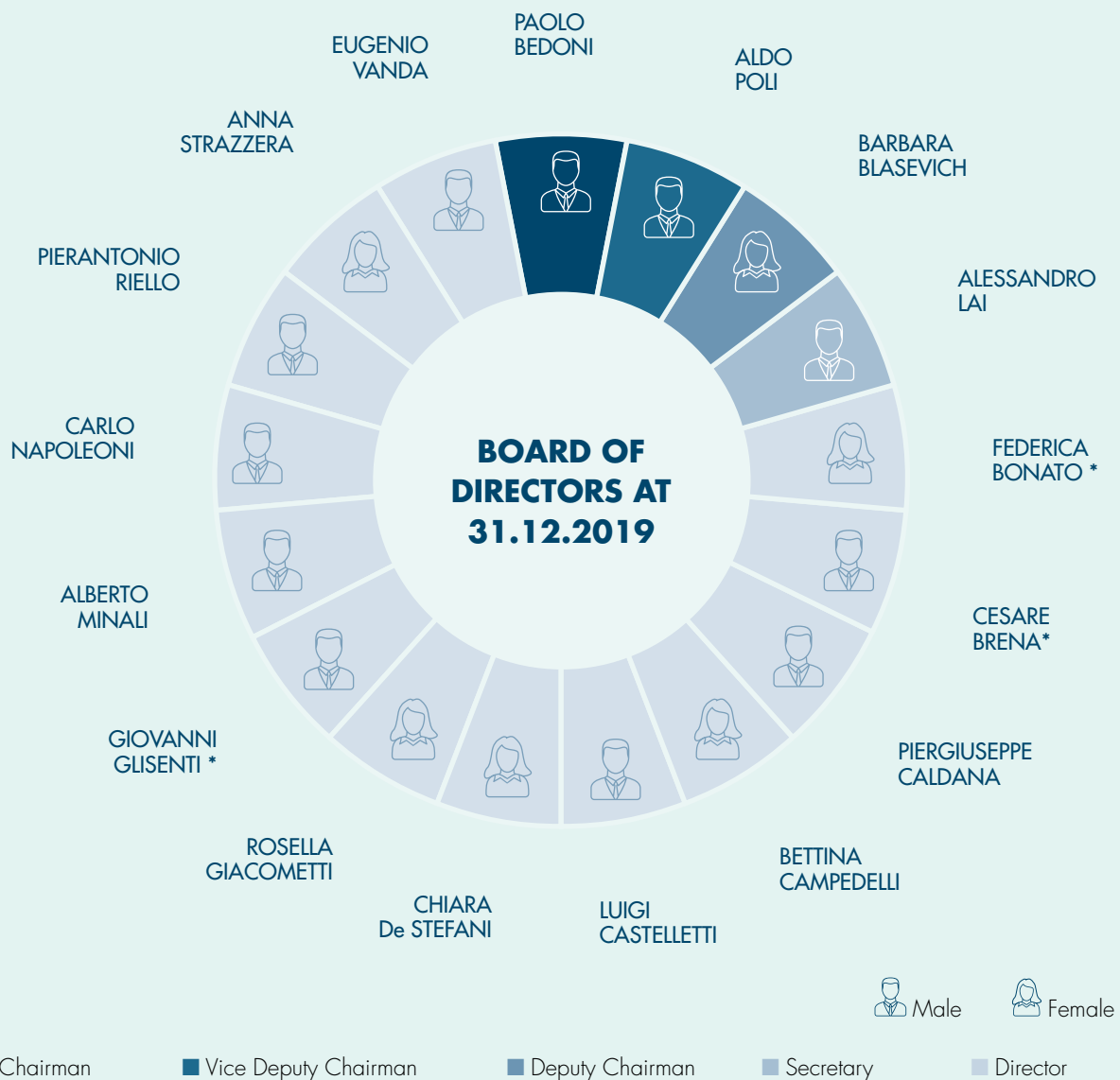
Management Control Committee

In the one-tier model, the control body is an integral part of the Board of Directors and is charged with monitoring the management and assuring the compliance of actions taken by the Company with the applicable laws and Articles of Association.

MANAGEMENT CONTROL COMMITTEE AS AT 31.12.2019

MEMBERS	OFFICE	AGE	GENDER
GIOVANNI GLISENTI	Chairman	63	M
FEDERICA BONATO	Statutory Auditor	64	F
CESARE BRENA	Statutory Auditor	54	M

L'infografica che segue rappresenta la composizione del Consiglio di amministrazione al 31 dicembre 2019.



* Members of the Management Control Committee.

THE BOARD'S INTERNAL COMMITTEES

The Executive Committee

Its activity ceased on 13 April 2019 with the entry into force of the new one-tier model, which eliminates the need for this Committee.

The other internal Committees

The following committees are formed within the Board of Directors:

- Audit and Risks Committee
- Remuneration Committee
- Related Parties Committee
- Corporate Governance and Sustainability Committee

→ Investments Committee¹¹

→ Nominating Committee

Each Committee has its own regulations specifying its operation and they are periodically reviewed. All regulations were updated in June 2019 in relation to changes in the governance system with reference to the transition to the one-tier system.

For further information on the governing bodies of the Parent Company Società Cattolica di Assicurazione - Società Cooperativa, please see the Report on Corporate Governance and Ownership Structures, published in the "Governance" section of www.cattolica.it.

THE INTERNAL CONTROL SYSTEM

The Company complies with the internal control guidelines set out in the Corporate Governance Code, in compliance with the provisions of the Private Insurance Code as well as those issued by the Supervisory Authority of the insurance sector through IVASS Regulation 38 of 2018.

The Internal Control System is composed of the set of rules, procedures and organisational structures aimed at ensuring the proper functioning and good performance of the Group's Companies, thereby ensuring the safeguarding of corporate assets in the long term.

The Internal Control System, together with the Risk Management System, is described in the Directives on the Corporate Governance System, approved by the Board of Directors during 2019.

The Parent Company's Board of Directors promotes a widespread culture of internal control in order to raise employees' awareness of the importance and usefulness of controls. The Parent Company's Top Management also ensures that staff are adequately informed and updated on their roles and responsibilities, as well as company policies, so as to be an active and aware part of the performance of controls, understood as an integral part of the professional activity.

The System follows criteria of proportionality, its actual implementation being diffuse and integrated within the corporate structures. The professional profiles are involved according to their skills and responsibilities.

The Cattolica Group adopts an Internal Control System divided into three levels of supervision which, complying with specific and differentiated control objectives, contributes towards ensuring the correct functioning of the same system.

→ First level: this type includes the controls inherent in operational processes that require specific skills of the business, risks and/or relevant regulations. Also defined as operational, line or permanent controls, they take the form of checks carried out both by those who perform a given activity and by those responsible for its supervision, generally within the same organisational unit. These checks are carried out by the same operating structures, also in the form of self-checks, or incorporated into automated procedures, or performed within back-office activities.

→ Second level: also called periodic controls, these controls oversee the process of identifying, evaluating, managing and monitoring the risks related to operations, ensuring consistency with the company's objectives and meeting segregation criteria that allow effective monitoring.

¹¹ Terminated on 13 April 2019.

These controls are carried out by specialised structures which define risk management policies and assessment methods for risk management and operating limits of the various functions, in cooperation with the managing and administrative body and the operational departments. They also aim at ensuring the operational consistency with the goals and the levels of risk defined by the relevant corporate bodies.

The most typical functions assigned to these controls are those established pursuant to the Private Insurance Code (Risk Management, Compliance and Actuarial), as well as the Anti-Money Laundering function, established pursuant to IVASS Regulation no. 44/2019 in insurance undertakings pursuing life insurance. Additional structures and entities with control tasks envisaged by other regulatory sources, which carry out their activities with varying degrees of independence and segregation from operational functions and key functions, are the Manager responsible for corporate accounting documents, established pursuant to Italian Legislative Decree no. 58/98 (Consolidated Law on Finance), the Data Protection Officer (DPO), appointed pursuant to EU Regulation 2016/679, and the Head of the complaints function, established pursuant to ISVAP Regulation no. 24/2008.

The Companies also appoint a Sole Contact Person for the communication of statistical information to IVASS, pursuant to IVASS Regulation no. 36/2017, and a Distribution Manager in the cases provided for by the relevant legislation, pursuant to IVASS Regulation no. 40/2018.

→ Third level: this type provides the overall assurance of the design and functioning of the Internal Control System by means of independent audits and expresses assessments also in respect of the adequacy and effectiveness of first and second-level controls. The Internal Audit function is in charge of this control level.

In defining the arrangements of the organisational control structures, the Company has established the Fundamental Functions (Internal Audit, Risk Management, Compliance and Actuarial Function), placing them directly under the control of the Board of Directors. The Anti-Money Laundering Function also directly reports to the Board of Directors. Starting in 2019, the C.R.O. position was eliminated to pursue an even more direct relationship between the Control Functions and the governing Board.

The Fundamental Functions and the Anti-Money Laundering Function are established by resolution of the Board of Directors which, in implementation of the relevant legislation, defines its responsibilities, tasks and operating methods through the development of specific policies. The policies are an essential element of the corporate governance system and the internal control system and are subject to review at least annually.

Periodical information is constantly exchanged by the different control functions and between these functions and the management, administration and external control bodies.

THE ORGANISATIONAL MODEL PURSUANT TO ITALIAN LEGISLATIVE DECREE 231/2001

The Parent Company, the Italian subsidiary insurance companies and the main instrumental companies of the Group have adopted an Organisation, Management and Control Model, in accordance with Italian Legislative Decree no. 231 of 8 June 2001 (hereinafter also: the Model). With reference to the companies Vera Vita, Vera Assicurazioni and Vera Protezione, it should be noted that in 2019, in compliance with the terms shared with the Boards of Directors and Supervisory Bodies, the draft revision and update of the respective Organisation, Management and Control Models pursuant to Italian Legislative Decree no. 231/01 was completed.

During 2019, the companies Cattolica Beni Immobili and Cattolica Immobiliare updated the Model.

The Organisational Models of the Parent Company and the subsidiaries are updated continuously, consistent with the evolution of the regulatory and corporate framework of the Group.

All the governing bodies and the employees of the Group are informed regarding the update of the Organisational Model pursuant to Italian Legislative Decree no. 231/2001.

The tools for the effective implementation of the Organisation, Management and Control Model are as follows:

→ definition of ethical principles with respect to behaviours which may be considered as criminal conduct according to the Decree: to this end a specific Group Code of Conduct has been adopted;

- identification and mapping of corporate processes which may create the conditions, the opportunities or the means to commit crimes or instrumental activities;
- definition of staff training methods;
- development of adequate information to be given to the sales network, the Service companies and the other third-party subjects with which the Company comes into contact;
- definition and implementation of disciplinary measures with the aim to sanction failure to comply with the provisions of the Model and characterised by suitable deterrence;
- identification of the Supervisory Body and assignment of specific monitoring and control tasks for the effective and efficient operation of the Model. This Body shall have a mixed collective composition (an external Chairman for the Parent Company, a second external member and two internal members, the managers *pro tempore* of the Internal Audit and Compliance Verification Functions);
- definition of ordinary and extraordinary information flows towards the Supervisory Body.

In February 2019, a project initiative was launched aimed at updating the system for reporting to the Supervisory Bodies of the Group companies.

The purpose of the initiative, which is being finalised, is to further increase the effectiveness of the Supervisory Body's own monitoring activities with respect to the areas defined as sensitive which are identified in the Organisation, Management and Control Model.

At the express request of the Supervisory Bodies, during 2019 some companies resolved to adopt an internal circular called "General behavioural procedures in relations with the Public Administration"; the purpose of the document, which is addressed to all the recipients of the Organisational Model, is to provide useful information to prevent the commission of crimes relative to relationships with members of the Public Administration, i.e. the cases provided for in Articles 24, 25 and 25-bis of Italian Legislative Decree no. 231/01.

It is expected that, reasonably within the first quarter of 2020, the Group companies with an Organisational Model will adopt the aforementioned circular.

Two training days were held in 2019 on anti-corruption and market abuse, addressed to the Executives and members of the Boards of Directors and the Boards of Statutory Auditors of the Companies of the Cattolica Group.

The individuals involved in the 231/2001 training during 2019 are listed below.

TRAINING PURSUANT TO ITALIAN LEGISLATIVE DECREE 231/2001 ¹²

EMPLOYEES	2019		2018	
	NUMBER	%	NUMBER	%
EXECUTIVES	38	58%	27	59%
OFFICIALS	33	8%	231	59%
EMPLOYEES	102	8%	677	54%
WORKERS	-	-	-	-
TOTAL EMPLOYEES	173	10%	935	55%
BOARD MEMBERS ¹³	12	70%	16	89%

The training course pursuant to Italian Legislative Decree no. 231/2001 is also provided to Group agents and is always available to all intermediaries on the online training platform.

¹² The training pursuant to Italian Legislative Decree no. 231/2001 includes anti-corruption training and, for 2018, anti-money laundering training.

¹³ Exclusive reference is made to the Parent Company's Board of Directors.

THE WHISTLEBLOWING SYSTEM

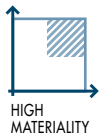
Following the approval of Italian Law no. 179/2017, Cattolica and the Group Companies adopted a system for managing reports of unlawful conduct within the Group (known as whistleblowing).

The reports can be made by top managers, employees and third parties thanks to an internal procedure through which it is possible to submit, in order to protect the integrity of the company:

- detailed reports of suspected unlawful conduct, relevant pursuant to Italian Legislative Decree no. 231/01 and based on precise and concordant factual elements;
- reports of violations of the Organisation and Management Model of the institution and/or the Code of Conduct adopted by the individual company.

Subjects wishing to report a suspected violation of the Organisation and Management Model of the institution and/or the Code of Conduct of a Cattolica Group company have a dedicated channel available that allows the sending of reports to the attention of the Supervisory Body, through an IT platform that guarantees the absolute confidentiality of the identity of the reporter and the content of the report.

The Group Company addressed in the report also undertakes to ensure the protection of the reporting party from discriminatory or retaliatory measures (sanctions, reduced tasks, dismissal, transfer or other organisational measures that have a negative effect on working conditions) for reasons related to the report.



RISK MANAGEMENT AS A PILLAR OF CSR

Risk assessment and mitigation is an essential dimension for an insurance company. For Cattolica, the presence of an effective risk framework is a cornerstone of risk management within the Group.

In the field of risks due to institutional activity, some sectors are highly sensitive in terms of sustainability impact. Risk management that seeks to be as effective as possible must pay constant attention to multiple types of risk, including environmental and social risks, which are often more complex and less immediate individuation than traditional risks deriving from the Group's typical activity.

An inter-functional work team has recently been launched, the purpose of which is to spread the importance of these aspects in the company and discuss the specificities of the different areas.

It should be noted that Article 4, paragraph 2 of IVASS Regulation 38/2018 explicitly provides that:

"The safeguards relating to the corporate governance system cover all types of corporate risk, including those of an environmental and social nature, generated or suffered, also according to a perspective and in consideration of the overall solvency profile of the enterprise".

As for the risks directly connected to the ESG factors relative to the investments and insurance portfolios, consistent with the improvement strategy of the process connected to responsible investments, the process to define the founding criteria of the exclusions has been further refined, and a portfolio monitoring procedure is being implemented which is capable of specifically and systematically including the ESG themes in analyses and investment decisions.

Thanks to a combination of non-financial information and classic financial criteria, the financial relevance of these issues is recognised from the perspective of risk management. Please see the specific analysis on the investments in the dedicated section.

Some risks of a non-financial nature which can directly impact the Group's reputational risk are inherent in the following social-environmental issues:

Climate change risk

Awareness of climate change and the harmful effects of global warming on the environment and on the quality of life on the planet is now a shared asset and is supported by scientific evidence.

Cattolica faces these dynamics mainly in risk management in agriculture, so much so that it has decided to invest in new solutions and technologies able to promote the creation of products to support farms and the assessment of damage from natural events.

As for the management of investments, the Group recognises the potential impact that climate change can have in terms of risk/return on its own assets in the portfolio, connected to the transition to a low-carbon economy and an increase in the frequency of extreme climate events. In fact, these categories can lead to a decrease in value in the assets over the long-term, in addition to an indirect reputational risk tied to violations of an environmental nature by the issuers in the portfolio. To monitor these risks, a system of *ex post* checks on the exposure to carbon intensive industries has been introduced.

A dedicated and specialised structure in the agricultural field engaged in the “Innovation in Agriculture Project” has the task of creating new products or updating existing solutions, so as to best respond to the emerging needs of agricultural companies in protecting risks against atmospheric adversities from climate change.

For further details, please see the paragraph dedicated to the products for the agri-food sector and the paragraph on the cooperation with FEEM - Fondazione ENI Enrico Mattei in the study and circulation of research on climate-related risks.

Mitigating environmental risks and Internal Policies

Cattolica is aware that it is exposed to potential risks of economic losses and/or reputational consequences resulting from negative environmental impacts related to company events. The main environmental risks are contemplated within the Organisational Model provided for by Italian Legislative Decree no. 231/2001, which takes into account certain types of crimes including environmental pollution and environmental disaster.

During 2019, the Company issued the Environmental Policy relating to Tenuta Ca’ Tron as well as the broader Group Environmental Policy. The documents are now part of company regulations and constitute an important safeguard for mitigating risks related to the environment, also in order to spread a risk culture that takes these aspects and the prevention of related risks into account.

In addition, in the revision of the Risk and Solvency Management and Assessment Policy planned for the beginning of 2020, the environmental aspect will be specifically addressed in the risk map, thus expanding the currently envisaged taxonomy.

Health and safety risks

Health and safety risks have been assessed in the context of the analysis and evaluation procedures carried out pursuant to Italian Legislative Decree no. 231/2001. The subject is handled as a priority of the daily working activities within the Group. Health and safety management is covered in the section dedicated to human resources.

Corruption-related risks

Relative to the potential risks of corruption, the principal risk factors have been identified in the assessment activities pursuant to Italian Legislative Decree no. 231/2001. The analysis allowed identifying suitable control and prevention mechanisms, as defined by the Organisational Model.

The definition of a Group Anti-Corruption Policy has been included in the CSR function’s action plan and could be completed as early as 2020.

Risks linked to people

The risks identified in this area confirm the attention to the adaptation and extension of knowledge and skills, made necessary by the volatility of environmental dynamics, in order to keep internal engagement high. The long-standing process of ensuring up-to-date digital mindset profiles and increasing listening skills, feedback management and individual enhancement has continued.

Cattolica has continued to support the project started in 2017 in cooperation with Great Place to Work®, a company specialised in organisational and HR consulting. Their monitoring during the year highlighted an overall improvement in the indicators that measure the quality of the work environment and employee engagement.

Risks related to human rights

In 2019 Cattolica did not consider the risk of causing or suffering situations of human rights violations within the Company or by direct suppliers significant. As for the supply chain, a mitigating factor is the type of low-risk supplies, necessary for the company business.

Regardless, the Group is strengthening controls on outsourcing, also with reference to the main subcontractors. It also continued its mitigation efforts aimed at preventing and minimising human rights risks in investment management. These violations constitute potential business risks for the companies in which the Group invests, due to operational, legal and reputational risks, which may negatively impact the risk/return profile of the assets in the portfolio.

In order to monitor these risks, already in 2018 the Group Investment Policy was finalised to include exclusion criteria for all the companies characterised by serious violations of human rights or of an environmental nature.

Last June, Cattolica subscribed to the Principles for Responsible Investment (PRI) of the United Nations, thus choosing to incorporate the ESG criteria in its investment and active shareholder decisions.

In particular, the investment selection and management practices apply exclusion and monitoring lists of company issues (stocks and bonds), which undergo prior screening to check that the issuing companies are not connected to any violations, especially of human rights. The analysis is conducted according to the MSCI criteria, which include the

definitions of the United Nations Global Compact Principles (UNGCP) and United Nations Guiding Principles on Business & Human Rights (UNGPHR), relating to:

- General human rights concerns
- Indigenous people's rights
- Civil liberties
- Disputed territories issues
- Environmental incidents that harm local livelihoods

The Group has also introduced an *ex post* control system through a company performance analysis of the companies in the portfolio, included in the ESG analysis.

The internal training on the subject is summarised in the following table.

TRAINING ON HUMAN RIGHTS MATTERS

NUMBER OF HOURS	AS AT 31 DECEMBER 2019		AS AT 31 DECEMBER 2018	
	NUMBER OF HOURS		NUMBER OF HOURS	
TOTAL TRAINING HOURS ON HUMAN RIGHTS MATTERS	93		1.091	

NUMBER OF PEOPLE	AS AT 31 DECEMBER 2019		AS AT 31 DECEMBER 2018	
	NUMBER OF PEOPLE	& PEOPLE	NUMBER OF PEOPLE	& PEOPLE
PEOPLE TRAINED ON HUMAN RIGHTS MATTERS	62	3%	982	57%

The Covid-19 (Coronavirus) emergency

The Cattolica Group promptly reacted on several fronts to the health emergency - the spread of the Coronavirus - that emerged at the end of February 2020:

→ in relation to its staff, by promptly activating smart-working methods, a project that the Group had already began in 2017, thus guaranteeing the continuity of processes and activities without penalising company productivity; in March more than 90% of the workforce used this method, ensuring company operations and protecting the well-being and safety of staff. In particular, since the onset of the Covid-19 epidemic, and already before the subsequent Decrees of the Italian Prime Minister, the Group had

- asked employees residing in or in contact with residents of the first affected municipalities where the epidemic was first detected to begin working in smart-working mode;
- authorised any transfers between offices, attendance in meetings not held as conference calls and conventions;
- given precedence to smart-working methods, also suspending the access of suppliers and consultants to company premises;
- stopped business trips to and from the municipalities and surroundings affected by the contagion;
- stopped meeting representatives of companies or agencies based in the municipalities affected by the contagion;
- provided guidance on the individual prevention measures to be taken.

- in relation to its business, by creating and marketing the product “Active Business NON Stop” in order to respond to the demand of commercial establishments (shops, bars, services) forced, by urgent measure of the Authorities, to compulsory closure and compliance with the restrictive measures imposed following the threat of the epidemic; the sale of this product was almost immediately blocked following the extension of the restrictive measures throughout the country;
- carrying out managerial analyses aimed at identifying potential critical issues, impacts and possible managerial

actions that can be activated in all business areas to counteract any negative effects deriving from the spread of the virus. Numerous analyses related to stress scenarios are underway to estimate the impacts of the pandemic on the Group’s business, in particular on premium income, cash flow, solvency position and economic results.

At present, it is difficult to quantify the economic, environmental and social impacts related to the Group, which will depend heavily on the duration and intensity of the pandemic.

REWARDING RESULTS: REMUNERATION POLICIES

The criteria at the base of the remuneration policies of staff aimed at guaranteeing a fair and equitable salary, commensurate with the role and responsibility covered, the level of professionalism and individual performance of each employee have remain unchanged. Remuneration should be independent and not linked to personal characteristics.

The method complies with the regulatory provisions and has as its essential reference the need to ensure efficient and sustainable management of human resources, while maintaining the management flexibility required by the rapid changes taking place within the Group.

Already revised in 2018 in the light of the aforementioned premises, the incentive system has increasingly rewarded the competence and commitment of employees, in line with the Group’s results and the expectations of the financial community, which have shown their appreciation of the remuneration practices aimed at highlighting the enhancement of aspects related to performance.

For more information on the remuneration policies, please see the Report on Remuneration, published in the “Governance” section of www.cattolica.it.



THE HEART OF GOVERNANCE: THE MEMBERS

As a cooperative, Cattolica recognises its Members as a key element of its governance, as well as one of the most important stakeholders. Only shareholders who request it and meet the requirements defined by the Articles of Association can reach the status of Members. They enjoy non-property rights of participation to the Company's life, including the active attendance in the Meeting and through the expression of the right to vote. They also enjoy property rights, they receive dividends and participate in the underwriting of capital increases.

As at 31 December 2019 there were 18,312 registered Members¹⁴ (2018: 24,547), located throughout Italy, with a higher concentration in some Northern regions like Veneto (65%), Emilia Romagna (10.64%) and Lombardy (10.6%). 98.5% of Members are natural persons - of which 59.2% men and 39.3% women - and the remaining 1.5% are legal entities.

Almost 3,500 members participated, in person or by proxy, in the 13 April 2019 Meeting (exact figures, variable for each of the individual votes, are included in the Meeting minutes available on the institutional site).

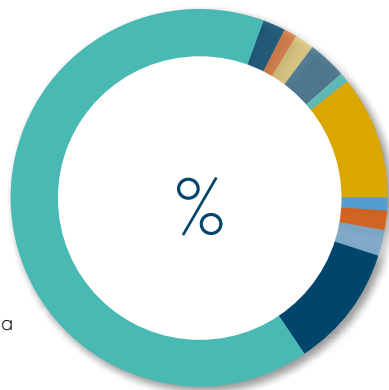
Cattolica promotes Members' high involvement in Company life, also through institutional events other than the Annual Meeting.

These initiatives include the Members Tour, a series of meetings which are opportunities for communication, listening and sharing in the territory, during which the Members are updated on the Company's performance.

Many Members are also gathered in associations, with which Cattolica maintains dialogue and collaborations; as at 31 December, 10 Associations of Members are active: Apaca, Asscat, Unica, Amici della Cattolica Assicurazioni, Apical, Uscas, Cattolica Più, Insieme per Cattolica, Soci Cattolica and Valorizziamo Cattolica.

Territorial distribution of members as at 31.12.2019

- 65,04 Veneto
- 1,67 Other
- 1,26 Lazio
- 1,71 Trentino Alto Adige
- 3,21 Piemonte
- 0,88 Toscana
- 10,64 Emilia Romagna
- 1,1 Friuli Venezia Giulia
- 1,69 Liguria
- 2,2 Marche
- 10,6 Lombardia



Services for Members and dedicated products

The information and assistance service dedicated to Members, curated by the Member Relations team, illustrates the reserved insurance services and indicates the names which the member or aspiring member can contact for personalised quotes and information. The team also supports the Members for every need relating to participation in the Annual Meeting and provides information on dividend collection methods.

This Service can be contacted by phone or writing an e-mail to Servizio.Soci@CattolicaAssicurazioni.it.

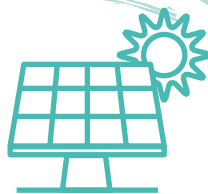
The special website www.cattolicasoci.it is available to Members, which includes a wide range of interesting content on products and agreements, institutional and corporate issues, events and initiatives.

Members receive regular institutional communications and a letter from the President with information on the Company's performance.

Members benefit from specific advantages when subscribing to Company policies and products and can count on a dedicated product line - called "EssereSoci" - which offers guarantees and exclusive and advantageous tariff conditions.

¹⁴ The significant reduction in the number of Members is due to the removal from the Members' Register of those who have not reached the minimum possession threshold of 300 shares envisaged by the Articles of Association.





Investments in
renewable energies

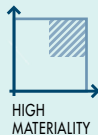
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INVESTING RESPONSIBLY: ESG INVESTING



SUSTAINABLE INVESTMENT AND ITS GROWING RELEVANCE

The concept of ESG Investing refers to an approach that incorporates environmental, social and governance factors into investment decisions (hence ESG).

A classic reference point is the statement made by the United Nations at the launch of the Principles for Responsible Investment (UNPRI) in 2005: "Responsible investment is an approach to investment that aims to integrate environmental, social and governance factors into investment decisions, to better manage risk and generate long-term sustainable returns".

The ESG approach includes a wide range of criteria and metrics for risk measurement, based on:

- quality of environmental management;
- degree of commitment and attention to social issues and ways of interacting with stakeholders;
- type and characteristics of an organisation's corporate governance;
- quality of economic and financial performance.

An increasing number of investors are careful to consider ESG principles in the analysis and selection of investments, as they are becoming increasingly important not only for a company's long-term sustainability but also for its risk profile.

SDGS AND RESPONSIBLE INVESTMENT: A DIRECT LINK

Cattolica recognises an "Esperanto" of CSR in the SDGs and considers them a common language and valuable map for focusing efforts and allowing the correct organisation of the sustainability guidelines. Last year they were included in the Sustainability Report for the first time.

The Company has focused on areas where it can have a significant positive impact. For this reason, through the use of its resources, the Investment Directorate has chosen to pursue SDGs number 7 (Affordable and clean energy), 13 (Climate action) and 3 (Good health and well-being) as priority targets.

All the goals are guided by the need to respond to two macro-trends with a high impact on business and on society:

- tackling climate change, facilitating the process of transition to a low-carbon economy, significantly increasing the share of renewable energy in the global energy mix (linked to SDGs 7 and 13);
- address the ageing population and the resulting increased pressure on health facilities and services to ensure adequate care for the elderly (linked to SDG 3).



4 questions for Massimo di Tria, Chief Investment Officer of the Cattolica Group

What are the main reasons behind the growing importance of an ESG Investing strategy for a company and in particular for an insurance group such as Cattolica?

Technological evolution and the globalisation process of recent decades have increased the awareness of how small our planet is and how limited the available resources are. At the same time, economic and financial sciences have become increasingly crucial in the overall social-political context, precisely in light of the above-mentioned scarcity of resources. All this has gradually stimulated stakeholder interest and marked a cultural evolution from a logic of pure profit maximisation to a more holistic approach known in literature as triple bottom line: Planet=People=Profit.

In order to manage this delicate balance, which we can call sustainable profitability, it is essential for a company to also have adequate governance. Hence the creation of the concept of ESG (Environment=Planet=environmental protection,

Social=People=social development, Governance=control and compliance with procedures). It is important to emphasise that ESG Investing is only one aspect, albeit one of the most important, of the overall sustainability mechanism: all business areas, without exclusion, can and must contribute to this important cultural evolution, which I would venture to define as a new *modus operandi* or even a new *modus vivendi*.

As for the specificity of insurance companies like Cattolica, I would say that they work to make the world more resilient, insuring its risks and investing premiums in a sustainable way in the long term. Therefore, the growing importance of sustainability and ESG approaches makes us particularly concerned and structurally prepared for this exciting new challenge.

What has the Cattolica Group done so far in this regard and what projects will be implemented in the future?

Well over a century ago, our Cattolica was founded on the values of respect for humans and the environment in which they live, and is fully aware of the important role it can play as an institutional investor in relation to environmental protection, social development and respect for governance. However, in the last two years we have acquired a greater awareness of the implementation plan, which has led us to define a structured process for the integration of ESG factors in investment choices, culminating in the signing of the United Nations Principles of Responsible Investment (UNPRI) in June 2019.

More in general, the Cattolica Group's investment policies pursue a stable and lasting commitment to the systematic integration of social, environmental and governance considerations in the analysis and selection process of securities within its portfolio, in order to enhance investments and proactively manage risks. This commitment will continue in 2020 with the definition of specific guidelines, in line with the ESG approach already integrated into investment policies.

What does the subscription to the Principles of Responsible Investment (PRI) of the United Nations mean and what does it implicate for the Group and its role as such?

Each ambitious and long-term project requires the coordinated effort of the various contributors. To use a metaphor, I consider the subscription to the PRI as a commitment to learning a new common language which will enable us to communicate internationally and thus make our contribution more effectively. Beyond the metaphor, the PRI project is the biggest attempt at global reporting on responsible investments. It was developed with investors and for investors. It is a very useful tool, capable

of fulfilling multiple objectives: increasing the accountability of signatories, improving disclosure through a transparent and standardised approach, sharing best practices on the subject and finally providing useful indications for evaluating the progress of Responsible Investment compared to the industry's standard framework, to understand how to strengthen internal processes and further develop ESG capacity.

In the light of your knowledge of the international context and emerging trends, what do you see as the future of ESG Investing in relation to broader corporate sustainability strategies?

This is a particularly interesting question which gives me the opportunity to express my personal opinion on the increasingly crucial role that ESG Investing is destined to play, both strategically and systemically. In fact, I believe that the modern social, economic and financial context is evolving as a real eco-system. The increasing complexity, the speed of innovative change and the need to have every product or service perfectly adapt to customers obliges economic operators to abandon the notion of self-sufficiency and clearly define their areas of expertise and focus, carving out a vital role within the eco-system itself.

I therefore think it is crucial to focus on selected objectives that are consistent with our core business. In the specific case of Cattolica, during the definition of the Sustainability Plan and on the basis of a path already undertaken for some time now, we have confirmed the choice to give priority to the two Sustainable Development Goals (SDGs) to which we believe

we can contribute most: "Good health and well-being" and "Affordable and clean energy". We will continue to work on these objectives through the increase of Impact Investing instruments, such as green bonds and especially thematic real estate funds or renewable energy funds.

Reorienting savings towards sustainable activities, permanently incorporating sustainability into risk management and promoting transparency and long-term vision: these are macro-objectives shared by all and priorities of the highest international institutions such as the European Community. The contributions of the individual companies will be outlined into more specific objectives in line with their respective business strategies, hopefully following a common taxonomy, which however does not yet exist but is developing by leveraging SDGs, PRI and other similar valuable system initiatives.

THE PRI OF THE UNITED NATIONS AND CATTOLICA'S SUBSCRIPTION

UNPRI is the leading global association promoting responsible investment with over 2,300 signatories and provides a global standard based on environmental, social and corporate governance (ESG) factors.

In June 2019, Cattolica subscribed to the six Principles for Responsible Investment (PRI) developed by the United Nations in 2006 in order to incorporate the ESG criteria in investment and active shareholder decisions.

Subscription to the Principles strengthens the Group's social responsibility orientation, confirming the Company's willingness to be a transparent player for its stakeholders and a responsible member of the institutional investor community, in a long-term perspective.

The six Principles provide a framework for investors, with the definition of clearly described actions:

1. we will incorporate ESG issues into investment analysis and decision-making processes;
2. we will be active owners and incorporate ESG issues into our ownership policies and practices;
3. we will seek appropriate disclosure on ESG issues by the entities in which we invest;

4. we will promote acceptance and implementation of the Principles within the investment industry;
5. we will work together to enhance our effectiveness in implementing the Principles;
6. we will report on our activities and progress towards implementing the Principles.

In doing so, the Company is publicly committed, as an investor, to their adoption and application, where the Principles are consistent with the fiduciary prerogatives of the insurance business.

The Group intends to evaluate its effectiveness and improve its content over time, with the certainty that this will increase the ability to fulfil the commitments towards beneficiaries, as well as to better align investment activities with the broader interests of the Company.

Internal activities have been initiated to prepare the PRI Reporting Framework on a voluntary basis planned for 2020. Reporting activity carried out following standard models can provide additional stimuli to increase the level of information provided to stakeholders and show how the Company takes ESG issues into account in investment practices, in line with market best practices.

IMPROVING THE MSCI RATING

The market has strongly shown that companies' assessment of value creation capacity must take into account not only economic and financial indicators, but also ESG performance. ESG assessments are considered a strategic tool for supporting investors and identifying risks and opportunities, contributing to the definition of long-term sustainable investment strategies.

International ESG rating agencies collect information on the environmental, social and governance profile of companies to support the monitoring of sustainability performance, to provide investors with the information they need to make informed investment decisions.

One of the most important providers is MSCI, whose ESG rating methodology has been chosen by Cattolica for portfolio monitoring.

From an analysis of the risks and opportunities related to the most critical and/or relevant issues in terms of sustainability, the framework aims to identify both the negative externalities produced by companies in a given sector - which will become an unexpected cost in the medium to long term - and the opportunities that can be capitalised over the same time period.

During the year Cattolica received an upgraded MSCI rating from BB to BBB. The comments note that "The company Cattolica undertook initiatives to increase its involvement in responsible investment practices by becoming a signatory to global standards such as the United Nations Principles for Responsible Investment (UNPRI) in June 2019 and it formally established its responsible investment policy, highlighting its commitment to integrating ESG principles into its investment decisions".

SUSTAINABLE INVESTMENT AND IMPLEMENTATION METHODS: AN INTEGRATED APPROACH

The Group has adopted a system capable of incorporating ESG issues into the analysis of its investments and related decision-making processes. Already integrated into investment policies, the activity will continue in 2020 with the definition of specific guidelines.

In order to implement the guidelines and exert a positive influence on the behaviour of issuers, the Group has identified some types and methods of action:

- Exclusions (black list) and monitoring (watch list)
- ESG Rating - Score
- Thematic investing/Impact Investing
- Environmental protection

Overall, the strategies are applied to assets of approximately € 31 billion¹⁵, with a coverage percentage of around 90% of the assets under management in the insurance portfolio as at 31 December 2019.

The activities are conducted with the support of a social responsibility advisor and are based on the external analyses provided by the research company MSCI ESG Research.

Exclusions (Black List) and Monitoring (Watch List)

A screening process leads to the inclusion of issuers in the black list or in the watch list.

The creation of a screening report allows monitoring the investing universe, identifying and evaluating the issuers with a greater exposure to the ESG issues. The exclusion criteria underlying the sustainability screening consider, in the case of direct investments in corporate issuers, serious violations of the principles defined by the United Nations in the UN Global Compact. The Company considers investments particularly critical when they are in assets issued by companies that are involved or implicated in:

- the production of weapons that violate fundamental humanitarian principles in their normal use (specifically cluster bombs, anti-personnel mines, depleted uranium weapons, biological and chemical weapons, nuclear weapons are considered unconventional weapons¹⁶);

- serious or systematic violations of human rights;
- serious or systematic violations of labour rights;
- serious environmental damage;
- serious cases of corruption.

Cattolica continues to monitor and limit direct investments in certain sectors which are considered not completely in line with the values and ethical principles followed (watch list).

The Group periodically analyses the portfolio to verify that the company invested in is in line with the criteria mentioned. The criteria are applied to 100% of direct investments in corporate issuers (shares and corporate bonds) for more than € 5 billion in the insurance portfolio as at 31.12.2019. The percentage of coverage is 92%, the instruments not covered by the provider mainly include private placement bonds and, residually, unlisted shares.

As at 31.12.2019, the screening applied to the corporate issuers included in the Group's portfolio showed that 0.05% are part of the black list while 5.83% appear in the watch list.

A holistic approach: ESG Rating/Score

The set of investments in the insurance portfolio is examined on the basis of a rating/score divided into three pillars - environment, social practices and good corporate governance - and analysed at the industry level in the case of corporate issuers. The ESG score is converted into an overall ESG rating, based on specific conversion ranges established by MSCI, from the rating class AAA (best) to CCC (worst).

In order to pursue an improvement in the average portfolio rating, the Group pays particular attention to issuers with a rating below a single B.

On the same date, the Group's insurance portfolio showed an average ESG rating of BBB, placing itself in an intermediate position with respect to the scale established by MSCI, with a dominant weight of domestic Government bonds driving this value.

¹⁵ It should be noted that in 2019 the following companies entered the scope: VERA Vita, VERA Assicurazioni and VERA Protezione. The following Group insurance companies are currently excluded from the scope: Vera Financial, Cattolica Life and CATTRe.

¹⁶ A prevalence criterion is only used for the production of nuclear weapons, of more than 5% of revenues, while for other non-conventional weapons the tolerance threshold is zero.

Selectively investing: the thematic approach

In order to provide a complete representation of the thematic approach adopted, cutting across the different asset classes in the portfolio, the structure proposed by the PRI is followed: bond investments and thematic illiquid alternative investments (divided into private equity, infrastructure funds and property).

Bonds: green bond, social bond, SDGs bond

At the end of 2018, the total green bonds in the portfolio amounted to approximately € 80 million, while as at 31 December 2019 it stood at approximately € 275 million, 55% represented by corporate issuers, while the remaining 45% is invested in government or supranational issuers. The most significant include:

- UBI (12%), which issued a green bond in 2019, with projects that can be financed in renewable energy, energy efficiency, sustainable mobility, water resource management, circular economy and green buildings;
- ERG (8%), which launched its first green bond in 2019, with eligible projects related to two categories, both linked to SDG 7: wind and solar power plants;
- Enel (7%), with two issues which consider renewable energy, transmission and distribution, smart grids and innovative infrastructure projects (wind and geothermal) as eligible green projects;
- Iren (6%), also present with two issues, whose proceeds are directed towards renewable energy projects, energy efficiency, waste and wastewater management and, for the second issue due to expire in 2025, electric mobility initiatives.

The increase in green bonds within the Group's portfolios is reflected in a more general framework at Italian national level, where there has been a very positive trend for green issues.

Thematic illiquid alternative investments

The combination of scenario, technical-financial, regulatory and market variables has made it essential, in order to compete effectively on the market and ensure adequate proposals to customers, to assess alternative risk premiums, such as illiquidity and complexity premiums inherent in investments in real estate, infrastructure equity and debt, private debt and private equity.

Operating in a diversified manner, improving the quality of the assets in which there is an intention to invest, requires a high degree of expertise or relying on specialised partners.

The management of this complexity - both in the selection and monitoring phases - has led Cattolica to establish a new corporate function placed within the Investments area. The mission of the team specialised in alternative investments is to build and maintain a portfolio of private equity, infrastructure and private debt over time that is well diversified and resilient to economic cycles, so as to grasp the main factors of value creation that necessarily leverage long-term sustainability for Cattolica.

ESG issues are decisive in the due diligence phase of investments of an alternative nature, and are given space in a special section. The submission of questionnaires based on PRI¹⁷ and the request for regular and transparent reporting on the issues covered demonstrate that sustainability factors are also widely disseminated within non-listed markets, and that there is a trend in converging towards the UN SDGs.

The careful selection of the partners with which the Group collaborates is essential for achieving high performance levels able to reconcile economic development and environmental sustainability.

Cattolica has been investing in the infrastructure sector for years and has been attentive to sustainable investments from the outset. Many of the funds in which it has invested operate in the field of renewable energy production: wind, solar and biomass. Others are active in the health care sector and lastly others invest in land to be reclaimed and implement corrective measures for soil preservation.

¹⁷ The technical name of the questionnaires is "Responsible Investment Due Diligence Questionnaire".

The following table shows some concise figures on the Group's financial loans in the sector of renewable energies.

SPECIALISED FUNDS - SECTOR AND GEOGRAPHIC COMPOSITION OF THE INVESTMENTS IN RENEWABLE ENERGIES

	30.09.2019	31.12.2018
Value expressed in Mln of Euro	178	163
BREAKDOWN % BY SECTORS		
- related to solar	86%	80%
- related to wind	13%	20%
- other	1%	0%
GEOGRAPHIC ALLOCATION (%)		
- Italy	85%	78%
- Outside Italy	15%	22%
NUMBER OF PLANTS	74	75

Perseide has a central role as a closed-end real estate fund focused on renewable energies, included in integral consolidation activities and wholly owned by the Companies of the Group.

As for the social interest investments, the Group's activity in the elderly care sector has been increased, in which Cattolica has invested since 2008, through the establishment of the specialised Fondo Innovazione Salute real estate fund, reserved for the management of Residential Care Homes (RCH).

The Group currently has 13 properties which are Assisted Health Residences for a total of over 1,100 beds in assets, with a pipeline of new investments of at least € 150 million, combining two strands of business present in the 2018-2020 Business Plan: the development and delivery of an innovative offer for elderly care and real estate investment in the health care sector.

The most important initiatives carried out during 2019 include:

→ The Fondo Mercury, with the participation of an important partner such as Conad: a successful union between the cooperative and insurance world and that of large-scale distribution, proposed as an innovative investment model for the real estate sector. Thanks to Mercury, Cattolica was awarded the prestigious Silver Regional Award for the category "Other countries and regions" at the IPE Real Estate Global Conference 2019 organised in Amsterdam.

→ The H-Campus Project provides for the construction of an international school campus within Tenuta Ca' Tron. Campus school activities are scheduled to start in September 2020.

→ The Fondo Immobiliare Girolamo, in partnership with Savills IM SGR, specialising in renovated or newly constructed buildings in the office sector. To date, the property owned by the Fund has a high energy performance level.

Environmental protection

The Group considers environmental protection a material theme. In addition to having included serious environment damage among the exclusion criteria, it has also adopted an *ex post* monitoring system to check for investments in sectors identified as carbon intensive on a quarterly basis.

The methodology uses a broader concept for screening the issuers by monitoring companies with a turnover which includes over 70% from industries tied to high carbon emissions, such as combustible fuels (Coal, Petroleum and Natural Gas).

As at 31 December 2019 there are no direct stock or bond investments in companies connected to the coal industry in the Group insurance portfolio.

The screening shows that the sectors to which the company is marginally exposed are Utilities, Materials and Energy, with a total weight of these sectors not exceeding 2% in the Group portfolio, while the percentage of carbon intensive securities directly present, again within the Group portfolio, is 0.4%.

The carbon footprint is also monitored on a quarterly basis. It is a measurement that expresses all the greenhouse gas emissions associated directly or indirectly with a product, an organisation or a service, generally expressed as tCO₂e¹⁸ (tons of CO₂ equivalent). The weighted average carbon intensity¹⁹ is calculated on direct investments in corporate issuers (shares and corporate bonds), thus this information is available.

In particular, the percentage of coverage as at 31 December 2019 is equal to 74% (72% as at 31 December 2018), mainly influenced by the low coverage recorded for instruments issued by financial holding companies. At Group level, the carbon

footprint as at 31.12.2019 is equal to 121 tCO₂e/\$M, compared to 72 tCO₂e/\$M of last year's screening as at 31.12.2018. The increase is attributable, in addition to the expansion of the data's coverage, to a slight increase in the weight of the Utilities sector. The carbon footprint of the MSCI EUROPE INDEX²⁰ - useful as a benchmark - is equal to 148.3 tCO₂e/\$M.

¹⁸ According to indications of the Kyoto Protocol, the greenhouse gases taken into consideration are: carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFC), perfluorocarbons (PFC) and sulphur hexafluoride (SF₆); each of these is weighted based on its individual contribution to the increase in the greenhouse gas effect (namely its "climate changing power") compared to that of CO₂, considered equal to 1.

¹⁹ The metric used is MSCI Carbon Emission - Scope 1 + Scope 2 Intensity, measured in tCO₂e/\$M. This measurement represents the Scope 1 and Scope 2 greenhouse gas emissions standardised on the total of sales in millions of dollars, with the purpose of allowing the comparison between companies of different sizes.

²⁰ As a proxy for the stock index, it was used the ETF iShares Core MSCI Europe UCITS ETF EUR (Acc) ISIN: IE00B4K48X80.





Agencies

1,395



Bank
branches

6,075

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PROTECTION AS A MISSION: CUSTOMER SERVICE



approx.

3.56 mln
CUSTOMERS

1,395
AGENCIES

1,887
AGENTS

6,075
BANK BRANCHES



CORE BUSINESS

LIFE AND NON-LIFE INSURANCE
PRODUCTS AND SOLUTIONS

DISTINCTIVE AREAS

AGRI-FOOD SECTOR,
RELIGIOUS ORGANISATIONS
AND THE THIRD SECTOR, *SPECIALTY LINES*
FOR NON-TRADITIONAL RISKS



737

FINANCIAL ADVISORS

FOR THE CUSTOMER: THE INSURANCE OFFER

Cattolica's core business is the creation and distribution of products and services to protect individuals, families and businesses from the risks and consequences of adverse events, in a long-term perspective that considers the customer a partner to be listened to, satisfied and maintained over time.

The Group is constantly committed to improving the offer through commercial proposals with high added value and functional to the specific needs of the customer segments served.

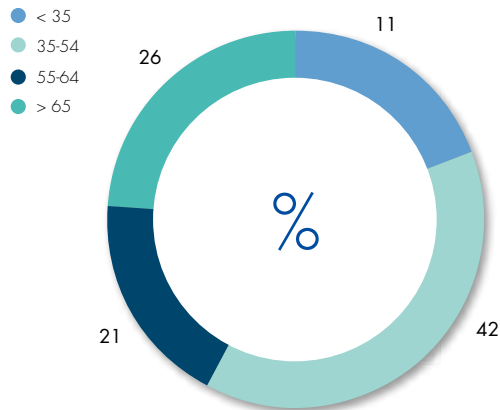
Also in this document, particular emphasis will be given to those insurance formulas that are distinguished by a specific ethical and solidarity value and the ability to generate positive impacts for one or more categories of stakeholders.

As at 31 December 2019, Cattolica Group has over 3.5 million customers ²¹ (substantially stable figure compared to 2018), 61% of whom are men and 39% women, with an average age of 55 years.

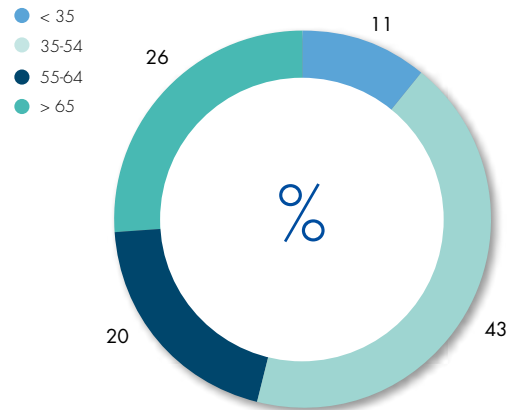
42% of the customers fall in the age group 35-54, as shown in the following chart.

²¹ The figure on the number of customers (3,555,878) is underestimated, since it does not include the entire portfolio of the Vera brand companies, currently undergoing migration

Composition of customers of the Cattolica Group by age as at 31 December 2019



Composition of customers of the Cattolica Group by age as at 31 December 2018



PRODUCTS AND SERVICES WITH PARTICULAR SOCIAL VALUE

Cattolica maintains a wide range of insurance products and solutions characterised by a strong social connotation.

In fact, the Company guarantees a range of proposals for intermediate bodies such as voluntary associations, foundations, cooperatives, social enterprises and other Third Sector associations, for which it intends to position itself on the market as a leading company. The proximity to the world of disability also remains a characteristic feature of its business.

Attention and assistance for the most vulnerable

Cattolica&Solidarietà is a plan that outlines some traditional insurance solutions which protect individuals in every aspect of life, with a particular sensitivity to the needs of people with disabilities, to which tailor-made clauses are reserved.

The following are of particular importance:

→ *Cattolica&Motori*, a limited liability policy for safe travel which provides specific facilitating measures for those who drive a multi-adapted vehicle, with special discounts, services and assistance in the event of an accident and vehicle failure;

→ The *Cattolica&Motori* product also includes the Active line for commercial cars and vehicles that, thanks to the association of a smartphone with a simple box installed on board, offers protection and prevention services; for example, 24-hour telephone contact allows sending emergency assistance when necessary. It also includes the possibility to monitor driving style in order to prevent accidents and possible damage to the vehicle while driving;

→ *ActiveCasa&Persona* is the innovative offer for the protection of the home, person and family, which is configured as an evolution of the same product. It includes liability arising from the ownership or use of any vehicle for persons with disabilities, including electric vehicles, as well as any aids and prostheses used in normal social life. It also provides for greater attention in the event of possible injuries to disabled family members caused by pets;

→ *Cattolica&Salute* - Ogni giorno e Ogni giorno Click [Every Day and Every Day Click] is a line of products designed for complete accident protection, which offers special guarantees for families living with children with disabilities, even if they are not fiscally responsible for them. If both parents die due to the same accident, the lump sum payable will be increased by 100% (with the maximum limit specified in the policy).

Cattolica&Protezione

→ *Dopo Di Noi* is an insurance solution that assists people with disabilities in their moment of greatest need, when family members are not available to provide care. It is a tool to ensure a sustainable future, thanks to an insurance savings plan aimed at family members or at those who take care of the disabled person and intends to accumulate capital for their support, also through the security of an investment in Gestione Separata Ri.Spe.Vi. The beneficiary can take advantage of a lump sum payment or the disbursement of an evaluable annuity. From the product's inception to 31.12.2019, 105 policies have been issued for total annual premiums of € 334,400.

→ *SempreIndipendente* is the solution dedicated to those who want to be able to take care of themselves if they lose the ability to be self-sufficient, without placing an economic burden on family members, ensuring a decent future for themselves. The solution provides financial aid if three of the four elementary activities of daily life cannot be performed (move, eat, dress, take care of personal hygiene), immediately paying a one-off sum of € 10,000 and disbursing a variable income of between € 500 and € 2,500 per month, guaranteed for life. As at 31.12.2019, 715 policies have been issued for total annual premiums of € 749,200.

THE FUTURE GUARANTEED: SOCIAL SECURITY SOLUTIONS

The spread of supplementary pensions as a form of supplementary welfare is evidenced by the increase in demand for these products, which is reflected in a varied offer: quality pension solutions, including the Piano Individuale Pensionistico Cattolica Previdenza PerLaPensione and the Fondo Pensione Aperto Cattolica Gestione Previdenza.

→ *Cattolica Previdenza PerLaPensione* is an individual pension plan, the subscription to which is voluntary. It is a solution offered to the independent worker or the employee

who wants a supplemental pension to be received at retirement. It can also be underwritten for the benefit of a family member, including a minor child, even new-born, to immediately create the bases for their own social security. It is also possible to broaden the protection by extending it to unforeseen life events, opting for one or more of the ancillary guarantees provided.

- Long Term Care: if self-sufficiency is lost, it provides a life annuity of between € 300 and € 1,000 per month.
- Total and Permanent Invalidity: in the event of an accident or illness that totally and permanently limits the ability to work (with a degree of disability equal to or greater than 66%), it guarantees a capital sum of between € 10,000 and € 60,000;
- Dread Disease: in the event of illness or some health situations that imply a degree of permanent disability exceeding 5%, it guarantees a capital varying between € 10,000 and € 60,000.

→ *Cattolica Gestione Previdenza* is an open pension fund, established in the form of separate capital and autonomous within Cattolica Assicurazioni, which is addressed to those who intend to implement a complementary pension plan. Participation in the Fund can be individual - an individual who voluntarily joins - and collectively: in which case there is a specific agreement between the company and its employees regarding the methods and terms of the contribution. Participation can also occur through tacit conferment of the TFR [severance indemnity]. Cattolica Gestione Previdenza also makes it possible to expand the level of protection of the product, thanks to the possibility of choosing additional coverage just for death or for death and total and permanent disability, for a fixed insurable capital of € 100,000 and € 150,000.



SOLUTIONS TO PROTECT SAVINGS

Customers' capital entrusted to Cattolica for its management is an asset to which the Company devotes care and attention, also for the importance that the savings of families assumes from a social as well as economic perspective.

The Company proposes a range of solutions dedicated to investment and savings that are part of a balanced management view of insurance and pension through:

- the focus on a correct risk profile for every investment, both through Separate Management and through the Internal Insurance Funds managed directly by the Company;
- an adequate combination of types of insurance protection, already included or which could be combined, which can intervene and supplement in case of serious unforeseen events;
- the possibility of deciding the liquidate capital also in several forms of annuity, when one wants a more flexible and free management compared to the traditional supplemental social security products.



SOLUTIONS FOR PROTECTION AGAINST NATURAL DISASTERS

The evidence of climate change and the emerging risks arising from the occurrence of natural disasters has prevailed in international discussions, also significantly reaching companies operating in the insurance sector.

Italy is one of the countries most exposed to earthquakes, deluge and flooding; statistics published by UNISDR (United Nations Office for Disaster Risk Reduction) confirm an upward trend in the occurrence of catastrophes in the country, with far-reaching economic effects for families and businesses.

Moreover, the spread of dedicated insurance coverage remains limited: for example, only about 40% of all businesses and 2.5% of private homes are insured against seismic disasters.

The Company has enriched the range of products dedicated to the protection of the Home (*Active Casa&Persona*) and the Company (*Cattolica&Impresa*, with *Industria 360°*, *Alimentare 360°* and *Commercio*), which include catastrophic guarantees against natural disasters. These are guarantees with high social value, offered at low rates and accessible to all, thanks to which it is possible to offer customers the extension of the catastrophic guarantees to more widespread events, including earthquake, flooding and deluge, as protection against residential and non-residential risks tied to industry and commerce.

THE EVOLUTION OF THE DISTRIBUTION MODEL

Cattolica has been on the market since 1896 and is the only sector cooperative listed on the Stock Exchange today. The Group's distribution channels are the network of agencies, bancassurance, brokers and insurance partners.

Market presence: professional channels

The network of agents remains the main channel of the commercial and competitive strategy. As at 31 December 2019, it has 1,395 agencies at Group level (2018: 1,444) and 1,887 agents (2018: 1,929), nationwide. The distribution network also includes 737 financial advisors (2018: 733).

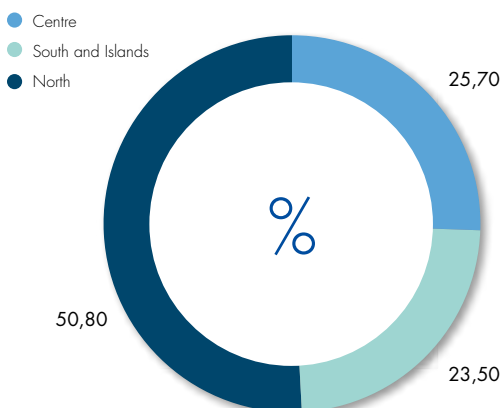
The location of the agency network is divided as follows: 50.8% in Northern Italy, 25.7% in Central Italy and 23.5% in Southern Italy and the islands.

The breadth and heterogeneity of the network require the involvement and sharing of the Company's vision, in order to create a relationship of trust and fruitful dialogue between Management and Agencies.

During 2019, Cattolica organised numerous meetings and gatherings dedicated to the network of agencies and sub-agencies.

The 2019 Agents Tour - Pronti alla Vita [Ready for Life] allowed the Company to highlight and confirm the centrality of professional channels to 1,179 Agents involved in the three sessions in Rome, Naples and Milan. The Tour was then repeated at the end of the year to provide the agencies with additional commercial levers and techniques to deal with the delicate end of the year; 945 Agents in the cities of Florence, Bologna, Verona, Milan, Rome, Bari, Turin and Catania accepted the invitation.

Distribution of agencies on the territory as at 31 December 2019



Cattolica also wanted to meet the best Sub-agents in a Tour of Italy dedicated to them, divided into nine stops in October: wholly consistent with the path dedicated to Agents, the 850 collaborators present were also able to share the strategic vision of the Company.

Banking partnership: the development of bancassurance

Since the 1990s, the Group has developed strong partnerships in life and non-life insurance with major banking institutions which have allowed the consolidation of an excellent competitive position throughout the country.

The aim is to best sustain distribution partners by offering effective support to the sales network and a high-profile consulting and customer service.

The total network is strong, with 6,075 bank branches. The main banking partnerships currently in operation are with UBI Banca, Iccrea and Banco BPM.

→ The agreement with UBI Banca involves the distribution of the insurance products of the Lombarda Vita joint venture through the bank branches, with almost 500 branches, and the network of UBI Group's financial consultants. The union of the two organisations materialised in a wide commercial offer which integrates protection, savings and investment solutions for Retail and Private customers.

→ The partnership between Cattolica and the Iccrea Banking Group applies, respectively for the life and non-life segment, through the BCC Vita and BCC Assicurazioni companies that operate through the distribution network of almost 4,000 branches of the Banche di Credito Cooperativo e Casse Rurali [Cooperative Banks and Rural Banks]. In July 2019, Cattolica and Iccrea Banca revised the negotiating terms of the partnership, with an increase in volumes and a higher selection of products. The new agreement provides for a three-year renewal expiring in December 2022, with the participation of Cattolica reaching 70% in both joint ventures.

→ In 2017, an agreement was signed with Banco BPM for the establishment of a 15-year strategic partnership in life and non-life bancassurance. The closing of this important transaction was completed in 2018 with the birth of Vera Vita, with the subsidiary Vera Financial, and Vera Assicurazioni with the subsidiary Vera Protezione. The agreement with Banco BPM provided a decisive boost to the distribution and production capacity of the Company (with an increase of over 1,500 branches), reinforcing the market penetration capacity.

The banks with which Cattolica has smaller active commercial partnerships include Banca di Credito Popolare, Banca Popolare Pugliese, Banca di Bologna and Banca Galileo, for a total of about 200 branches.

The following table summarises the nature of the most important existing agreements:

MAIN BANCASSURANCE PARTNERSHIPS

<p>UBI BANCA - network of about 400 branches - financial advisors of the UBI Group</p>	<p>Distribution of Lombarda Vita joint venture products through bank branches (retail and private customers)</p>
<p>ICCREA BANKING GROUP Network of 4,000 branches of Banche di Credito Cooperativo and Casse Rurali</p>	<p>Distribution of life and non-life products through the companies BCC Vita and BCC Assicurazioni</p>
<p>BANCO BPM Network of about 1,500 branches</p>	<p>Distribution of Vera Vita products, with the subsidiary Vera Financial, and Vera Assicurazioni, with the subsidiary Vera Protezione.</p>

Agents and insurance partners

Cattolica has investments and partnerships with brokers and other insurance actors in the reinsurance sector:

- ARAG, for legal protection;
- IMA Italia in the assistance for the provision of services to policyholders in combination with auto, person and home policies;
- Gruppo Per in relation to assistance and prompt intervention in the event of a claim, dedicated to companies;
- IMA Group (Inter Mutuelles Assistance), for a wide range of assistance services;
- CATTRe in the special risk market (*specialty lines*).

Specific sections are dedicated to collaborations with IMA and CATTRe.

The development of skills and the training of the agent network

Attention to the professional growth of agents is also expressed through updating and quality training, critical success factors for the qualitative and numerical development of the distribution network.

These aspects have also assumed increasing weight for the regulatory consequences introduced by the EU Directive 97/2016 called IDD (Insurance Distribution Directive).

In line with the strategy already defined, in 2019 the Group again confirmed the significant investments aimed at enhancing the skills of Distributors and the activation of training courses dedicated to agency and secondary networks, which involved employees and agency collaborators.

The training offer was updated during the year in relation to business trends, regulatory changes and needs related to the marketing of new products and was divided into numerous projects, including:

- support for the launch of the new Active Casa & Persona product, making the relative online course available to the entire Network, created with new risk analysis techniques, through virtual tours and case histories;
- training cycle through 23 classroom sessions with an innovative delivery model, a synthesis between the skills of internal teachers and the experience of IMA Protect teachers who provided Agents with technical insights into traditional guarantees and commercial ideas regarding new related services;
- development of Agent skills relating to “Sales force system”, the strategic management program that manages agency records. The course was delivered by internal resources, the Digital Coaches, leveraging their technical and IT skills;
- training dedicated to the Life business, on the commercial opportunities of TCM policies and multi-branch policies, with 35 national sessions and the participation of over 1,300 employees;
- comprehensive training on IDD legislation, to share an evolved vision of insurance distribution related to the application of the Directive and to strengthen the combination of respectful behaviour and commercial results;
- “First 60-hour training” course dedicated to new Agency collaborators, for which the contents have been adapted by including the new IDD legislation and also introducing, alongside the regulatory modules, individual courses on the main products distributed by Cattolica. In 2019, more than 1.50 intermediaries took advantage of the course;

- Master Executive Agenti (MEA), which continued successfully in 2019: 258 agents were trained, for a total of 233 agencies involved, with the provision of 30 classroom sessions and a total of 390 participations and 820 man-days of training;
- The fourth edition of the Master Professione Agente (MPA) began in June, with the participation of 19 young talents, involved until March 2020. During the year six classroom weeks were provided, equal to 28 training days and 532 man days, with topics in all fields: general management, marketing and sales techniques, communication, recruitment, finance, planning and management control.

The online training catalogue is always available for intermediaries, which includes 156 courses mainly on regulatory and product issues, both non-life and life, for a total of more than 260 hours of training usable in e-learning mode and through which more than 17,000 man-days have been provided to date and more than 92,000 registrations have been recorded.

The aforementioned training proposal, in addition to further initiatives of lower numerical resonance, but of the same quality level, allowed training to be one of the most appreciated topics by the agency network, so much so as to be indicated as a strong point of the Company.

Digital transformation in new competitive scenarios

Cattolica has heavily invested in the Digital Transformation Program (PTD) to equip agency networks and management structures with advanced and innovative digital tools, critical success factors in a dynamic competitive environment that requires high flexibility.

The visit to about 800 agencies has made it possible to plan the adoption of the new tools provided by the PTD, including the App for customers, C2 Cattolica Community, Advanced Electronic Signature and the Consegna Active Box in Agenzia portal.

The development of the Agency's websites continued, to allow the channel greater institutional visibility, in line with the Company's corporate website.

New IT microservices

Customer-oriented digital innovation is one of the cornerstones of the Business Plan, and is expressed in the aim of speeding up the integration between the Company's and external partners' applications through an innovative, secure and common platform throughout the company, able to simplify and enable the reuse of software components.

The platform allows the association of processes, overcoming the concept of silos and enabling a multichannel distribution model based on complete integration between physical networks and digital channels.

New self-service services and digital access tools let the customer have a faster and easier relationship with the Company, able to guarantee an excellent customer experience.

Technology is not only an enabling factor for new digital projects, but above all for the diffusion of new and more sustainable working methods and full collaboration between business, IT and technology partners.

SERVICE QUALITY AND CUSTOMER SATISFACTION

Cattolica interprets the concept of customer centrality in a markedly operational sense, taking care to implement it in everyday practice, starting from the creation of products and services. It is a cornerstone of the business formula, linked to the need to listen to the requirements of customers to generate a high degree of satisfaction.

With regard to transparency, the Group communicates in compliance with the regulations governing providing customers with information. As for the pension products, the references are Italian Legislative Decree no. 252/2005 and the directives issued by COVIP; with regard to insurance products, reference is made to ISVAP Regulations 35, IVASS Regulations 38 and EU Regulation 1286/2014 of the European Parliament and the European Council for savings and investment insurance products.

For financial-insurance products, in addition to the aforementioned 35 ISVAP and 38 IVASS, the references are Italian Legislative Decree no. 58 of 24 February 1998 (Consolidated Finance Act) and the Issuers' Regulation adopted by resolution no. 11971 of 14 May 1999.

With the launch of the Business Plan, the Company has embarked on a path of change aimed at strengthening its customer relations and market position.

Recent research conducted on a sample of customers (including a subset of former customers), aimed at providing an overview of the characteristics and satisfaction with the Company, showed an overall satisfaction positioned at higher levels than the market benchmark.

All the KPIs revealed high scores and the data is substantially cross-cutting in the Company's customer base.

The Net Promoter Score (NPS) of Cattolica - the metric that evaluates the degree of customer satisfaction and loyalty to a company - was excellent in absolute value and, even among customers who have direct experience with a competitor, the

preference granted to Cattolica remains high and clearly prevails in comparison with the main insurance companies, while the victory over non-insurance competitors is less clear.

Finally, the survey shows that both the products and their characteristics and the competence and availability of the collaborators are very positively evaluated.

Speed and transparency: the liquidation of claims

The quality of customer service at the moment of claim settlement is one of the fundamental parameters for assessing the efficiency of an insurance company and has an immediate impact on customer satisfaction.

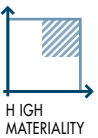
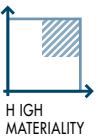
In 2019 the Group's net claims incurred totalled € 6,257 million (2018: € 4,568 million).

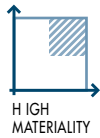
In the RCA business, the current settlement rate (the percentage of claims settled in the same year of reporting) was 76.9% (2018: 77.4%).

The current speed for claims settled under CARD (Agreement between insurers for direct compensation) was 82.6% (2018: 83.4%). Both percentages are therefore basically comparable to the previous year.

Cattolica has developed a program of initiatives aimed at maintaining high performance, with a view to the centrality of the customer expressed in the Business Plan.

In fact, the project launched in 2018 which provides for the creation of the paperless claim file was concluded: it allows the digitisation and immediate archiving of the documentation received by the Company, with benefits in terms of reduced environmental impact, speed in obtaining the file and its completeness, as well as allowing its usability by interested parties.





Simplicity and clarity: the new customer information sets

Making policy conditions simpler and clearer, using linear language that is quickly understandable, not only to comply with that which is defined by the Patti Semplici e Chiari [Simple and Clear Pacts] legislation, but above all to improve customer experience with the products and therefore with the Company.

This is the objective pursued with the creation of a completely revised customer information policy, thanks to a layout conceived according to new guidelines;

- synthesis: the texts have been made more synthetic and articulated by points, with a more insightful and intuitive organisation of content;
- simplification: language has been used that limits complex technicalities and expressions to the minimum necessary, to facilitate the customer's reading;
- highlighting: differentiated graphics and a more varied overall visual impact have led to greater dynamism and ease of reading, also thanks to the use of explanatory graphics supporting contracts.

Authorised body shops network

The technological evolution of the car fleet and the greater complexity of the related insurance services require being able to count on a network of authorised body shops capable of providing the customer with high standard service, in line with the policy specifications.

The network of body shops has 1,731 repairmen, and handled 18,882 claims (2018: 15,312), divided between 11,542 CARD double-signature and 7,340 Land Vehicle Bodies.

The network provides undeniable advantages for the customer both in terms of service, with the possibility of receiving a courtesy car, and of quality of the repairs to the vehicle.

During 2019, new networks of repairmen were added (Car Clinic, Maestri della Grandine) that guarantee the customer more services with a more fluid and pleasant customer experience.

Remote RCA Appraisal

During 2019, the possibility of carrying out the RCA appraisal remotely by interfacing directly with the repairmen was activated in a test area.

This inspection mode provides undoubted advantages for both the customer and the Company, both in terms of liquidation speed and lower costs and CO₂ emissions, thanks to the elimination of travel by the expert and the customer.

HAI AVUTO UN SINISTRO?

Cattolica Assicurazioni
ti garantisce un servizio di qualità

SEGUI I NOSTRI CONSIGLI
E SCOPRI I SERVIZI A TE DEDICATI.



COMPLAINT MANAGEMENT

Customer attention and a high level of customer satisfaction assume a primary importance and derive directly from the central position that the customer has among corporate stakeholders. In this context, speed and effectiveness in handling complaints, together with simplicity and transparency in communication, are essential.

Complaints management is entrusted to the specific department, the Group Complaints Service, formed pursuant to ISVAP regulation no. 24 of 19 May 2008, which deals with the management of complaints from those who use the insurance business (customers, injured parties, legal advisors, consumer associations). The unit also contributes to the monitoring of service levels, also from the perspective of potential improvements.

During 2019, also due to the expansion in the Group's perimeter, there were a total of 4,855 written complaints recorded (2018: 3,978); of these 1,231 were accepted (2018: 1,075). The average time for complaints processing was 20 days (2018: 26).

In addition to the mentioned complaints, the Group received nine reports regarding violations of consumer privacy. The reports refer to minor cases relative to individual users that the Group promptly reviewed and handled. In each case, the consumer was informed not only that the company was taking charge of the report but also the result of the verifications.

Complaints for violation of privacy (n.)

	2019	2018
Complaints received for violations of the customer's privacy	9	3
of which received from third parties and verified by the organisation	9	3
of which from regulatory entities	0	0
Total number of leaks, thefts or losses of customer data	0	0
Total	9	3

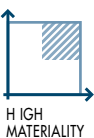
INNOVATE TO COMPETE: CATTOLICA AND PRODUCT INNOVATION

Cattolica is aware that technological innovation is an irreversible trend in the competitive context, intimately linked to a business model that aspires to be economically and socially sustainable in the long term.

2019 was also characterised by the commitment to develop products and solutions with a high rate of innovation, with a focus on added value for the customer.

Towards a data driven company

In the context of the transformation into a data driven company envisaged by the 2018-2020 Business Plan, Cattolica has established an important technological partnership with Google for the systematic integration of data into a data platform in the cloud.



It is a pioneering technological approach with respect to the Italian insurance sector, which allows the Company to govern structured and unstructured data in a simple and secure way, improving the organisation of information assets and ensuring excellence in the process of extracting value from company data.

The transformation was accompanied by the strengthening of a team of specialist analysts dedicated to the design, prototyping and acceleration of processes that use machine learning and artificial intelligence, with a focus on the frontier of innovation.

The aspects most impacted by the analytical focus include the application of advanced artificial intelligence engines for the fight against fraud, the progressive sophistication of algorithms and pricing logics aimed at the Company's economic sustainability, the optimisation of processes and the creation of unique customer value management evaluation metrics.

NEW RELATED SOLUTIONS: FROM CAR TO HOME

The proposal of related products was strengthened in 2019, both in the Motor segment and thanks to the launch of a new connected solution in the Home segment.

The sustainable RC policy: Active Auto

2019 included the consolidation of Active Auto, the online product launched in 2018 and aimed at integrating the Auto policy with cutting-edge services for prevention and customer protection, radically transforming the experience of a classic RC Auto product.

Active Auto is based on innovative technology that takes advantage of the customer's smartphone and introduces a multi-service product that goes beyond purely compensatory logic. A new smart version is dedicated to customers who want to take advantage of the services without involving the detection of their driving style.

The Assistenza product has been enriched to cover - in addition to the traditional cases of roadside assistance, a mobile tyre puncture and workshop service - innovative guarantees such as alternative mobility, personal assistance and psychological assistance.

The combination of connected mobility and assistance allows the customer to take advantage of advanced services whenever the need arises, through customer care that even operates when not directly requested by the customer (for example, in the event of a serious accident).

Active Auto is a product that is much more sustainable than a traditional solution, since it serves as both a protection and prevention element, with clear benefits for users and third parties.

In the Motor segment, since the launch of the initiative in 2018 to the end of 2019, more than 9 terabytes of data have been collected from an average of 205,000 daily trips, which have allowed the Company to handle more than 6,500 calls from the emergency button and almost 4,000 warning signals of potential accidents.

It is therefore possible to confirm the promise of a real change of perspective, from damage/reimbursement to prevention/protection, which also allows considerable progress in social sustainability in terms of the customisation of the offer and services, summarised as follows:

- providing incentives to customers who drive responsibly, contributing to reducing the number of victims on the road, as well as the number of accidents and their extent;
- more effectively segmenting the categories of customers from the revenue point of view, rewarding those who behave responsibly and fighting fraud;
- increased performance in the recovery of stolen vehicles;
- encouraging responsible behaviour, while reducing traffic and pollution.

Over the course of the year, a path of innovation and research has been carried out that has shown how neuroscience can improve driving performance.

DriveFit research conducted by the Social Neuroscience and Emotion Research Unit of Cattolica University in collaboration with the Company has been driven by the growth in the number of road deaths from 2016 to the present, choosing distraction as the leading cause of an accident, with a weight of 16% of the cases.

Thanks to stress management techniques to encourage attention and inhibit distractions, the sample of drivers who took part in the research was helped to reinforce virtuous behaviour as well as discourage inappropriate behaviour through mindfulness techniques.

The evidence gathered through road driving tests after cognitive training, with cars equipped with the Active Box driving monitoring device (part of the innovative and digital Active Auto solution), showed improved performance at the wheel, associated with a relative decrease in time spent above speed limits.

The connected home: Active Casa&Persona

In 2019 *Active Casa&Persona* was also launched, the new insurance solution for homes, individuals and families. It is a modular product that allows each customer to build their own custom policy by activating the most suitable guarantees for themselves and their lifestyle.

Cattolica has launched a research and innovation plan shared with UpSens, a start-up specialised in the design of sensors for air quality monitoring. The collaboration is aimed at creating a specific solution that allows recognising and reporting situations of environmental pollution, contributing to the improvement of health and well-being.

The integration with *Active Casa&Persona* opens new scenarios for normal insurance protection activity, thanks to a technological proposal with high added value able to respond to the prevention and health needs of customers within their homes.

ACTIVE CASA&PERSONA

LA TUA CASA E IL TUO MONDO, A TUTTO TONDO

Active Casa&Persona è la polizza assicurativa che risponde al bisogno di protezione della casa, della persona e della famiglia. Scegliere la soluzione che più si adatta alle tue esigenze è finalmente possibile, grazie alla vasta gamma di coperture proposte: amici a 4 zampe, rischi informatici, difesa del reddito, assistenza h24, cyber bullismo, rischi catastrofali, telesorveglianza, salute.

Inoltre, puoi completare la copertura con la soluzione che meglio rappresenta il tuo stile di vita: Digitale, Metropolitano, Dinamico o Previdente.

**PER PROTEGGERE DAVVERO
TUTTO CIÒ CHE AMI.**





NEW SUPPORT SERVICES: THE AGREEMENT WITH IMA

With the entry of Cattolica into IMA Italia Assistance S.p.A. at the end of 2018, the Group is able to meet customers' expectations in the field of innovative support services.

The activities carried out with previous operators have been concentrated in the new third party assistance field designed to meet clientele service needs.

With the new strategic partner IMA, the classic service formulas of the motor segment have been enriched and extended with an innovative perspective on customer lifestyles:

in addition to housing, they also protect the world of pets and the phenomena of cyber risk and cyber bullying, with the introduction of specific assistance formulas aimed at the world of Associationism and the Third Sector.

An online service has been activated for people with sensory disabilities (deafness) or with mutism, which also allows those who cannot communicate directly with the IMA operations centre to receive the most suitable assistance service.

SERVICES FOR THE ELDERLY: PARTNERSHIP WITH COOPSELIOS

Cattolica has invested in the elderly care sector, which is destined to assume a prominent role also due to demographic dynamics.

The value in the prevention and protection services for the elderly and their caregivers is very high, both for the individuals and for the community. The financial and industrial partnership

with Coopselios, a cooperative leader in the RCH sector (healthcare residences) in Italy, continued in 2019 thanks to the real estate fund called Fondo Innovazione Salute, whose aim is the Residential Care Homes (RCH).

IT AND THE VALUE OF SHARING: THE SMART MODEL

During 2019, the SMART model promoted by IT management continued to cultivate the improvement of collaboration thanks to the greater sharing of information and flexible working methods.

The project has evolved along three main lines: fostering collaboration, improving time quality and productivity, and protecting the environment.

In both smart working and smart operations, it has already shown an increase in goal orientation and improved productivity. The possibility of working with state-of-the-art tools that allow working exactly as one would in the office has

favoured an ecologically sustainable approach, according to a new vision of green information technology, symbolised by the choice of a new state-of-the-art data center, distinctive for environmental protection performance.

The dematerialisation of documents, improvement of digital desks and the possibility of unified communication (collaboration through document sharing between remote users) are already a reality for the offices in Verona and Rome, while in Milan they are planned in 2020.

NEW FRONTIERS OF SUSTAINABILITY: SPECIALTY LINES

The expansion of the non-traditional risk business (*specialty lines*) continued, characterised by a high degree of complexity and specialisation. The Group has strengthened - through the company CATTRe acquired in 2018 - its presence in this market, thanks to a flexible and innovative business model.

CATTRe's mission is the reinsurance of the premiums collected by the managing general agencies (MGA), companies with specialist expertise operating in niche markets. The MGAs report to Estinvest, financial holding company 100% owned by Cattolica.

CATTRe allows the Group to extend its protection and service capacity beyond the classic Retail sector, providing innovative and efficient solutions also for the world of Corporate and special risks.

2019 also saw the expansion of some activities related to specialty lines under the banner of sustainability and the design of innovative product formulas.

Insurance coverage for the protection of companies' environmental risks

Environmental responsibilities are an increasing risk for companies, partly due to a stricter regulatory framework and increased public awareness. All this has helped to increase the level of attention of the various operators regarding damage to the environment.

Cattolica has chosen to offer specific coverage and develop innovative insurance programs tailored to the actual green performance of a company, excluding activities that do not exceed the minimum prevention requirements, and encouraging virtuous practices such as the adoption of environmental management systems (ISO 14001 or EMAS) or risk prevention systems, with the application of premiums lower than market standards in such cases.

Insurance coverage for producers of energy from renewable sources

The Group has decided to provide insurance support to companies involved in the transition of electricity production from traditional fuels to renewable sources, in particular thanks to wind and photovoltaic plants.

This transformative dynamic has prompted Cattolica to position itself as a facilitator of sustainable development, with the creation of ad hoc insurance products for the coverage of photovoltaic parks, wind farms and urban waste treatment plants.

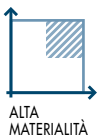
These solutions offer insurance protection covering installation up to the operating phase, and cover both physical damage to the plants and the economic losses due to any downtime, thus helping to ensure the planned economy of the works' financing bodies.

The TUA Data Protection product

Created thanks to the collaboration between TUA Assicurazioni and CATTRe, a non-traditional risk reinsurance company, TUA Data Protection is the first policy that helps small and medium-sized businesses and professionals effectively protect themselves against the risks associated with compliance with the new European Regulation for the Protection of Personal Data (GDPR).

The product offers two guarantees: compensation to third parties for liability arising from breaches of legislation or network security systems that cause unavailability or exfiltration of data; a support service for specialist emergency management, notification, investigation and control of credit positions, as well as data recovery and restoration and legal fees.

It is an innovative product on the Italian insurance market to protect against potential cyber attacks, which stimulates the customer to implement the best practices suggested thanks to the possibility of obtaining a discount on the renewal premium.



RELIGIOUS ORGANISATIONS AND THIRD SECTOR BUSINESS UNIT

The bond with the Church

Cattolica Assicurazioni is the only insurance Company in Italy to include in its structure a Business Unit specifically dedicated to Religious Organisations and the Third Sector (BUERTS), worlds in which it expresses, for historical and cultural reasons, a strong leadership.

The Company maintains a close relationship with these associations in order to listen to and understand their insurance needs so as to offer the most appropriate insurance solutions. The following have been created within this context:

- *Cattolica&Clero Secolare - Parrocchia*, which maximises protection and eliminates the disparities present in Italy in terms of policy conditions and limits of liability;
- *Cattolica&Clero Secolare - Infortuni*, an accident policy reserved for priests and deacons, designed to supplement the healthcare policy of the clergy, which Cattolica manages with the Central Institute for the Support of the Clergy.

The Company relies on a dedicated Settlement Centre, whose task is to exclusively manage claims regarding policies taken out by Ecclesiastical bodies and Third Sector associations.

BUERTS ensures an institutional presence at the major events of the Church and social world and maintains a fiduciary relationship with the Central Institute for the Support of the Clergy, the structure that protects the patrimony of the Italian Diocesan Institutes and the health of over 33,000 priests. The health policy is also valid for lay people active in the missionary service of the Italian Episcopal Conference.

130 dioceses out of 225 have signed agreements that make it possible to best adapt the insurance service based on the requirements of the individual organisations.

In 2019 six agreements were signed relative to the Cattolica & Clero Secolare - Parrocchia insurance solution and the adequacy of the insurance coverage of the Ecclesiastical Entities is checked continuously.

The agreement between the Italian and Catholic Episcopal Conference, which guarantees the protection from catastrophic risks of all 25,708 parishes in the 225 Italian Dioceses, is still in progress, limited to all the building works, i.e. churches, intercommunicating rectories and bell towers. This innovative policy - the first and only one of its kind in Italy - covers damage resulting from earthquake, flood and deluge events, acting in a uniform and homogeneous manner throughout Italy.

The offer for the Third Sector and the world of volunteering

The number of associations and individuals joining the world of volunteering is growing, helping to extend the network of assistance for those in difficulty. The reform of the Third Sector has understood this trend, and in turn marked a further impulse to this dynamic. Cattolica supports the world of volunteering with a series of specific products.

BUERTS has created the new product called Cattolica & Solidarietà - Terzo Settore, which represents an innovative and high-profile insurance solution able to provide an adequate response to the insurance needs of Third Sector Associations and those working in them, inspired by a model of sustainable and inclusive social-economic growth.

The Company has thus further approached the territory, the women and men of Associations and Bodies who look beyond their needs and choose to act personally. Promoting values such as solidarity, subsidiarity and fraternity means fostering the emergence of a humane society and its dignity. This is why it supports Bodies and Associations in this mission of high social value. The Product proposes forms of coverage in line with legal obligations, offers dedicated guarantees, envisages limits of liability and adequate capital.

Coverage is designed to insure injuries and illness of those who dedicate time and energy within the Associations to which they belong, providing for guarantees for death, permanent disability due to injury, hospitalisation and post-injury care expenses, daily immobilisation and hospitalisation due to illness.

The solution guarantees the coverage of Civil Liability for the Associations, their volunteers (even occasional), associates, administrators and employees, and offers the possibility of ensuring the Financial Civil Liability of the Directors, Legal Protection and Assistance.

Thanks to the Legal Protection section, it is possible to manage contractual disputes with employees, suppliers and the Public Administration and disputes that arise in the following areas:

- protection of health and safety in workplaces;
- food safety;
- protection of the environment, including accidental events which have caused environmental pollution;
- protection of personal data, including complaints to the competent authority;

- administrative liability for crimes of companies and entities;
- lease, right of ownership and other real estate rights.

Cattolica&Solidarietà - Terzo Settore also bears legal expenses such as attorney's fees, legal and expert expenses incurred following a claim for compensation for non-contractual damages suffered, for the defence in criminal proceedings for negligent crimes or for infringements, also in tax and administrative matters, for the defence in criminal proceedings for intentional crimes, for expenses incurred to resist the claim for compensation of third parties for non-contractual damages caused by policyholders.

Training projects for the Third Sector

To support the path of knowledge of regulatory evolution, the Scientific Committee of the Third Sector composed of expert lawyers and professionals has helped intercept emerging trends and new profiles operating in these contexts.

With their support, BUERTS develops and updates training projects for the expansion of the specific skills of agents, internal lines and operators, in order to raise the level of awareness and knowledge of the dynamics related to sectors crucial for Cattolica.

Training courses dedicated to the Agencies of the former FATA Division have been organised in order to align them with the traditional network, already sensitised on the subject. To support the marketing of the new product *Cattolica&Solidarietà* - Terzo Settore, an online training course has been published, administered to over 1,000 intermediaries.

BUERTS has also offered a consistent organisational and educational contribution to various initiatives proposed by the Ecclesiastical Entities and the Third Sector.

The Religious Organisations and Third Sector Observatory

The Religious Organisations and Third Sector Observatory monitors and analyses the dynamics within the complex and varied ecclesiastical world and the Third Sector, with a particular emphasis on juridical-administrative aspects.

The Observatory's web portal (www.osservatorioentirnp.it) collects and presents the contributions of the dedicated Scientific Committee as well as news, research and insights related to the different thematic areas.

The Scientific Committee studies and analyses the new perspectives and emerging social realities, in close collaboration with the Company's Business Unit, further proving that Cattolica considers Religious organisations and the Third Sector areas in which to invest in terms of human resources, product creation, communication and relations.

At the end of 2019, the management of the Observatory was transferred to the Marketing Department to enhance its role in supporting the company's business.

FOR FARMERS: THE PROPOSAL FOR THE AGRI-FOOD SECTOR

The agri-food sector traditionally remains a fixed point in Cattolica's business strategy. The continuous innovation in terms of technology, products and services demonstrates its interest in the sector and its specificities.

The Company aspires to be a leader in the protection of farmers and agricultural enterprises, with a varied and flexible offer of insurance products which combines more classic solutions with more complex policies, able to incorporate the dynamics of the sector and an environmental context in which climate change is now a permanent variable to be taken into account.

Cattolica helps companies increase their degree of resilience and environmental sustainability in the face of scenarios

characterised by an increasing rate of atmospheric variance, using highly specialised figures. The effort towards innovation is structured along three lines: customer service, new guarantees, damage estimation.

Cattolica has initiated collaborations with some Italian universities for the development of innovative guarantees (such as Index-based policies), while the estimation of damages uses satellite images and cultural modelling to support the experts' activities.

The protection of the income of agricultural business and the prevention of the risks, through an intelligent use of technologies, become two different elements of the insurance range of products.

Products for agriculture

Company protection

Agricola 360° is the insurance solution designed to offer complete coverage to the agricultural company. It is an innovative, flexible product that can be personalised. It provides diversified coverage and ad hoc guarantees depending on the specific production sector. The most significant include those dedicated to the wine and livestock chains, but the operation of the policy extends to the grain, oil, fruit and vegetable sectors and the risks related to the private life of the entrepreneur.

The offer is complemented by highly specialised products, including policies dedicated to renewable energy production plants and greenhouses. It provides guarantees created to meet the requirements of consolidated companies as well as younger companies more sensitive to technological innovations, including coverage against cyber risk, which is unique in the sector.

Crop protection

Cattolica offers a wide range of coverage against adverse weather conditions, mainly in the area of subsidised insurance. The Company is focused on the design of Index-based coverage, which grants compensation following unfavourable climate trends identified by a deviation (positive or negative) with respect to a meteorological index.

Before the sale of these policies, it is essential to be able to recognise adverse weather conditions, the related insurance guarantees and the regulations governing their assumption. With this in mind, the new online course on atmospheric hazards was published, the final test of which was passed by over 2,500 intermediaries.

Livestock protection

Arca di Noè is a solution that protects farmers against direct and indirect damage to farms providing main income (including predatory damage and damage occurring during alpine pastures, livestock fairs and genetic centres); depending on the guarantees chosen, there is also possible access to the public contribution. The policy offers coverage against animal diseases, both in case of mandatory slaughter and failed income. Provision is made for the cost of disposing of animal carcasses, which are generally burdensome for a livestock farm where the legislation requires the farmer to bear the costs.

The training area dedicated to the assumption of livestock risks has been extended. Two classroom courses have been organised: the first dedicated to agencies which are not yet operational, involved in a two-day educational start, and the second for agencies which are already operational, to which the new recruitment methods involving the use of a new system have been explained. The livestock risk training held in the classroom was attended by 120 participants.

COLLABORATION WITH COLDIRETTI

The historic collaboration with Coldiretti relating to distribution has continued, thanks to a recently renewed seven-year agreement. Cattolica is a partner of Coldiretti - the main association representing farmers - in the distribution of insurance products and supports it in ethical battles (fight against counterfeiting, illegal hiring, agri-mafia).

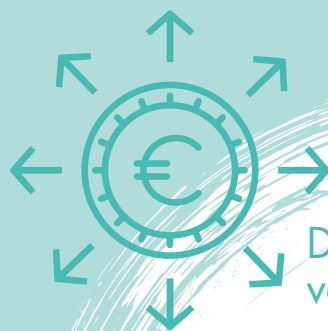
The collaboration is based on the promotion of quality agricultural work and the protection of workers in the sector.

AGRI-FOOD OBSERVATORY

The Agri-Food Observatory - AGR studies and analyses current phenomena and emerging trends in the agri-food sector, which Cattolica is monitoring thanks to a historic and consolidated bond with the territories and actors of the agricultural world.

The Observatory was functionally allocated within the Marketing Department in 2019 to facilitate a more business-related design, as well as the opportunity to be recognised as a leader in the sector. It is a tool that facilitates the encounter between the Company and current and potential customers, with a view to relational and commercial growth.





Distributed economic
value by the Group

€ 1,022 MIN



Total disbursements
of Fondazione Cattolica
OVER

€ 3.0 MIN

FOR THE COMMON GOOD: SOCIAL INITIATIVES

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FOR THE COMMON GOOD: SOCIAL INITIATIVES



18,312
MEMBERS



1,785
EMPLOYEES

€ 1,180 mln
ECONOMIC
VALUE GENERATED

€ 1,022 mln
ECONOMIC VALUE
DISTRIBUTED



€ 3,500,000
CONTRIBUTION OF CATTOLICA
TO FONDAZIONE CATTOLICA

€ 3,012,800
TOTAL DISBURSEMENTS
OF FONDAZIONE CATTOLICA



495
REQUESTS ACCEPTED BY
FONDAZIONE CATTOLICA
FOR INITIATIVES IN THE
SOCIAL FIELD

A WAY OF BEING: THE BOND WITH THE COMMUNITIES

Cattolica has historically maintained a solid rooting with the territory. That is why it is aware that the well-being of the community is an essential part of its corporate identity.

The operating model proven to be effective over time chooses to act through direct interventions or through the Foundation, according to methods that take social complexity into account and have the common good as their ultimate and necessary goal.

IMPLEMENTING THAT WHICH IS GOOD, EVERY DAY: FONDAZIONE CATTOLICA

Fondazione Cattolica Assicurazioni has used resources, energy and passion since 2006 to spread a new philosophy of intervention in the social sphere, in direct contact with the requests and needs of those who really need support, both economic and above all in planning, to make their idea of the common good concrete.

For the Foundation, betting on ideas and projects that maintain a lasting impact is still the only way to effectively invest in the future of the people and their ideas.

The foundation of the cooperation is its orientation to the common good, the principle that identifies and guides its work. While solidarity risks fuelling forms of dependence in those who are helped, on the other hand, involvement and empowerment mobilise unexpected resources. Becoming active in one's own redemption leads to becoming active, protagonists, resilient.

Beyond the philanthropic donation, therefore, Fondazione Cattolica continues to invest in initiatives that yield results in

the long term, following a perspective of social and economic development that starts from the trust and enhancement of persons. While it intervenes, it encourages others to intervene. It becomes a sort of yeast activating the community.

Putting people in a position to do and to make, allowing everyone to walk on their own legs, are expressions that describe the philosophy that the Foundation seeks to spread, to generate something new from the meeting of experiences.

Those who wish to learn more about the activity of Fondazione Cattolica can find a detailed account of the inspiring principles, intervention methodologies and initiatives supported in 2019 in the Annual Mission Report.

The Foundation: operating methods

The Board of Directors of Fondazione Cattolica Assicurazioni decides the guidelines for the year's activity in order to implement the statutory purposes, anticipating the areas of intervention, the allocation of the amounts destined for every area, the assessment criteria of the requests and the disbursement management tools. The latter typically take place through projects, calls for tenders and micro-disbursements.

The projects

Every Foundation project arises from listening to the territory in order to grasp its most pressing needs. The key to building new and effective initiatives is direct meetings with those who choose to respond to the social demands of the communities.

The projects that the Foundation intercepts and accompanies then become an expression of a territory that takes care of its people, proposing activities in the social, educational, cultural or research fields.

The calls for tenders

The calls for tenders consist of appropriations made available by the Foundation's Board of Directors to stimulate innovative proposals capable of responding to specific needs deemed significant.

The "Social enterprise" call for ideas has been particularly relevant within the general activity, because it concerns the accompaniment of activities in four social areas considered particularly critical: the family, the elderly, disability and new poverty. This call brings the Foundation close to the territory: the meeting with the representatives of the various participating entities, in fact, follows the phase of translation of the idea into a project and accompanying it in its concrete implementation. The analysis of the results achieved and the impact assessment complete the path that can thus become a stimulus for similar needs in other territories.

The micro-disbursements

These are interventions of lower amount and less complexity. In many cases, however, simpler management is not synonymous with less impact. In fact, in small interventions the active contribution of citizens is often larger, with a consequent increase in "social capital", an essential element for the development of each community.

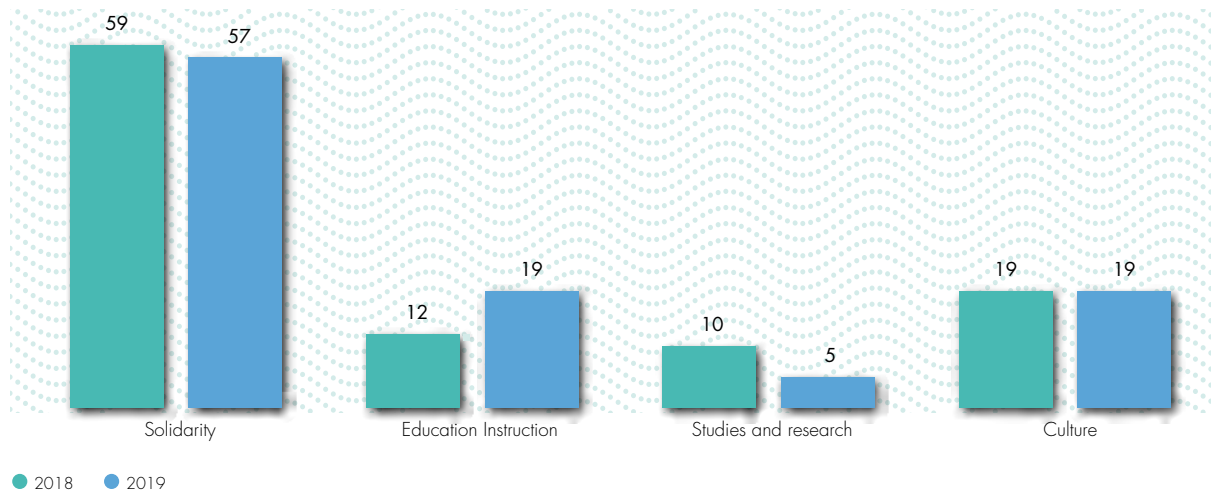


The disbursement activity in 2019

In 2019 Fondazione Cattolica received from the Founder a contribution of € 3,500,000 (2018: € 1,804,942) based on the profits produced in 2018, thanks to which it was able to accept 495 requests (2018: 406) for a total of €

3,012,800 (2018: € 2,436,890). Approximately 60% of the resources were allocated to the social sphere. Starting in 2019 the Founder's contribution disbursed to Fondazione Cattolica was determined during the Members' Meeting of the Company.

Comparison of disbursement activity by intervention area (%)



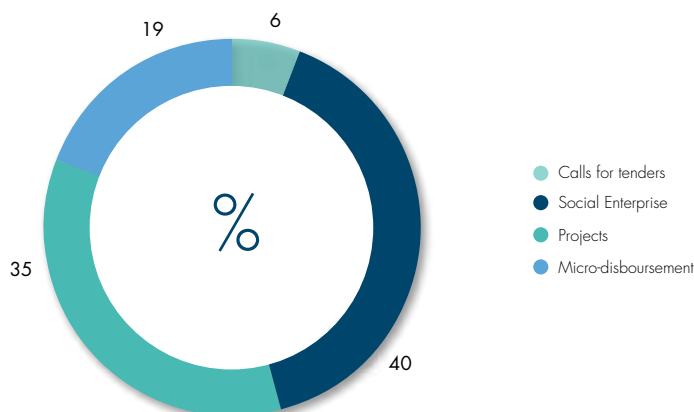
The projects carried out by the Foundation in 2019 also confirmed the choice, approved by the Board of Directors as early as 2011, to support activities and not structures, placing man at the centre and not the tool. The guidelines adopted have made it possible to optimise resources, giving priority to solutions with the greatest social impact.

This is reflected in the Foundation's direct involvement in many of the deliberate initiatives, an objective achieved in particular through the "Social enterprise" call.

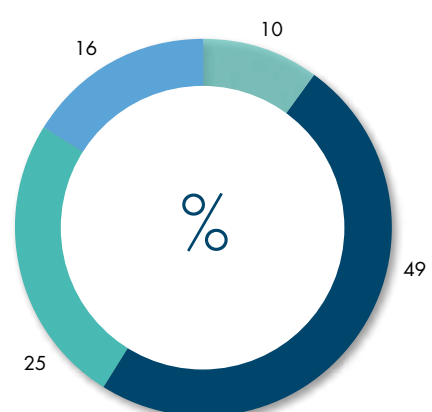
With a total disbursement of € 1,479,800 during 2019 (2018: € 983,100), the call is the most significant intervention tool.

"Social enterprise" continues to be the heart of the Foundation's activity, with a weight of 49% on the overall economic commitment (2018: 40%).

Distribution % of amounts disbursed - 2018



Distribution % of amounts disbursed - 2019



A recipe for the territory: the #Contagiamoci initiative!

#Contagiamoci! is an initiative created to share the heritage of relationships that the Foundation has built, thanks to the meeting with the most virtuous local associations involved in the “Social enterprise” projects. Two editions were held in 2019, in which 357 people from 144 associations in 15 regions participated. The numerous in-depth tables deal with the topics the participants feel are most important in creating new solutions and opportunities for collaboration.

Alongside structured meetings, the days provide free time for the most spontaneous and direct meetings. This is the occasion for the creation of networked projects, such as A.G.R.I.-L.A.B., acronym for “Autonomy/Guidance/Rebirth/Insertion/Labour/Agriculture/Wellness”, which semantically refers to an innovative and ideological “LABoratorio in AGRicoltura”. It is an initiative conceived by 16 associations of the network, coming from eight regions, financed by the Ministry of the Interior with a contribution of € 1,616,000, obtained thanks to a call for tenders aimed at the fight against illegal hiring.

#Contagiamoci! is a network that allows an authentic discussion of experiences, problems and solutions that make each one a resource for the other.

Life lessons, in the parish: the Grest Verona 2019 call

Now in its eighth edition, the Grest Verona call received 127 requests (2018: 148) for a total commitment of € 100,000, as in 2018. The contributions made the implementation of activities possible, in which 221 paid operators and 6,656 volunteers were involved and 19,048 children benefited.

Fondazione Cattolica has supported the Grest parishes in Verona since 2012, an initiative carried out during the summer in many parishes that is an experience of great educational value, different from other recreational proposals and not just for the attention to the religious sphere.

Quality education for all: state-recognised Catholic preschools

70% of the preschools in Verona are state-recognised Catholic preschools. After the initial support to these schools in 2017 with the allocation of a call for tenders of € 500,000, in 2019 Fondazione Cattolica provided a contribution of € 200,000 aimed at supporting parents and teachers who perform the difficult and valuable task of educating children in the zero-six age group. Through this call, 28 listening desks were opened within schools and 49 training courses for parents and educators were carried out.



Useful work: overview of some of the “Intraprendere nel sociale” projects

“The Giving as a leaven in the Community” of Onlus Gulliver Volunteer Association - Pesaro

The non-profit association Gulliver stems from the desire of parents of children at Gulliver Municipal Preschool in Pesaro who have chosen to donate their time to active citizenship experiences in agreement with the Municipality. It has focused on reuse and recycling since 2017 and today collaborates with the 65 schools in the city of Pesaro, collecting materials such as clothes or books which are then sold in the two “Reuse shops”, which have also given work to three resources.

This experience gave rise to the creation of a unifying space that serves as a workshop, factory, shop and meeting place

able to promote the employment inclusion of disadvantaged youth: the 2,000 square metres house the third “Reuse shop” where goods collected at homes are brought to then subsequently be resold or donated according to a logic of sustainability.

The third shop also includes a tailoring and repair workshop and spaces for the collection and redistribution of food. Its protagonists are those citizens who have understood and benefit from the amazing experience of a gift.

“R.E.A.L. FOOD” of Panta Rei Social Cooperative - Bussolengo (VR)

The Panta Rei social cooperative deals with the social and work reintegration of people with psychiatric disorders, and is committed to various activities to create jobs calibrated for specific users (laundry-ironing, cleaning tourist apartments, catering and hospitality, minor building maintenance).

“R.E.A.L. Food” starts off an innovative value chain: thanks to the recovery of food surpluses in the territory, a processing laboratory was created for the creation of quality products, to be distributed under the brand name “R.E.A.L. Food”.

While on the one hand this allows the creation of new job opportunities for those being cared for at Panta Rei, on the other hand it promotes the creation of various initiatives to raise awareness of the issue of waste, the enhancement of resources and inclusion.

The collaboration with the Italian Federation of kindergartens in Verona is also interesting; in fact, some of them host educational workshops aimed at stimulating sustainable eating behaviours in children. Finally, the canteens of some schools are one of the sales channels of the sauces produced.

“Made with craft” of Albero del Pane Social Cooperative - Milan

The social cooperative Albero del Pane was founded in Milan in the spirit of Mother Teresa Gospar. It started the protected community Villa Luce for abused women, with a school-training centre to combat educational abandonment and a bakery to offer social redemption to fragile girls.

If the mission is to create the conditions for the human and professional recovery of abused girls, then the work becomes the path through which they are motivated to resume their studies and learn an affordable profession.

The historic pastry shop “L’Angolo dolce” in the Affori district specialises in the production of “Made with craft” artisan panettones - also the name of the project - thanks to top-quality ingredients and artisan techniques.

The products are highly esteemed and the growing number of customers has led the agency to increase its offer with colombas (traditional Italian Easter cake), biscuits, takeaway foods and social catering. In this way the cooperative, finally being able to count on greater production, is also able to offer its products to corporate customers. This enlargement allowed involving another 20 disadvantaged young people in the business.

Progetto di Vita - Cattolica Per i Giovani

Active since 2013 and in continuous evolution, "Progetto di Vita - Cattolica per i Giovani" [Project for Life - Cattolica for the Young] is a corporate social responsibility initiative dedicated to under-35s that in 2019 alone supported the launch of seven entrepreneurial activities in the social field proposed by young people, through the Call for ideas of "Social enterprise".

The project provided training and guidance for children 0-6 years old ("State-recognised Catholic Preschools") and 6-14 ("Grest Parishes in Verona"); it also organised three residential training camps in the 11-13, 14-17 and 20-30 age groups. The latter experience involved 13 young people from six Italian regions reported by associations of the #Contagiamoci! network. Thanks to the Orientation hall of the Regional School Office in Verona, more than 3,000 students from 55 high schools were approached. The development of new training proposals for 2020 is already underway.

"Essere presenti" in Verona: The Festival of Social Doctrine

"Essere presenti: polifonia sociale" [Being present: *social polyphony*] is the striking title chosen for the ninth edition of the Festival of Social Doctrine, traditionally hosted at the Cattolica Center in Verona from 21 to 24 November.

As a benchmark for reflection on the dynamics within the contemporary world according to the perspective of the Social Doctrine of the Church, the Festival's successful formula has been confirmed. Cattolica Assicurazioni has been the main sponsor of the event since its first edition.

It offers spaces for reflection and in-depth exploration, debates on issues related to the irreducible plurality of the social dimension, which draws from the variety of subjects, experiences and needs to create new vitality for the construction of a pluralistic and open society, able to foster a peaceful coexistence and the full and free expression of all.

This year the Festival was again opened by a video message from Pope Francis.

Working to benefit the community: the special award "Imprenditori per il bene comune"

As part of the Festival of Social Doctrine, Cattolica Assicurazioni presents the "Imprenditori per il bene comune" [Entrepreneurs for the common good] award as a recognition aimed at profit and non-profit entrepreneurs who pursue the common good with their work, supporting the community in which they live.

In the 2019 edition, six entrepreneurs were awarded for their particular social sensitivity and orientation to the good of the community.

Giorgio Campagnolo, founder of the company F.lli Campagnolo, Romano d'Ezzelino (VI)

Marco Gasparri, CEO of Aepi Costruzioni Elettromeccaniche Srl, Imola

Paola Gurrieri, CFO of La Mediterranea Srl, Acate (RG)

Antonio Di Donna, President of Cooperativa Sociale Spes, Turin

Luigino Righetto, Director of Cooperativa Monscleda Onlus, Roncà (VR)

Sabrina Ciancone, Mayor of Fontecchio (AQ).

To learn more about the other initiatives of Cattolica Foundation you can write to fondazione.cattolica@cattolicassicurazioni.it.

MEMBERSHIP IN IL QUINTO AMPLIAMENTO

Cattolica's membership in Il Quinto Ampliamento continued in 2019. It is the non-profit association whose founding members are companies in the forefront of entrepreneurship, culture, associations and business communications.

Il Quinto Ampliamento offers companies theoretical and practical tools to favour the dissemination of a stronger internal culture, inspired by the concepts of Civil Economy and the thinking of Adriano Olivetti. It strives to assert a business model that places the common good and the person at the centre of its dynamics, overcoming the aridity of the dominant neo-liberal economic models.

FONDAZIONE SODALITAS AND THE "CEO CALL TO ACTION"

Cattolica has joined Fondazione Sodalitas, the first organisation in Italy to promote corporate social responsibility and sustainability. Founded in 1995 on the initiative of Assolombarda and voluntary companies and managers, it represents a network of leading companies in the Italian market, the most advanced point of the business community that has chosen to do business in a sustainable way. The Foundation is also a partner of the European institutions and major international networks, such as CSR Europe, on sustainability dissemination projects.

Cattolica has joined the "CEOs Call to Action" initiative, which involves top managers of European companies who consider sustainability a central and qualifying aspect of how they do business. Supported by Fondazione Sodalitas' "CEOs Call to Action", the Company also declares its readiness to strengthen dialogue and interaction with politics, civil society, commercial and industrial counterparts to join forces, accelerate inclusive growth, address climate change and create sustainable prosperity.

OPEN LESSONS FOR CIVIL SOCIETY: THE CATTOLICA LECTURE DAY

The Cattolica Lecture Day conferences are meetings on legal and insurance issues held by professionals and prominent representatives of organisations such as IVASS and ANIA. They allow citizens and employees to acquire up-to-date knowledge on some of the most current and stimulating issues affecting companies in the sector.

In 2019 the topics covered included: the "responsible" insurer and its responsibilities; the new sanction system: evolving scenarios after IDD; a school case: RCA, an evolving site; the point of view of the lawyer, the market and the Authority.







Our Employees

1,785



Training
hours provided

42,001

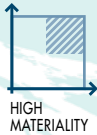
INDIVIDUAL GROWTH AND GROUP COHESION CATTOLICA AND PEOPLE

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INDIVIDUAL GROWTH AND GROUP COHESION: CATTOLICA AND PEOPLE

PEOPLE: CATTOLICA'S "PRIMARY RESOURCE"



HIGH MATERIALITY

"People are the key element of every transformation": this principle characterises Cattolica's philosophy in terms of the management and enhancement of human resources.

The Company's ambition is to quickly become a place of work that is not only better but among the best, and it has been strengthened hand in hand with the success of the initiatives dedicated to employees.

It is the history of Cattolica itself, starting from the primacy attributed to the individual in his/her uniqueness and originality, which has favoured thinking that considers the growth of associates as an indispensable aspect.



CONTINUOUS CHANGE: THE 2019 CLIMATE ANALYSIS AND THE READYTOGO PROJECT

The project aimed at improving the work environment has continued thanks to initiatives aimed at increasing the degree of trust and involvement of employees, maintaining the idea that a motivating work environment can facilitate virtuous behaviours which serve company objectives.

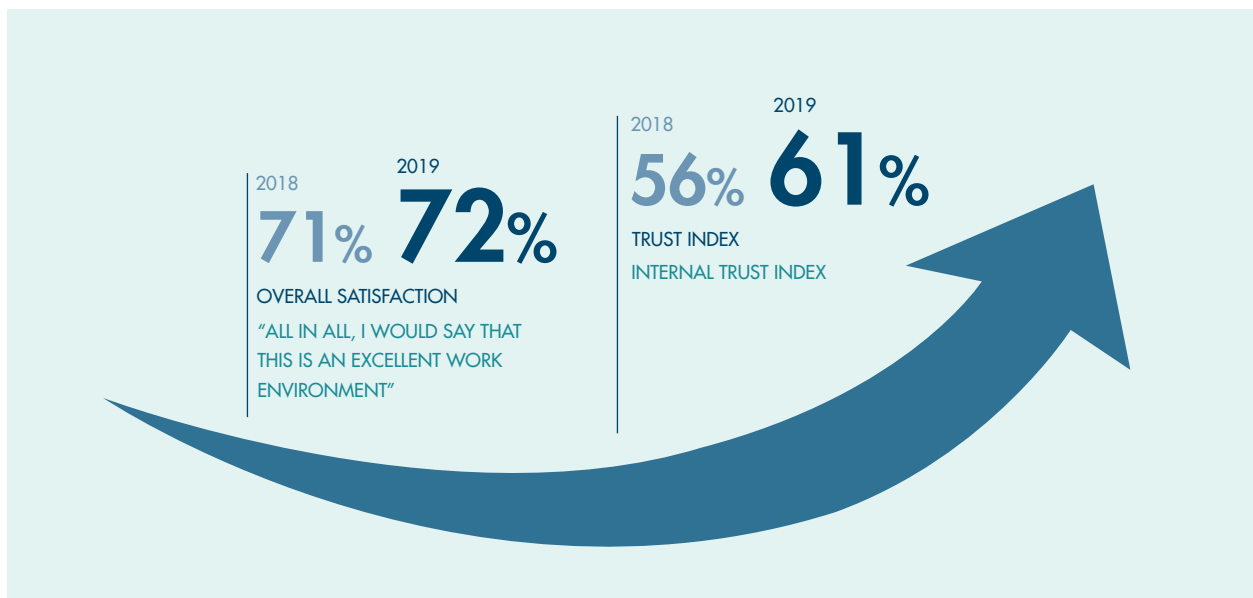
Assessing the quality of the organisational culture, analysing the business climate and the level of employee satisfaction helps identify precise tools to improve the well-being of each person.

Cattolica considers it essential to listen to all its resources; the company has chosen to adopt this good practice through a survey on the business climate, which allows identifying areas for improvement and implementing focused action plans.

Again in 2019, in cooperation with the partner Great Place to Work®, a questionnaire was developed for staff, aimed at measuring the effectiveness of the plans activated and detecting new areas for intervention. The claim used this year was "Let's keep changing".

The response rate was 84% (2018: 89%), while the overall satisfaction (expressed by the statement "All in all I would say this is an excellent work environment") reached 72% (2018: 71%). The trust index also increased in 2019, passing from 56% to 61%.

The graphic below shows the improvement of the parameters considered compared to 2018.



These are significant results which are proof of the effectiveness perceived regarding the concreteness and validity of the actions undertaken.

With the critical analysis of the results, which highlighted the strengths and areas of focus, the company encouraged employees to use the ReadyToGo platform, a digital place created to identify the business challenges considered a priority for improving the organisational climate.

Among the many colleagues' proposals, three were selected on the basis of feasibility and impact on cultural transformation and entrusted to the same number of working groups. They have become the subject of study for the elaboration of a final action plan that can give voice to employees and restore their trust in the Company.

OPTIMISING THE ALLOCATION OF PEOPLE: THE JOB MARKET



The success of the Job Market as a lever for the development of resources was also confirmed in 2019; the numerous internal transfers that took place during the year are proof of this.

After the first edition of 2017, the tool has consolidated over time in order to further expand corporate skills through a process based on fairness and transparency.

Even while considering the natural downward usage trend, more than 150 applications were addressed and 49 resources were awarded as winners, guaranteeing a new organisational allocation in little time.

The Job Market has supported internal mobility, allowing Group employees to focus on themselves and work on professional and individual growth, as well as allowing the departments concerned to rely on more motivated resources.

Some newly introduced criteria (minimum length of stay from the date of recruitment or the date of entry into the new role) have made it possible to give greater stability to the organisational structures.

ENHANCING QUALITY AND POTENTIAL: TALENT DEVELOPMENT

Cattolica is aware that important reserves of talent are available and intends to enhance them with the help of organisational and managerial tools: raising the quality of individuals and staff as a whole is a staple of resource management.

After a talent check-up that in 2018 involved about 1,400 employees, the enhancement of talent was based on the synthesis between the judgements at the end of the assessment phase and the performance evaluations. This resulted in a developability matrix that allowed a detailed mapping of the resources examined to identify the talents and their characteristics, better targeting the training courses.

Other specific assessments were carried out:

→ Talents / Talent Pool project, focused on identifying within the context of the best performers, the real level of engagement towards the defined targets of the Business Plan. It involved 56 people;

→ assessment center: pending a complete integration between the phases of talent acquisition and talent management, the first assessment center cycle aimed at the detection of skills and potential was launched in order to monitor talent in the company, which at the moment involved 20 new hires not involved in the talent check-up, selected by qualification, age and classification criteria;

→ managerial assessment, aimed at supporting the set-up and implementation of an effective talent management process targeting strategic resources, which involved about 54 individual assessments.

On this basis, a path of identification and enhancement of a first talent pool has been undertaken: 2018-2020 Plan Talents. 30 Plan Talents had already been identified in 2018 based on some guiding criteria: high talent check-up skills, significant performance over the last three years and excellence in digital skills.

A second group of 26 Plan Talents was identified in 2019. The four guidelines (streams) identified for cultural change are also areas of action to bring out talent:

- I Nostri Valori [*Our values*], a project that involves the 56 talents identified, with a role as a supporter of these colleagues to facilitate the internalisation of corporate values, overcome any resistance to change and encourage the acquisition of new behaviours;
- ReadyToGo, an initiative that proposes the role of individual contributor to 15 Plan Talents in order to implement the ideas proposed by employees through a digital platform and destined to become concrete projects to improve the business climate;

→ Digital Transformation, an activity aimed at eight talents with high digital maturity, with a mentoring role for other colleagues with less digital skills;

→ Professional models, a process aimed at 33 talents with high professional skills for mapping the knowledge of the activities present in the company, in order to build reference models for the adaptation of the professionalism of colleagues.

RETHINKING EQUITY: THE WITH EVALUATION SYSTEM

The performance evaluation method called WITH (We Improve Together) is focused on equity and oriented to a transparent dialectic between the evaluator and the person evaluated. It has been disseminated within the Group companies, with a considerable commitment also in terms of training. In 2019 the project included an e-learning path aimed at spreading the culture of performance and the main innovations of the tool.

The system facilitates cultural change thanks to its innovative concept, which underlies a more insightful and articulated assessment, produced by two factors: the consideration of the results obtained with respect to clearly assigned objectives and an evaluation of the behaviours of a functional and relational nature, with which those have been achieved.

The qualitative part of the performance has been linked to the "Cattolica Skills Model" since 2019, a framework that explains the skills that derive directly from the outlining of corporate values, the benchmarks that define the company identity and guide daily choices and decisions.

The model offers six skills outlined in observable and assessable behaviours, differentiated between managers and professional figures.

A logbook has been introduced to guide the observation: a tool designed for both evaluators and the evaluated resources. Its use allows keeping track of the professional path, highlighting moments and situations in which employees have acted in a certain way and the difficulties encountered, in order to facilitate the dissemination of greater awareness.

FOR A WORK-LIFE BALANCE: SMART WORKING

Efforts to harmonise professional and private life continued. New lifestyles, emerging social dynamics and a different way of using time have confirmed the success of smart working, which spread further in 2019 to include 1,276 employees - out of a total of 1,588 entitled to carry out smart working - facilitating the sustainability of career paths and work activity, benefiting service quality.

At the end of the year, an internal survey on work-life balance was proposed to detect the degree of consensus on the initiatives undertaken and identify future intervention strategies.

The issues of parenthood, family and childcare remain highly significant, as evidenced by the consistency of part-time contracts (12.8% of the total contracts, which rises to 30.6% considering only women).

INCLUSIVE WELFARE FOR ALL

In 2019 every employee of the Group, regardless of their corporate and contractual origin, was completely involved in the welfare, fairness and communication initiatives disseminated in the company. With the renewal of the Group collective agreement, the stakeholders have given a significant boost to the harmonisation of all existing agreements and since 1 January 2020 a single company collective agreement has been in place.

The use of atypical contracts has been limited and the stabilisation of workers already present in the company with this type of classification has continued. Cattolica continues to maintain the well-being of employees and their families, also by offering multiple welfare services.

The contractual renewal has confirmed the guarantee of coverage in the event of death and permanent disability and company contributions are paid into the Single National Fund

for insurance against the risk of non-self-sufficiency, as well as the reimbursement of expenses for healthcare and contributions for members of pension funds promoted by the Group.

Through a flexible benefits system, the employee can independently select an individual package of services and benefits, allocating the assigned budget. Payment to the supplementary pension plan, direct reimbursement (for expenses such as education, mortgages, assistance), direct facilitations (for check-ups, gyms, personalised trips) are possible.

During 2019 Cattolica and the trade unions reached an agreement in which employees of Vera Assicurazioni and Vera Vita can benefit from a one-off sum favouring corporate welfare.

BEING FIT, FOR YOURSELF AND FOR OTHERS: THE "WELL-BEING AND SOLIDARITY" INITIATIVE

In its third year, "Well-being and Solidarity" includes a wide range of activities aimed at improving the working environment and cohesion between colleagues, as well as promoting a less sedentary and healthier lifestyle from a psychological-physical point of view.

The partnership with the company *Ópiù* which began in 2017 has allowed many colleagues to follow weekly running and fast walking training programs under the guide of a sports trainer. The collaboration is linked to a charitable purpose, in line with corporate values: Cattolica has donated a quota to *Disabili no Limits Onlus*, an association founded by Giusy Versace, Paralympic champion, who was also a testimonial of the initiative.

An important consolidation of the project took place at the beginning of 2019 with the renewal of the commercial partnership with *Gympass*, a leading company in the membership and networking of national and international sports facilities. Thanks to this partnership, the employees of the Group had the opportunity to access an annual plan to use selected facilities for a company fee paid by Cattolica.

The new agreement includes improved conditions for the more expensive plans that provide access to about 2,000 facilities in Italy: employees from locations other than those

in Verona, Milan and Rome can access even more sports facilities and practice different activities with a significant economic advantage (up to 90% discount) compared to the corresponding market price range.

Cattolica's financial support has made it possible to obtain attractive prices (50% less compared to the market price) also for the relatives and friends of active employees. In 2019, the "wellness" section was expanded with the organisation of information seminars on posture and nutrition; the initiatives were highly appreciated by the participants.

The distribution of fresh seasonal fruit at the Company's main offices and the supply of microfiltered water at the food areas of the main offices continued; since August 2019 consumption has been limited by providing employees with bottles for lower consumption of plastic, also under the banner of environmental sustainability.

The "Facciamo Strada" initiative has been very successful: in addition to the 15 bicycles purchased in 2018 to facilitate travel in Verona, Cattolica has also partnered with *BikeMi* for the bike renting service in Milan. To date, almost 3,000 uses have been recorded for the offices in Verona and Milan.

In order to promote cohesion among colleagues and raise employees' awareness of environmental sustainability, in November 2019 the Car Pooling tool was launched, which connects those who have a vehicle to share with those on a compatible route looking for a ride.

Agreements have been made with medical firms, sports centres, long-term rental companies and financial companies for corporate credit cards for employees.

The Group has involved more than 100 employees of the Verona area in the initiative "Cattolica Solidale", offering the possibility of transforming some work hours into services for others in the canteen of the Convent of the Friars Minor of San Bernardino in Verona, a place which welcomes those in need of a hot meal or a shower. For eight months two people went to the canteen daily, serving the guests alongside volunteers and friars. The Group has thus donated more than 1,300 hours of work.

Cattolica has organised educational master programs dedicated to parenting: the MAAM program was launched in January 2019 and is for new parents (0-3 years). Out of 192 eligible participants, approximately 20% participated in 2019, with 37 subscribers to the platform and 32 active subscribers.

The master programs will expand in 2020 with new modules:

CHILD, a unique training program designed for working mothers and fathers with children from 0 to 3 years, which supports parenting with a set of relational, organisational and innovation skills;

CARE, the program dedicated to caregiver children who care for an elderly parent who is either sick or not self-sufficient, highlighting the inherent potential for individual growth in this experience and making it a source of useful skills also at work;

MAXimize, a digital tool that allows managers to productively use the skills that their employees have acquired with the START and CARE Master programs;

REACH, a schedule of webinars dedicated to the entire company to demonstrate the basics of Life-based learning and change perspective on the intersecting dynamics of life and work.



AN EXPANDING COMPANY: THE CATTOLICA NUMBERS

If properly interpreted, numbers provide a valid representation of the evolution of an organisation, well beyond a purely quantitative dimension.

The following tables show the data relative to the Company's workforce by type of contract, (permanent and temporary, full-time and part-time), category and age bracket. Employees belonging to protected categories and incoming and outgoing turnover are also indicated.

Group Workforce by contract type and gender as at 31 December

Type of contract	2019 ²²			2018		
	Men	Women	Total	Men	Women	Total
Permanent contract	1,033	713	1,746	1,014	689	1,703
Fixed-term contract	24	15	39	9	5	14
Total	1,057	728	1,785	1,023	694	1,717
Type of contract	Men	Women	Total	Men	Women	Total
Full-time	1,051	505	1,556	1,020	467	1,487
Part-time	6	223	229	3	227	230
Total	1,057	728	1,785	1,023	694	1,717

The number of employees as at 31 December 2019 was 1,785 (+4% compared to 2018). The increasing hiring trend remains, which during 2019 came to 138 (+29% compared to the 107 in 2018) while there were 70 employment terminations.

Of the total new hires in 2019, 61% were men and 39% were women. The distribution of the workforce between men and women is around 59%-41%, in line with the 2018 figure.

As at 31 December 2019, out of the 1,785 staff members, 65 were executives, 425 officials, 1,286 employees and 9 workers.

There are 39 individuals with fixed-term contracts while part-time employees total 229 (2018: 230). At 728 individuals, the percentage of women is 41% (2018: 694). The percentage of graduates stands at around 52%. The Group supports the recruitment of resources from protected categories, corresponding to 96 individuals as at 31 December (2018: 99). Thanks to cooperation agreements with secondary schools and universities, the Group offered internships to 47 young people during 2019 (2018: 65).

Group Workforce by employee category and gender as at 31 December

	2019			2018		
	Men	Women	Total	Men	Women	Total
Executives	59	6	65	59	6	65
Officials	330	95	425	309	85	394
Employees	660	626	1,286	647	602	1,249
Workers	8	1	9	8	1	9
Total	1,057	728	1,785	1,023	694	1,717

²² The 2019 data include eight employees who terminated their contract on 31.12.2019, seven of which for membership in the Inter-sector Solidarity Fund.

Group Workforce by employee category and age as at 31 December

	2019				2018			
	<30	30-50	>50	Total	<30	30-50	>50	Total
Executives	-	26	39	65	1	31	33	65
Officials	1	207	217	425	-	219	175	394
Employees	91	771	424	1,286	69	812	368	1,249
Workers	2	2	5	9	2	2	5	9
Total	94	1,006	685	1,785	72	1,064	581	1,717

Protected category employees as at 31 December

	2019			2018		
	Men	Women	Total	Men	Women	Total
Executives	-	-	-	-	-	-
Officials	7	2	9	6	2	8
Employees	45	42	87	49	42	91
Workers	-	-	-	-	-	-
Total	52	44	96	55	44	99

Inbound turnover

	2019				
	<30	30-50	>50	Total	Turnover %
New employees					
Men	25	52	7	84	7.95%
Women	25	28	1	54	7.42%
Total	50	80	8	138	7.73%
Turnover %	53.19%	7.95%	1.17%	7.73%	

	2018				
	<30	30-50	>50	Total	Turnover %
New employees					
Men	17	39	5	61	5.96%
Women	22	21	3	46	6.63%
Total	39	60	8	107	6.23%
Turnover %	54.17%	5.64%	1.38%	6.23%	

Outbound turnover

	2019				
	<30	30-50	>50	Total	Turnover %
Employees who left					
Men	3	14	34	51	4.82%
Women	2	5	12	19	2.61%
Total	5	19	46	70	3.92%
Turnover %	5.32%	1.89%	6.72%	3.92%	

	2018				
	<30	30-50	>50	Totale	Turnover %
Employees who left					
Men	1	8	16	25	2.44%
Women	-	4	9	13	1.87%
Total	1	12	25	38	2.21%
Turnover %	1.39%	1.13%	4.30%	2.21%	

A LEARNING ORGANISATION: TRAINING AND EDUCATION

The total number of training hours provided in 2019 were 42,001 (2018: 54,436).

Training is aimed at all company resources including the Directors of Group Companies, and remains a central theme in the organisational development strategy.

Continuous and effective training enables an organisation to be prepared and responsive to the demands of an increasingly dynamic and erratic external environment.

The newly established Academy and People Development unit works to analyse training needs and respond effectively and flexibly, in order to raise the professional quality of the workforce and identify the specificities of people, helping them to evolve in the direction of corporate growth guidelines.

Training plans by type

Important training projects were started in 2019:

- Soft Skill Lab: in support of the management of the phases of big change and cultural transformation, to facilitate the adoption of various organisational modes, such as working in intra-and inter-departmental teams and for objectives, the project included FeedbackLab and Work Agile courses;
- WITH program support: managers and resource managers have been involved in useful pathways to enhance skills and abilities for the effective management of the phases of goal cascading and the evaluation of collaborators, through homogeneous coaching meetings for Management;
- Smart Leadership Journey: in order to increase the managerial skills of new managers, a training course was given in three modules (self-leadership, team leadership, execution gym) to work on the six managerial skills of the Group's skills model: change management, strategic thinking, collaboration, people leadership, decision making and customer orientation;
- English4All: an English-language training plan with online educational pathways, differentiated by level of language knowledge, with the participation of more than 500 colleagues;
- Skillbooster programs: to promote a structured approach to project management, which enables professional growth through the acquisition of soft and technical skills. The modules include: analytical process, team working, structured communication and effective presentations;
- New Accounting Standards IFRS 9 and IFRS 17: to support the complex changes due to the introduction of the new legislation, a technical-specialist training course was offered to the organisational units affected, which will continue in 2020;
- computer skills: to increase and reinforce the knowledge of Office applications, online courses of Basic Excel, Advanced Excel and PowerPoint were made available to all collaborators.

Training plans for the units

Some training interventions are tailored to the specific functional needs that emerge within the Departments, with a particular focus on updating the skills necessary to achieve the Plan's objectives.

- Bancassurance Management: the Homo Faber project involving 18 participants was completed. It was aimed at enhancing the technical knowledge of the customer/bank to optimise commercial effectiveness and loyalty, as well as to standardise the advisory approach of the Bancassurance Account and make it recognisable to the customer.
- Vera Vita: the company's accounts have been given the knowledge and application elements useful for mastering the application of MiFID II, the Directive governing the offer of savings and investment solutions by banks and networks of financial advisors.
- Giulietta Project: training was carried out on the functionality of the ALLin platform for budgeting, issuing and after-sales processes, with classroom courses on the new features of the CRM and on the products of Vera Assicurazioni and Vera Protezione.
- Cyber attack security: a training course was provided to improve employee awareness of phishing and spear phishing attacks.
- Online training courses on the new Cattolica products were provided for some of the departments concerned: Active Casa & Persona and Cattolica & Solidarietà - Terzo Settore.
- Claims Department: training sessions were organised on topics related to RCA, RCG, Damage to persons and property, Accidents, Anti-fraud and Technical verification tools and processes. One of the initiatives carried out for the Department, which involved the Automobile Centre, focused both on technical skills and on the awareness and enrichment of the professional role, with an eye to the market and its evolutions.

→ Departments that use the SAS application: a technical-specialist training course was carried out, implemented within Programming and Macro Language modules, aimed at maintaining and increasing the relative skills. Staff from Actuarial and Appraisal, Actuarial unit, Risk management, Non-auto damage and TUA departments participated.

Training for digital transformation

The digital transformation project launched in 2018, which concerns the entire organisation, was renewed in accordance with strategic and business guidelines. Using the data collected with the “Digital Skill & Digital Mindset” assessment, the Academy and People Development unit created the Digital Transformation plan. It includes three training courses aimed at strengthening knowledge and the use of emerging technologies through innovative methods of digital collaboration and design thinking. Among the courses created, the following stand out:

- Transformation Lab: a design thinking laboratory that supports 70 employees in the transformation of two digital ideas, deriving from the ReadyToGo initiative of 2018, into effective projects that can be implemented in the company;
- From the market to our company: a workshop for understanding digital transformation through an overview of impacts and best business cases, including non-insurance. On this occasion, the mentorship course - the first intra-company knowledge sharing project - was presented and launched;
- Mentor4U: this course allowed some employees with adequate digital knowledge and a high digital mindset to play the role of “digital mentors” for the benefit of those with less knowledge on these issues, along a real path of mentorship.

Digital Pills are available, online training bites on digital topics such as: Apps and services; Artificial intelligence; Big data and analytics; Blockchain; Digital workplace; Cloud computing; Devices and mobile economy; Digital marketing; E-commerce; Industry 4.0; Insurtech; Internet of Things; Research engines and social networks.

Training on regulatory matters

The complexity of the sector’s legislation leads to the creation of training courses able to update staff quickly, also to comply with legal obligations. Courses for Group employees are available in e-learning mode, with a focus on training new hires.

- The Insurance Distribution Directive (IDD), the new European Directive on insurance distribution, continued in 2019, introducing important innovations in the classification and rules of conduct of operators. Training began at the end of 2018 with a general module in e-learning mode, while in 2019 a further personalised section was held, called “IDD and the Distribution Policy of Cattolica Assicurazioni”. For employees directly involved in the distribution of insurance products, a skills survey was carried out which led to the development and implementation of a training proposal on two levels, basic and advanced.
- With regard to workplace safety, further training meetings were held in the classroom dedicated to specific thematic areas for specific associates. An updating campaign was also carried out for workers and employees in online mode and training campaigns were launched for managers and new employees.

Training outside the company

Parallel with training activities carried out within the company, also in 2019 participation in training events organised outside of the company by universities, associations and sector institutes was considerable, including those ran through Fondazione CUOA, Verona University, Sacro Cuore University in Milan (Cetif, Altis), Bocconi University in Milan (Business Management School), Carlo Cattaneo University (LIUC), MIB Trieste School of Managers, Cineas - Milan Polytechnic Institute, Il Sole 24 Ore Business School, FEEM – Fondazione ENI Enrico Mattei, Il Quinto Ampliamento.

Advanced course in actuarial sciences and risk management in insurance companies

The advanced course in “Actuarial Sciences and Risk Management in Insurance Companies” launched in 2018 in collaboration with the University of Verona has been fully implemented.

Dedicated to those who work in the sector and deal with financial-insurance, auditing, finance and social security issues, it was an opportunity for employees, candidates and those selected by a dedicated committee to participate in a training course that had as teachers, among others, some Company executives and officials.

The lessons increased the specialised preparation in actuarial subjects and made it possible to improve professional knowledge and expertise in the management of the risks of insurance companies.

The course was divided into 144 hours of lessons structured into 10 modules and ended with the awarding of diplomas to colleagues in autumn 2019.



Training for the Board of Directors and the executives of the Group

Based on the multi-year training plan for the members of the Board of Directors and the 2019 Training Plan, in compliance with IVASS Regulation 38/2018, four training meetings were held involving the members of the Boards of Directors and the Managers.

The contents covered in the training modules concerned:

- Ethics and Finance: is the reference to the Social Doctrine of the Church sufficient?
- Corruption and law enforcement

→ Corporate Bodies faced with potential violations of market abuse rules. How to manage confidential information and react to leaks

→ Corporate sustainability and the ESG approach: recent origins, evolutions and developments

With regard to this last training day, it should be noted that for the first time the Cattolica Group organised an entire training session focused on issues related to the concepts of sustainability and corporate social responsibility, involving top management in a program of high cultural and operational significance.

Hours of training by category and gender

Number of hours	2019						2018					
	Men's Hours	Men's hours per capita	Women's Hours	Women's hours per capita	Total Hours	Total hours per capita	Men's Hours	Men's hours per capita	Women's Hours	Women's hours per capita	Total Hours	Total hours per capita
Executives	2,317	39	157	26	2,474	38	1,704	29	141	23	1,845	29
Officials	8,479	26	2,607	27	11,086	26	11,324	37	3,210	38	14,534	37
Employees	13,799	21	14,642	23	28,441	22	20,157	31	17,802	30	37,959	30
Workers	0	0	0	0	0	0	98	12	0	0	98	11
Total	24,595	23	17,406	24	42,001	24	33,283	33	21,152	30	54,436	32

Hours of training by type

Training type	As at 31.12.2019 Total hours
Institutional and business	6,351
Technical-professional	22,584
People	8,210
Safety in the workplace	4,856
Total	42,001

The training activities were reviewed and reclassified in 2019 according to four new types: institutional and business, technical-professional, people²³ and safety in the workplace. The new taxonomy renders the comparison with 2018 insignificant, as the classification logic was different.

²³ The "People" training type concerns the sphere of training interventions that - starting from the corporate values of the Cattolica Group - are aimed at enhancing talent, optimising individual potential and increasing the skills that support performance.

FOR GENDER EQUALITY: THE EQUAL OPPORTUNITIES COMMISSION

The Equal Opportunities Commission established at Group level is composed of representatives of trade unions and the company in equal number; in 2019 the members of the Commission were renamed and the issues that the Stakeholders consider priorities are listed in the table:

- design and implementation of positive actions to create and foster conditions of real equality between female and male workers within the Company;
- implementing interventions and initiatives aiming at eliminating all forms of direct and indirect discrimination that hinder the full realisation of the Equal Opportunities' principles in the working activities;
- proposition of formulas to conciliate the professional life with the private one, in order to favour a different organisation of work, the balance between work and family responsibilities and a better division of these responsibilities between men and women;

→ promotion of equal treatment in the workplace by drawing up joint affirmative action programs for the benefit of women's work and for the elimination of differences and discrimination under the Lisbon Treaty, as well as for gender, age and skill levels;

→ verifying that equal training and professional growth opportunities are guaranteed to all staff without distinction as to sex, race, language, religion, political opinions, individual and social conditions.

CONSTANTLY OPEN DIALOGUE: INDUSTRIAL RELATIONS

At a time of decisive corporate change, the Group decided to push forward the innovation of a range of tools to establish modern industrial relations, capable of expressing a generalised effort for social care. Each party involved offered cooperation, transparency, a desire to innovate and to find effective and satisfactory solutions.

In August 2019, agreements were reached for the renewal of the company collective agreement, four months before the natural expiry date. The agreement has led to the harmonisation of economic and regulatory treatments for employees. Starting 1 January 2020, regardless of their company origin and the contract applied, employees will be able to benefit from the Group contract and the institutions referred to therein.

Important negotiating goals were confirmed with the renewal: integral holiday fund, birth bonus, healthcare ultra-activity and above all the results bonus (even if revised in some parts) are now extended to all Group employees.

In this way, Cattolica testifies its intention to invest significantly in the quality of life of its associates and their families, from the perspective of guaranteeing an increasingly welcoming, excellent place of work.

In 2019, the Company concluded, one year in advance of the program, the extension of smart working to all business areas compatible with this working mode. 1,588 workers now have the option of working outside the company premises two days a week, with a higher work life/private life balance.

In 2019 two calls for tender of the Inter-sector Solidarity Fund were opened which allowed, on a voluntary basis, 27 employees who accrue the pension requirements by 2024 to advance their retirement by up to five years.

One year after the conclusion of the Friday afternoon agreement, the Parties have recently assessed the trial and extended the validity of the agreement for a further four months, until the end of April 2020. Thanks to the collaboration of the workers, the Departments included in the experimental project were able to provide a more efficient, comprehensive and flexible service.

Investing heavily in innovation, Cattolica has reaffirmed its confidence in a path of deep change in the concept of time, with the desire to create a better synthesis between private and work life, improving the quality of both by adopting various measures focused on work-life balance. Beyond smart working,

there is a wide range of flexible leaves granted to workers to allow them to reconcile family needs with working life.

The period of notice in case of organisational changes for the employees of the insurance companies remains set at 30 days

both for the Group reorganisations and for the company one, as established by Article 15 of the CCNL dated 22 February 2017. Similar cases will still be managed, should they occur, on the basis of and in compliance with the regulations and collective bargaining in force.

WORKING IN PEACE: HEALTH AND SAFETY IN THE WORKPLACE

The Parent Company shares the structure and the figures in charge of the Prevention and Protection Department (SPP) with the companies belonging to the Group and indicated in the perimeter, with the exception of some small companies that are not yet included in the unified Protection system.

The objective is to standardise health and safety policies, compliance management and resource optimisation. For Group companies with coordinated supervision, there is only one Safety Officer, as provided for in Article 16 of Italian Legislative Decree no. 81/2008, which is assigned the tasks of the Employer, excluding those that cannot be delegated.

The aforementioned SPP has its headquarters in Verona, while the position of Prevention and Protection Department Manager (RSPP) is entrusted to specially appointed external consultants. Likewise, the role of Company Doctor (MC) was given to four external professionals, qualified to cover the duties, based on a territorial division, with one appointed doctor serving as coordinator. Surveillance is carried out by the respective MCs upon convocation by the SPP of employees whose surveillance is expiring or require new surveillance and is carried out mainly at the employees' workplaces. Meetings and sharing with other prevention stakeholders (DDL, SPP, RLS) are also planned, in order to actively promote cooperation relating to risk prevention and protection between the parties.

In order to promote the theme of health and safety, the following are envisaged: an anti-flu vaccination campaign, an offer to workers, facilitated agreements with a network of gyms and sports facilities for the promotion of sports, meetings on nutrition aspects, postural gymnastics and incentives for the consumption of fresh fruit through its supply at management offices.

Third parties who maintain relationships of a professional or commercial nature with the Company are also taken into account from the point of view of impact on health and safety. Also based on the different level of risk, they are treated with different approaches, whether informative or of a prescriptive and control nature.

The Workers' Safety Representatives (RLS) are common to all Group companies and have been renewed and expanded over the year in total, through elections. The SPP operates in close contact with the organisational units, both general and peripheral, as needed each time to fulfil the necessary obligations (including the Technical Office, General Services, Purchasing Office, Contract Management Office, Organisation and Resources, Training & Academy).

The Prevention and Protection Department continuously carries out the tasks provided for by Italian Legislative Decree no. 81/2008. In 2019, the following measures were taken:

- update of the All Risk Assessment Documents (DVTR) for the management offices in Verona, Milan and Rome and for the peripheral offices located in the territory of Cattolica Assicurazioni, Cattolica Services, CP Servizi Consulenziali and TUA Assicurazioni;
- update of the Emergency Management Plans and related annexes of the management offices in Verona, Milan and Rome as well as update of the emergency procedure shared by the peripheral offices. Emergency management is carried out jointly on the premises, and not for individual companies, to increase the effectiveness of management; to this end, emergency / evacuation tests have been carried out in the management and peripheral offices, according to different risk scenarios;
- training plans were drafted and implemented regarding health and safety, through training of new hires and updates for those who have already been trained on the following subjects: general and specific training, training of supervisors, training for executive staff, training for firefighting employees, training for first aid workers, basic training and updating for RLS, training on PPE;
- providing Personal Protective Equipment (PPE) to workers who can access non-company workplaces with specific risk situations;
- handling, in accordance with the MCs, the healthcare monitoring, controlling the expiries and convening the workers for the relative visits;

- handling the information provided to workers, by updating the existing contents (information Article 36 for new hires) which can also be consulted on the company intranet;
- analysing critical events (accidents, near misses, reports), in order to identify causes and prevent further occurrences;
- organising and participating in the periodic meeting pursuant to Article 35 of Italian Legislative Decree no. 81/2008;
- organising and participating in coordination meetings with the relevant figures according to needs (MC, RLS, etc.);
- assisting and providing answers in the event of inspections by the Bureau Veritas certification entity relating to certifications for the offices of Rome, Verona and Milan.

The main risks, subject to DVTR analysis, can be summarised as follows:

- risks related to workplaces (structures and systems, workstations, lighting, microclimate, posture);
- risk related to the use of video terminals;
- work-related stress;
- fire;
- emergency management;

- noise;
- presence of electromagnetic fields;
- risks related to the presence of mothers and pregnant workers.

The risks not mentioned are however addressed within the DVTR documents, in which prevention and protection measures for their management are defined in a timely manner. The implementation of prevention and protection measures is subject to continuous verification by the SPP or other responsible offices (for example, maintenance of plants and devices present, training activities, etc.).

Also for 2019, 11 companies included in the boundary have obtained the renewal of OHSAS 18001:2007 certification for the relevant Management offices. This is an Occupational Safety Management System (SGSL) that is subject to periodic verification by third-party certification bodies.

Accident data

The total number of accidents for 2019 amounts to 3 (2018: 4), all at the workplace and none during travel.²⁴

Accidents and health and safety indicators - Group's employees²⁵

	2019	2018 ²⁶
Number of deaths due to accidents at work	-	-
Number of accidents at work with serious consequences (excluding deaths)	-	-
Number of recordable accidents at work	3	4
Hours worked	2,565,619	2,448,042
Multiplier	1,000,000	1,000,000
Rate of deaths due to accidents at work	-	-
Rate of accidents at work with serious consequences (excluding deaths)	-	-
Rate of recordable accidents at work	1.17	1.63

²⁴ An accident during travel is intended as an accident that occurred on the home-work trip in vehicles owned by the Organisation.

²⁵ For 2019 it was decided to proceed with the reporting of accident data using the new GRI 403 Standard, published by the Global Reporting Initiative (GRI) in 2018 in replacement of that used thus far, published in 2016. For comparative purposes, the data for 2018 have therefore been restated with respect to those published in the previous Sustainability Report, excluding accidents occurring in the home-work trip not organised by the Group, as required by the new Standard 403. For the data published previously please see the 2018 Sustainability Report, published on the site www.cattolica.it.

²⁶ Relative to the health and safety indicators of the employees of the Group, the 2018 data does not include Cattolica Life and the companies Satec, Estinvest, Meteotec, Qubo e CattRe, acquired during 2018.





Power usage

4,327,790 KWH



Water usage

549,981 M³



Paper usage

311 T

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A RESPONSIBILITY OF ALL: CATTOLICA AND THE ENVIRONMENT

A NEW ENVIRONMENTAL PARADIGM FOR BUSINESS

The topic of the environment is increasingly emerging on the international political agenda as a key issue that can substantially and sometimes dramatically influence the life of the planet across all social-economic dimensions.

The choices of companies contribute to determining the overall state of the environmental contexts in which they operate and are in turn influenced, representing another reason for interdependence that binds an organisation to its stakeholders.

Cattolica continues in the effort to pursue the full compatibility of the company's business with respect and, where possible, the preservation of the environmental sphere.

These issues have gained greater importance in the Group's reports, as evidenced by the issuance of two dedicated Environmental Policies during the year.

The Group has also intensified its commitment to the efficient management of the resources it employs, with the aim of reducing waste and the impact generated. It has acquired catastrophic coverage for risks of earthquake, floods, storms, tornadoes and hail (not agricultural), with monthly monitoring of the catastrophic events which exceed set performance thresholds, so as to identify potential events with high negative impact.

The data reported within this section include the management offices of Verona, Rome, Milan. Together with the executive offices, the data include the Cattolica Center of Verona and the Ca' Tron agricultural estate. The area of Verona is the most significant, as it includes the operational headquarters of Lungadige Cangrande and Via Fermi, in addition to the aforementioned Cattolica Center.

The figures relating to peripheral units (offices located in private buildings) remain excluded, since their environmental impact is insignificant.

For more information on the Ca' Tron agricultural estate and the relative energy and water usage please see the dedicated section.



PAPER USAGE

311 (2018: 447) tons of paper were used by the Group in 2019. Numerous dematerialisation and digitisation initiatives described below have contributed to reducing the amount of paper for photocopies and forms.

The amounts of paper sent for pulping (99 tons) have been reduced by 17% compared to last year thanks to activities aimed at reducing the use of paper materials and documentation.

Paper usage (t)

Type	2019	2018
Photocopy paper	36	27
Printed materials: forms, brochures, etc.	275	420
Total	311	447

Carta inviata al macero (t)

Type	2019	2018
Warehouse for printed materials: obsolete forms	18	22
Central archive: pulping of policies, accident documents, etc.	40	46
Paper collection at management offices	41	52
Total	99	120

Dematerialisation of processes and documentation

Also in 2019, activities aimed at simplifying operational activities and reducing the use of paper and printing materials continued. The following deserve mention:

- Tools and procedures: the use of procedures already in place in 2018 was extended and improved through agency programs and process improvements. They involved both those aimed at minimising the waste of paper for cancelled payment tools ("Collection and printing") and the collection with the possibility of dematerialising insurance certificates and receipts ("Portal receipts"), which reached 15.5% of the total payment receipts or non-life certificates;
- Advanced electronic signature of contract documents: launched last year, it came into operation in 2019 thanks to one-time password technology, which guarantees maximum security of the signature process via smartphone or old-generation mobile phones. The trend towards use has been increasing, so much so that it is used in about 10% of contracts issued, with the decisive contribution of the most advanced agencies;

- Agent network document system: the process of managing policy documents produced in agencies has been completed, which involves the production of electronic copies of policy documents, stored in the system already upon their issue, with the full integration of the electronic signature process and the archiving of paper management copies sent by the agencies;
- Intelligent Document Management: thanks to the use of technologies based on artificial intelligence, the processing of claims documents has been streamlined and made more efficient, simplifying their traditionally complex management. The system is now able to perform the activity, partly replacing human intervention in the classification and matching of documents. The learning process is currently underway, typical of systems based on artificial intelligence techniques and aimed at progressively improving the quality of the process.

ENERGY USAGE

The total energy usage of the Group in 2019 was approx. 4,327,790 kWh, a 10% decrease compared to the previous year (2018: 4,816,606 kWh).

With reference to the usage of the Verona headquarters, usage is in line with the previous year, with a slight increase of 1%. On the other hand, there is a decrease in usage related to the Cattolica Center, which achieved a reduction of 30%, largely due to fewer events organised during 2019.

As for the usage related to the Ca' Tron agricultural estate, there was a reduction of about 20% mainly due to the installation of LED night lights that allowed the elimination of mercury vapour lights.

Methane gas consumption also decreased at Milan's management offices and the Ca' Tron Estate, while the increase in total energy usage is due to the expansion of the car fleet, which has gone from 174 to 275 vehicles.

Power usage by site (KWh)

Headquarters	2019	2018
Verona	2,319,941	2,464,730
of which executive offices	1,938,212	1,916,991
of which Cattolica Center	381,729	547,739
Rome	509,144	528,337
Milan	1,231,282	1,504,949
Venice ²⁷	11,207	1,691
Ca' Tron agricultural estate	256,216	316,899
Total	4,327,790	4,816,606

Natural gas usage by site (m³)

Headquarters	2019	2018 ²⁸
Verona	40,239	38,746
of which operating offices	40,239	38,746
of which Cattolica Center	n/a	n/a
Rome	8,984	9,465
Milan	88,095	140,211
Venice	1,492	442 ²⁹
Ca' Tron agricultural estate	24,617	30,923
Total	163,427	219,787

District heating (KWh)

Headquarters	2019	2018
Verona (Lungadige Cangrande)	1,002,063	949,785

²⁷ For the purposes of comparison, it should be noted that the power usage of 2018 refers only to the months of October, November and December, as the acquisition transactions of the company Satec occupying these premises were finalised in October 2018.

²⁸ The 2018 figure for methane gas usage for the Milan, Rome and Verona offices has been restated, considering the specific data for the month of December that the supplier provided after the publication of the 2017 Sustainability Report. For the data published previously please see the 2018 Sustainability Report, published in the Sustainability section of the site www.cattolica.it.

²⁹ See note 27.

The total energy usage of the Cattolica Group was 51,702 GJ, an increase compared to the 37,420 GJ of 2018, as summarised in the following table.

Total energy usage (GJ)

	2019	2018
Power usage ³⁰	15,580	17,340
Usage of thermal energy (district heating)	3,607	3,419
Methane gas	5,769	6,971
LPG	237	190 ³¹
Energy usage for vehicles ³² :		
- Agricultural diesel fuel	4,817	4,790
- Transportation diesel fuel	9,068	4,323
- Transportation petrol	12,625	388
Total energy usage	51,702	37,420
of which renewables	-	-

Energy intensity

	2019	2018
Employees as at 31 December (no.)	1,785	1,717
Energy intensity	29	21.8

30 Note that the Group did not purchase certificates of Guarantees of Origin (GO) for the purchase of energy from renewable sources.

31 The LPG usage is estimated.

32 Note that for mixed use cars, 70% of the total usage is included in the overall data as indicated by the ABI Lab Guidelines.

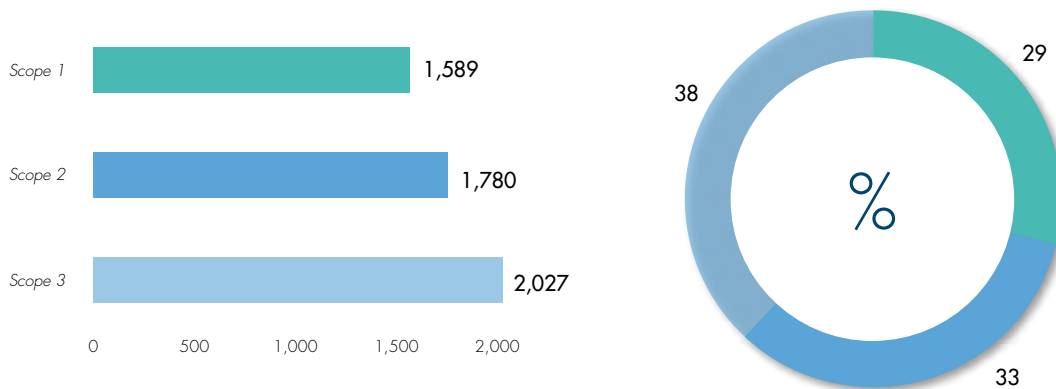
DIRECT AND INDIRECT EMISSIONS

The direct emissions include the emissions from natural gas and LPG usage for the heating system and emissions from diesel fuel usage of both the company's car fleet and the agricultural vehicles of Ca' Tron agricultural estate (Scope 1).

As for indirect emissions, Scope 2 includes the emissions from power usage and district heating and Scope 3 includes the emissions from the employees' private vehicles and chauffeur-driven cars for business purposes, and the emissions due to business journeys by train and plane.

In 2019, the total emissions of greenhouse gases of the Group were 5,396 tCO₂e (2018: 4,923 tCO₂e), an increase due to the expansion of the car fleet. The Scope 1 emissions were 1,589 tCO₂e (2018: 1,105 tCO₂e), or 29% of total emissions, those of Scope 2 were 1,780 tCO₂e (2018: 1,762 tCO₂e), or 33% of total emissions, those of Scope 3³³ were 2,027³⁴ tCO₂e (2018: 2,056 tCO₂e)³⁵ or 38% of total emissions.

Direct and indirect emissions 2019 (tCO₂)



³³ With respect to Scope 2, the emission levels reported refer to the location-based calculation method.

³⁴ The Scope 3 emissions do not include Cattolica Life, Cattolica Life, Cattolica Agricola and the companies Vera Financial, Satec, Estinvest, Meteotec and Qubo.

³⁵ The data relative to business journeys by air and train do not include Cattolica Life, Cattolica Agricola and the companies Vera Financial, Satec, Estinvest, Meteotec and Qubo.

For the calculation of CO₂e emissions of Scope 2, both calculations methods required by the GRI Standards have been used: the Location-based method - represented in the diagrams - and the Market-based method.

The total emissions generated by the Group are detailed below.

CO₂e [t CO₂] emissions ³⁶

	2019	2018
Scope 1 ³⁷	1,589	1,076
Scope 2 (Location-based)	1,780	1,763
Scope 2 (Market-based)	2,327	2,312
Scope 3	2,027	2,056

TOWARDS CARBON NEUTRALITY: TUA ASSICURAZIONI PILOT PROJECT

In 2019 TUA Assicurazioni undertook a path towards carbon neutrality. The first steps were the formalisation and sharing of the TUA Green project, with the dual purpose of raising awareness of eco-sustainability issues throughout the company and of eliminating the impact of the Company's work activities on the CO₂ emissions generated in 2019.

The initiative will be widely disseminated in 2020 through events and experiences aimed at increasing the environmental sensitivity of employees, in order to affect daily, work and non-work behaviours to reduce their environmental impact.

The zero impact of CO₂ emissions generated in 2019 has instead already been successfully completed. The process - which was structured in the typical phases of observation, measurement, mitigation and compensation - was carried out together with the partner Carbonsink and concluded with the cancellation of carbon credits of the REDD+ type (Reducing Emissions from Deforestation and Forest Degradation), which will allow the conservation of a forest area in order to reduce greenhouse gas emissions from deforestation and forest degradation.

TUA Assicurazioni has in fact measured the carbon footprint generated in 2019 ³⁸ and decided to compensate it by cancelling certified carbon credits of the REDD+ type.

³⁶ With regard to the calculation of emissions according to the Market-based method, reference was made to the most updated figure available for the two-year period in question. The following emission factors were used for the calculation of the emissions:

- Scope 1: ISPRa with transformation into CO₂ equivalent according to the procedure provided in the ABI Lab Guidelines (version January 2020 for the 2019 data, and version 13.12.2018 for the 2018 data).
- Scope 2:
 - District heating: ISPRa in accordance with the ABI Lab Guidelines (version January 2020 for the 2019 data, and version 13.12.2018 for the 2018 data). The Scope 2 emissions due to district heating are expressed in tons of CO₂, however the percentage of methane and nitrous oxide has a negligible effect on total greenhouse gas emissions (CO₂e) as indicated in the ISPRa report "Atmospheric emission factors of CO₂ and other greenhouse gases in the electrical industry";
 - Electric power (Location-based): ISPRa with transformation into CO₂ equivalent according to the procedure provided in the ABI Lab Guidelines (version January 2020 for the 2019 data, and version 13.12.2018 for the 2018 data).
 - Electric power (Market-based): AIB - European Residual Mixes 2018 (version 11.07.2019) for 2019 data (Residual Mixes 2017 version 11.07.2018 for 2018 data). Note that the emission factor refers to t CO₂e.
- Scope 3: Car, plane and train (km): DEFRA 2019 - Conversion factors 2019 - Full set (version DEFRA 2018 for 2018 data).

³⁷ Note that for mixed use cars, 70% of the total usage is included in the overall data as indicated by the ABI Lab Guidelines.

³⁸ In order to calculate the carbon footprint, Scope 1, Scope 2 and Scope 3 emissions (office paper, diesel extraction, methane extraction, grid loss, waste paper, water, hotels, business journeys by plane, business journeys by train, business journeys by car, house-work travel of employees by car, house-work travel of employees on motorcycles, house-work travel of employees by bus, house-work travel of employees by subway, house-work travel of employees by train, diesel usage of leased vehicles and leased hybrid vehicle usage) were considered.

TUA therefore proudly presents itself to stakeholders as a carbon-neutral company, being able to boast the certificate attesting to the cancellation of carbon credits.

The agency networks will also be involved in awareness-raising activities in order to enhance the effects on the territory thanks to agents attentive to the issue of eco-sustainability.

TUA intends to engage in the search for partners who care about environmental issues and have a similar vision in terms of growth and development through an ethical and sustainable business model.

The initiative of TUA is a virtuous example that other Group companies could follow in the near future.

CATTOLICA AND THE FONDAZIONE ENI ENRICO MATTEI

As part of an agreement for the three-year period 2018-2020, Cattolica supported the activities of FEEM - Fondazione ENI Enrico Mattei, a prestigious national think tank and study centre, in the project "Disclosure, Measurement, Management and Mitigation of Climate-Related Risks for Companies" (DeRisk-CO), aimed at disseminating scientific knowledge on the risks and opportunities associated with climate change.

DeRisk-CO is part of the broader research programs "Climate Change: Economic Impacts and Adaptation" (EIA) and "Society and Sustainability" (SAS), and is in line with the growth paradigm outlined in the 2030 Agenda for Sustainable Development and the Sustainable Development Goals (SDGs).

WATER USAGE

The water used by the Cattolica Group in 2019 comes to 549,981 m³, in line with the usage reported last year (2018: 765,585 m³); the savings are mainly attributable to the fact

that a smaller area of crops was irrigated at the Ca' Tron agricultural estate during 2019, due to the excess rain that fell between February and May.

Water usage (m³)

	2019	2018
Management offices and Cattolica Center	27,481	32,132
Ca' Tron agricultural estate ³⁹	522,500	733,453
Total	549,981	765,585

Still with reference to Ca' Tron, in 2019 the use of the drip irrigation system continued which determined, in addition to a positive impact on the quality of the crops in question, also a significant reduction in water usage.

In 2019 a new vineyard of 27.15 hectares of resistant varieties was planted (black berries for 3 hectares and white berries for 24.15 hectares).

In this regard, the construction of a new fertigation plant is planned, which is able to meet the daily water requirements for an area of about 50-60 hectares, in order to ensure

irrigation to the new vineyard and allow both the possible increase of the area planted with vines and the construction of a hazelnut orchard to be built in 2021.

Work on the new irrigation plant began in November 2019 and is expected to be completed by May 2020. A water recycling or reuse system is not currently used.

³⁹ The water usage of the Ca' Tron agricultural estate was estimated based on the water needs of the two main crops, vineyards and organic beets. With reference to the crops, the numbers of hectares irrigated out of the total, the number of irrigation cycles and the flow of the irrigation pump were considered.

BETWEEN THE LAGOON AND THE TERRITORY: TENUTA CA' TRON AGRICULTURAL ESTATE

One of the most important and peculiar assets of Cattolica is its Ca' Tron agricultural estate, located largely in the municipality of Roncade in the province of Treviso, and for a residual portion in that of Meolo, in the province of Venice. This is one of the largest united agricultural estates in north-eastern Italy and is still an ideal habitat for the protection of the biodiversity of flora and fauna.

The management of over 2,000 hectares takes place directly by the ownership. Cattolica Agricola and Cattolica Beni Immobili, established as part of the purchase of the Estate, respectively carry out the agricultural activities listed in Article 2135 of the Italian Civil Code and manage the buildings that are not instrumental to the agricultural activity.

More efficient and responsible agriculture

Since the acquisition of the property, Cattolica Agricola has carried out and pursues interventions for land improvement and enhancement of the territory, also in order to improve the quality of the crops and the overall environmental sustainability of the area.

The objectives envisaged include:

- adapting the parcels of land to the new company mechanisation;
- elimination of unproductive flows;
- increased availability of water for irrigation;
- containment of crop irrigation costs.

An area of 400 hectares has undergone land improvement, which permitted the recovery of 20 hectares for agricultural purposes.

The planting of about 350 hectares of vineyards in specialised crops has been planned with the aid of techniques aimed at mechanising all cultivation operations (from pruning to harvesting) and the provision of advanced and automated irrigation systems with remote control.

Particular attention has been paid to the planting of disease-resistant grapes, in order to minimise or eliminate pesticide and/or fungicide treatments with negative environmental impact; about 450 hectares are intended for organic crops or

are being converted to organic. In addition, there is an organic rearing of cattle that includes, during the spring and summer period, the rearing of animals in the pasture.

To benefit a positive environmental balance, hedges and rows of native plants have been planted, an operation that led to a higher density of vegetation of the Estate.

The enhancement of organic crops continues thanks to the better exploitation of the natural fertility of the soil, which allows limiting human intervention, thereby benefiting the health of the territory and the crops.

In 2019, the Ca' Deriva Fund obtained organic certification for a total area of about 225 hectares, while the 195 hectares of the Fondo I Marzi were extracted from the organic conversion plan and reintegrated into conventional cultivation. Furthermore, with regard to the vineyards in production and the new hazelnut orchard, during the year it was decided to subscribe to the National Quality System of Integrated Production (SQNPI), a certification scheme that aims to enhance the agricultural crops obtained in accordance with the regional specifications of integrated production. Foodstuffs derived from these crops bear the bee symbol "SQNPI - Sustainable Quality" on the label.

The commitment to sustainability: the environmental policy of the Ca' Tron agricultural estate

In 2019 Cattolica achieved the objective - identified among the priorities within the 2018 planning - of approving an Environmental Policy specifically related to the Ca' Tron agricultural estate.

Following an extensive analysis of the main environmental risks generated and suffered in relation to the activities of the estate, criteria, guidelines and good practices to be followed in the management were identified. Areas for improvement in terms of reducing environmental impacts were also identified. The Policy was approved by the Board of Directors of Cattolica at the same time as the NFS 2018; this represented a milestone that put the Company at the forefront in the sustainable management of an agricultural asset and prepared the ground for the drafting of the broader Group Environmental Policy, approved at the end of the year.



Education and training for the future: H-Campus

Ca' Tron Agricultural Estate is home to H-FARM⁴⁰, a well-known business incubator whose purpose is to bring innovation, entrepreneurship and training together. Cattolica participates in the capital of H-FARM and shares the project for the construction of a Campus inside the estate which is able to provide a complete cycle of education and aspires to become a primary European school.

The real estate transaction carried out in collaboration with Cassa Depositi e Prestiti was launched in 2017, while work on the expansion of the current area began on 17 September 2019.

With 51 hectares, the H-FARM campus will host up to 3,000 students, researchers and entrepreneurs, becoming the largest innovation hub in Europe.

H-Campus was made possible thanks to the establishment in 2017 of a closed, non-speculative real estate fund managed by Finint Investments SGR, with assets of over € 101 million subscribed by Cattolica Assicurazioni, which

holds the majority share of the Fund (56% of assets), CDP Investimenti SGR, with the FIA 2 fund for 40%, and Ca' Tron Real Estate, the company of the founders of H-FARM, for the remaining 4%.

The expansion of H-FARM, of which only 10% is built, provides for the construction of 13 buildings dedicated to training, start-ups and businesses for a total of 30,000 square metres of covered area, with zero cubature thanks to the recovery of volumes of abandoned structures.

Student housing will then be built which can accommodate 250 young people, as well as a 7,000 square metre sports centre that also includes a skate park and a track for athletics. The central building of the campus will house a library, auditorium and restaurant, according to the design of the architect Richard Rogers.

It will be a cutting-edge centre in terms of technology and sustainability, self-sufficient for 85% of its energy needs thanks to photovoltaic energy storage and exchange systems. The remaining space will be used as a park equipped with more than 27 hectares of forest area open to the public.

The workforce at Ca' Tron agricultural estate by employee category and gender as at 31 December

	2019			2018		
	Men	Women	Total	Men	Women	Total
Executives	-	-	-	-	-	-
Officials	-	-	-	-	-	-
Employees	-	-	-	-	-	-
Workers	8	1	9	8	1	9
Total	8	1	9	8	1	9

The staff at Ca' Tron agricultural estate includes 9 people employed with a permanent contract.

The energy and water usage of the farm during 2019 are detailed below.

Energy usage and water usage of Ca' Tron agricultural estate

Type	2019	2018
Power (kWh)	256,216	316,899
Methane gas (m ³)	24,617	30,923
LPG (litres)	9,887	7,340
Agricultural diesel fuel (litres)	134,000	133,000
Diesel fuel for transportation (litres)	8,786	9,817
Petrol for transportation (litres)	1,101	866
Water usage (m ³)	522,500	733,453

⁴⁰ It should be noted that H-FARM does not fall within the scope of reporting of social and environmental data and information in this Sustainability Report, as described in the Methodological Note of this document, to which reference is made.





Economic value
generated by the Group

€ 1,180 MLN



Total premiums written

€ 6.9 BN

SUSTAINABLE COST-EFFECTIVENESS: ECONOMIC RESULTS

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SUSTAINABLE COST-EFFECTIVENESS: ECONOMIC RESULTS



€ **6.9** bn
TOTAL
PREMIUMS WRITTEN



€ **33.4** bn
INVESTMENTS



BBB
STANDARD
& POOR'S
RATING

OUTLOOK
NEGATIVE ⁴¹

94.3%
COMBINED RATIO
OF RETAINED WORK



175% ⁴²
SOLVENCY
II RATIO

€ **2.35** bn
CONSOLIDATED
SHAREHOLDERS'
EQUITY

PROFITABLE GROWTH: THE 2018-2020 BUSINESS PLAN

2019 was the second year of the 2018-2020 Business Plan, characterised by a strategic orientation that has its privileged focus on the concept of "profitable growth", and translates into a creation of constant value over time thanks to a balanced expansion of the offer.

It is useful to recall the most important quantitative objectives set for 2020:

- operating profit in the range of € 375 to € 400 million ⁴³;
- expected operational ROE of at least 10% by 2020;

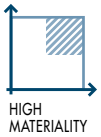
- dividend per share up by approximately 50%;
- maintenance of high solidity in terms of capital, with a Solvency II Ratio between 160% and 180%;
- total collection of premiums between € 7.6- 8 billion, of which premiums from non-life policies between € 2.4-2.6 billion and premiums from life policies between € 5.2- 5.4 billion.

⁴¹ Corresponding outlook, according to the Standard & Poor's criteria, to that of the sovereign debt of the Italian Republic.

⁴² Before distribution of the dividend of the Parent Company. The Board of Directors has reserved the right to formulate, using the Decree "Cura Italia", its proposal for the allocation of the profit during and at the time of the convocation of the Shareholders' Meeting for the approval of the financial statements, providing appropriate information.

⁴³ Reduced in March 2020 to a range between € 350 million and € 375 million due to the changed scenario induced by the health emergency linked to the Covid-19 pandemic.

THE 2019 FINANCIAL YEAR: THE ECONOMIC RESULTS



The Cattolica Group ended the year with an operating profit⁴⁴ of 3.1% at € 301.5 million (€ 292.5 million in 2018), discounting the effect of several extraordinary negative items on the consolidated profit, which amounted to € 103 million (-24.6%), and with Group net profit of € 75.1 million (-29.7%).

The Group's profit was mainly affected by the loss (€ 7 million) resulting from the sale of Cattolica Life, which will conclude in 2020 and was reported to the market in December, the impairment of the goodwill of Vera Vita (€ 13 million), write-downs on properties for € 10 million and other residual and parcelled items for a total amount of € 16 million. Adjusted Group income⁴⁵ amounted to € 103 million (-13.2%).

In particular, in the non-life segment, the operating income which was affected by the atmospheric events of the second half of the year amounted to € 148.8 million (-11.8%), while in the life segment it amounted to € 156.9 million (+23.2%). The operating RoE⁴⁶ is equal to 7.9%, up 0.4 p.p.

Total premiums collected from direct and indirect non-life work amounted to € 6,944.4 million (+19.9%), an increase of 13.1% on a homogeneous basis.⁴⁷

Premiums written for direct non-life business amounted to € 2,156.9 million (+2.5%), up 1.6% on a homogeneous basis.

In the automotive sector, the premiums amounted to € 1,092.1 million (-1.7%), down 1.9% on a homogeneous basis, as a result of profitability recovery actions carried out through the increase in the average premium and some specific pruning actions.

Non-auto premium income amounted to € 1,064.8 million (+7.3%), an increase of 5.4% on a homogeneous basis, thanks to the numerous initiatives envisaged in the Business Plan aimed at rebalancing the non-car non-life business mix.

The combined ratio went from 93.4% to 94.3% (+0.9 p.p.) despite the impact of the increase in claims related

to atmospheric events equal to +2.2 p.p. (6.4% of the net premiums accrued). The claims ratio of retained work is stable at 63.1% (-0.1 p.p.) while the expense ratio of retained work stands at 29.7%, up 0.5 p.p., due to the effect of the production mix that affects the acquisition ratio (+0.5 p.p.); the G&A expense ratio is aligned with last year.

In the life sector, direct business premiums came to € 4,771.7 million (+30%), an increase of 19.7% on a homogeneous basis.

Production is supported by a very positive increase in linked products (+91.2%), in line with the Plan actions, which recorded a sharp acceleration starting from the second quarter mainly thanks to the contribution of bancassurance with Banco BPM. The new business concerning the life policies subject to revaluation with minimum guaranteed rates of 0% is allowing the average guaranteed minimum of the Group's stock of actuarial provisions to progressively reduce, which stood at 0.58% (0.78% as at 31 December 2018).

The cost savings observed in particular in the life segment are significant, with the incidence of other administrative expenses on premiums passing from 2.1% to 1.3%.

Financial operations⁴⁸ before tax posted a result of € 528.6 million (+9.1%) with non-life yields increasing from 2.4% to 2.8%.

As at 31 December, the investments amount to € 33,401.5 million (+6%), including the real estate investments classified as material activities and the cash equivalents. Gross technical provisions for non-life business amounted to € 3,704.2 million (-1.2%). Provisions for life business, inclusive of financial liabilities, amounted to € 28,002.8 million (+5.7%).

Consolidated shareholders' equity amounted to € 2,351 million (+4.2%).

The Solvency II index of the Group, before the distribution of the dividend, is equal to 1.75 times

44 The operating profit excludes more volatile components (disposals, write-downs, other one-offs). In detail, the Non-life operating result is defined as the sum of net technical reinsurance balance, ordinary financial income, other net non-technical expenses (amortisations, write-down of insurance receivables, etc.); the operating result excludes the realised (plus/minus), valuation, impairment financial results; write-downs of other assets, the cost of financial debt (subordinated), amortisation of the VOBA (Value of Business acquired), exit incentives, the cost of the Solidarity Fund, and other one-offs. The Life operating result is defined in a similar way, with the difference being that all financial income which contributes to the income of stocks belonging to segregated funds, as well as those belonging to class D, are considered in the operating result.

45 Defined as the measure of Group profit minus the amortisation of VOBA (Value Of Business Acquired) and impairment of goodwill, which have relevance on the Group profit but do not affect the Solvency position.

46 The Operating Return On Equity (Operating RoE) is the ratio between the sum of the net operating result of the cost of the subordinate, taxes and minority interests and the average of the Group's shareholders' equity (excluding the AFS reserve). Taxes are calculated consistently with reference to the operating profit items.

47 Excluding the collection relative to the partnership with Banco BPM relating to Q1 2019.

48 Excluding investments whose risk is borne by policyholders and changes in other financial liabilities.

2019 Consolidated Financial Statement - Main economic indicators

(€ thousands)

	2019	2018	Changes	
			Amount	%
Total premium written	6,944,434	5,793,132	1,151,302	19.9
of which				
Gross premium written	6,857,965	5,648,624	1,209,341	21.4
Direct business - non-life	2,156,914	2,103,858	53,056	2.5
Direct business - life	4,685,223	3,527,196	1,158,027	32.8
Indirect business - non-life	15,801	17,534	-1,733	-9.9
Indirect business - life	27	36	-9	-23.9
of which				
Investment contracts	86,469	144,508	-58,039	-40.2
Operating results	301,512	292,447	9,065	3.1
Consolidated net profit for the period	103,026	136,626	-33,600	-24.6
Group net profit for the period	75,140	106,934	-31,794	-29.7

2019 Consolidated Financial Statement - Key equity indicators

(€ thousands)

	2019	2018	Changes	
			Amount	%
Investment	33,401,509	31,501,671	1,899,838	6.0
Assets of a corporate divestiture group held for sale	197,164	0	197,164	n.a.
Technical provisions net of reinsurance amount	30,272,836	28,261,846	2,010,990	7.1
Financial liabilities relating to investment contracts	1,494,280	1,809,686	-315,406	-17.4
Liabilities of disposal group held for sale	193,783	0	193,783	n.a.
Consolidated shareholders' equity	2,351,011	2,255,327	95,684	4.2

n.a. = not applicable

49 The Board of Directors has reserved the right to formulate, using the Decree "Cura Italia", its proposal for the allocation of the profit during and at the time of the convocation of the Shareholders' Meeting for the approval of the financial statements, providing appropriate information.

2019 Consolidated Financial Statements - Personnel and distribution network

(number)

	2019	(1)	2018	Changes	
				Amount	%
Total employees	1,778	(1)	1,692	86	5.1
FTE employees	1,717	(1)	1,631	86	5.3
Direct network:					
Agencies	1,395		1,444	-49	-3.4
Partner networks:					
Bank branches	6,075		6,054	21	0.3
Financial promoters	737		733	4	0.5

(1) = Taken account of the outgoing employees as at 31.12.2019 for subscription to the International Solidarity Fund.

Consolidated Financial Statement 2019 - Main efficiency and profitability indicators

	2019	2018
Non-life ratios for retained business		
Claims ratio (Net charges relating to claims/ Net premium)	63.1%	63.2%
G&A ratio (other administrative expenses/ Net premium)	7.8%	7.7%
Commission ratio (Acquisition costs/ net premium)	21.9%	21.4%
Total Expense ratio (Operating expenses/ net premium)	29.7%	29.2%
Combined ratio (1 – (Technical balance/ net premium)	94.3%	93.4%
Non-life ratios for direct business		
Claims ratio (Net charges relating to claims/ Premium for the period)	63.1%	62.8%
G&A ratio (other administrative expenses/ premium for the period)	7.0%	6.8%
Commission ratio (Acquisition costs/premium for the period)	22.0%	21.3%
Total Expense ratio (Operating expenses/ premium for the period)	29.0%	28.1%
Combined ratio (1 – (Technical balance/ premium for the period)	93.7%	92.1%
Life ratios		
G&A ratio (other administrative expenses/ premium written)	1.3%	2.1%
Commission ratio (Acquisition costs/premium written)	3.3%	3.2%
Total Expense ratio (Operating expenses/ premium written)	4.6%	5.3%
Total ratios		
G&A ratio (other administrative expenses/ premium written)	3.0%	3.8%
Operating costs ⁽¹⁾ / Premium written	4.5%	5.5%

Note: "premiums written" in the life business refer to the amount of gross insurance premiums and of the investment contracts.

(1) Other administrative expenses and acquisition expenses before consolidation adjustments and intercompany eliminations are included.

THE RATING

On 26 July 2019, Standard & Poor's confirmed Cattolica's rating at BBB. The assessment before sovereign risk of Cattolica, also based on the new criteria adopted, was confirmed at bbb+, a notch higher compared to the BBB

financial strength rating, which remains limited by that of the Italian Republic, according to the Agency's criteria. The outlook remains negative and reflects that relating to the sovereign debt of the Italian Republic.

ECONOMIC VALUE GENERATED AND DISTRIBUTED

The economic value generated - the result of a particular reclassification of the profit and loss statement - represents the amount of wealth that a company is able to generate from its economic activity. It is therefore an extremely significant piece of information also from the point of view of sustainability.

For the Cattolica Group, this figure is determined by the difference between the production value (premiums collected, financial income and income on investments) and the costs of insurance benefits and the acquisition of products and services.

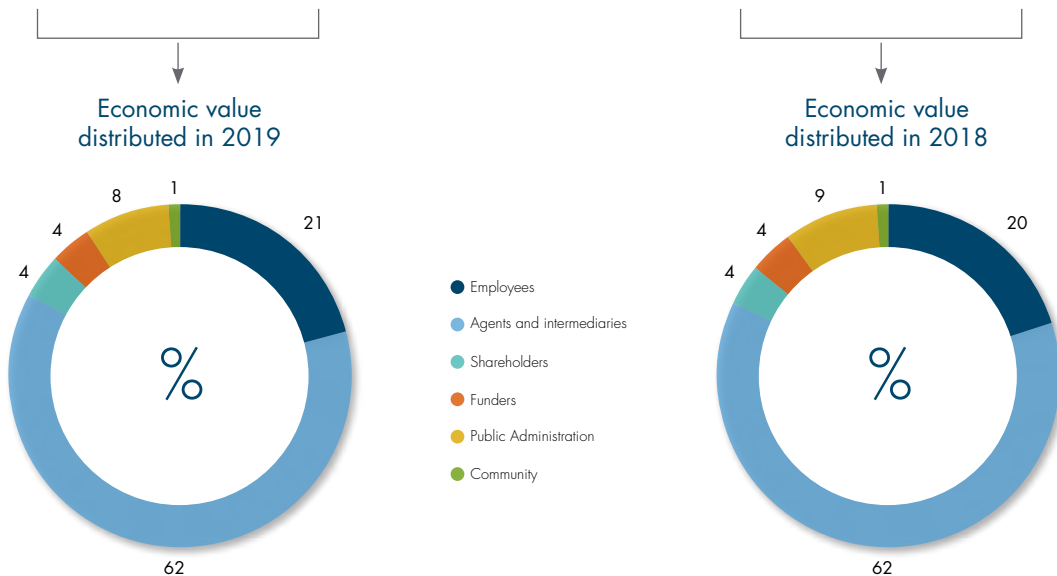
The calculation for 2019 shows that the Group achieved an economic value generated of € 1,179.9 million, slightly less than the previous year (2018: € 1,183.1 million).

The distribution of the economic value generated by the Group for the benefit of corporate stakeholders is shown in the following diagram.



Economic value generated and distributed in 2019 and 2018 (data in millions)

2019			2018	
1,179.9		Economic value generated	1,183.1	
1,022.3	100%	Generated value distributed	1,009.4	100%
213.1	21%	Employees	204.7	20%
637.9	62%	Agents and intermediaries	621.8	62%
36.1 ⁵⁰	4%	Shareholders	40.4	4%
41.2	4%	Funders	39.0	4%
85.9	8%	Public Administration	94.1	9%
8.1	1%	Community	9.5	1%
157.6	-	Generated value retained	173.8	-



The breakdown described, compared to an increased distributed value compared to 2018, shows that:

- the greater share of the value (62%) is received by agents and intermediaries (€ 637.9 million), a value that confirms the central role of the agency network, as part of a business model oriented to personalised and high-quality service;
- the share allocated to employees and collaborators is equal to € 213.1 million (21%), a slight increase compared to 2018;

→ the amount paid to the Public Administration, under the form of direct taxes, is € 85.9 million, or 8% of the distributed value;

→ the amount in favour of the community is € 8.1 million, albeit slightly down on the previous year;

→ the value not distributed and retained by the company system amounts to € 157.6 million.⁵¹

⁵⁰ Refer to note 42.

⁵¹ Refer to note 42.

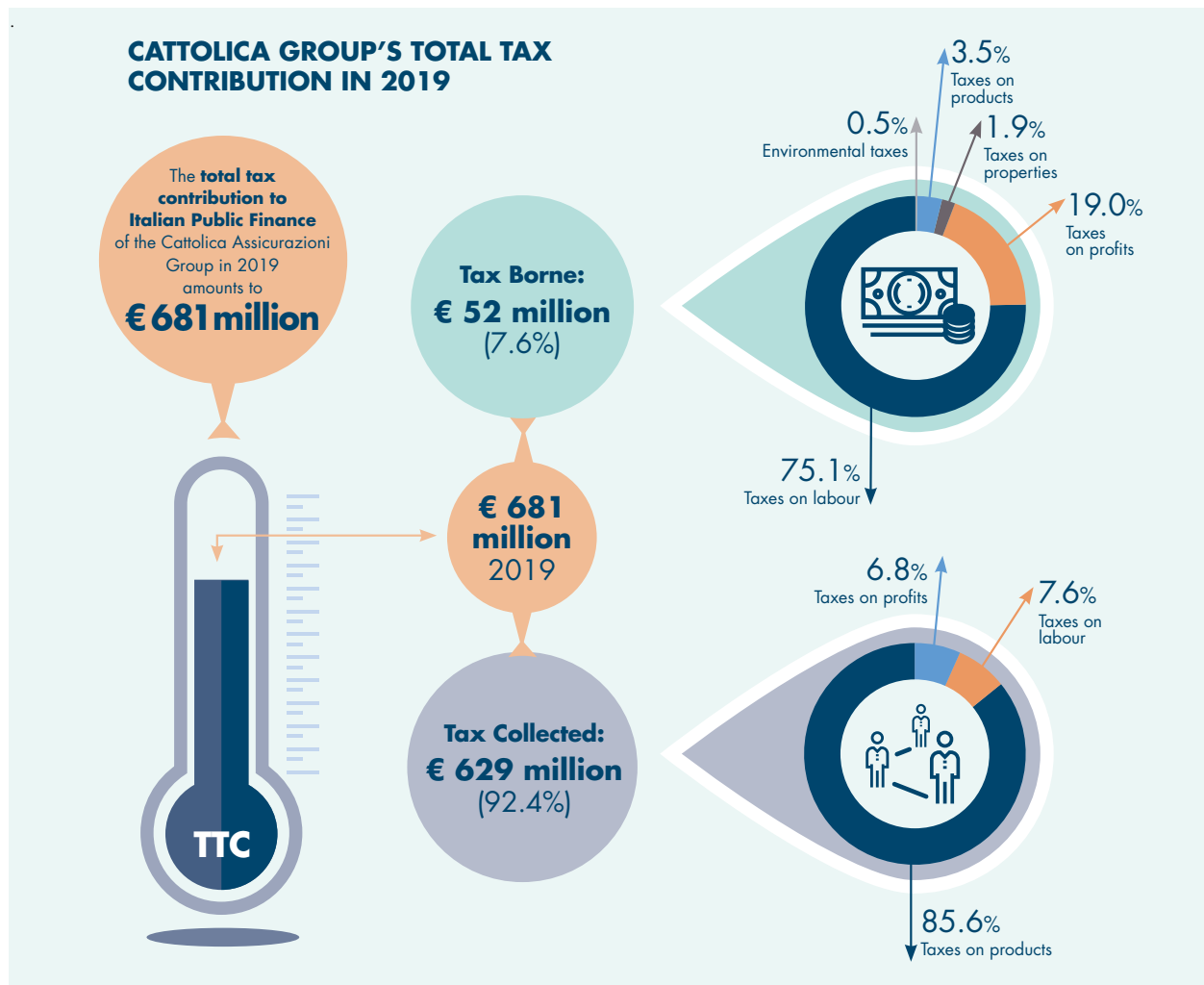
THE CATTOLICA GROUP FISCAL DUTY: TOTAL TAX CONTRIBUTION

For the third consecutive year, Cattolica decided to publish complete reporting regarding its total tax contribution. Total Tax Contribution, an initiative launched in 2017 and warmly welcomed, reflects a trend in international legislation which aims to promote greater tax transparency by economic groups.

The main goal is to communicate to stakeholders, in an intuitive and transparent manner, the data on taxes and contributions paid⁵² in Italy, also in order to strengthen the perception of the Group's commitment to social responsibility.

The Total Tax Contribution approach provides full disclosure by the Group to the tax jurisdictions in which it operates, and presents in detail the types of income withdrawn that generate the payment of a tax.

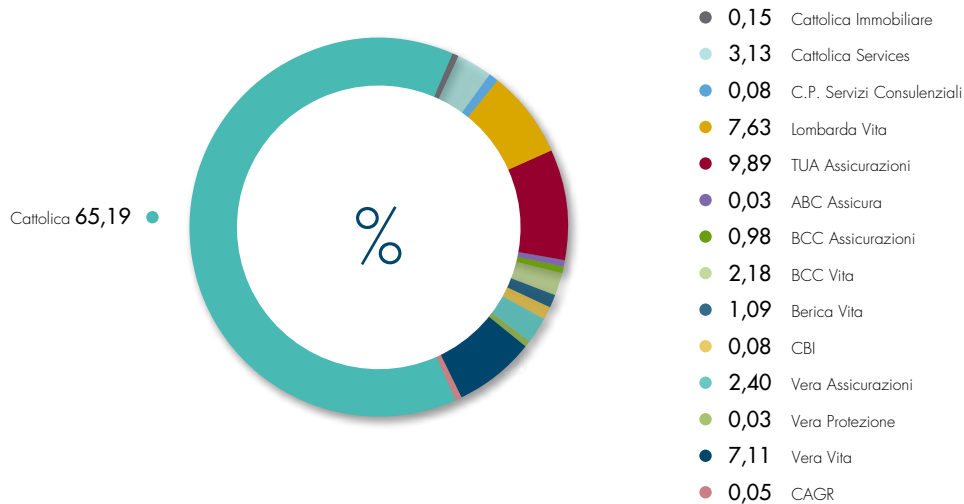
The following tables show the Total Tax Contribution of the Cattolica Assicurazioni Group in 2019.⁵³



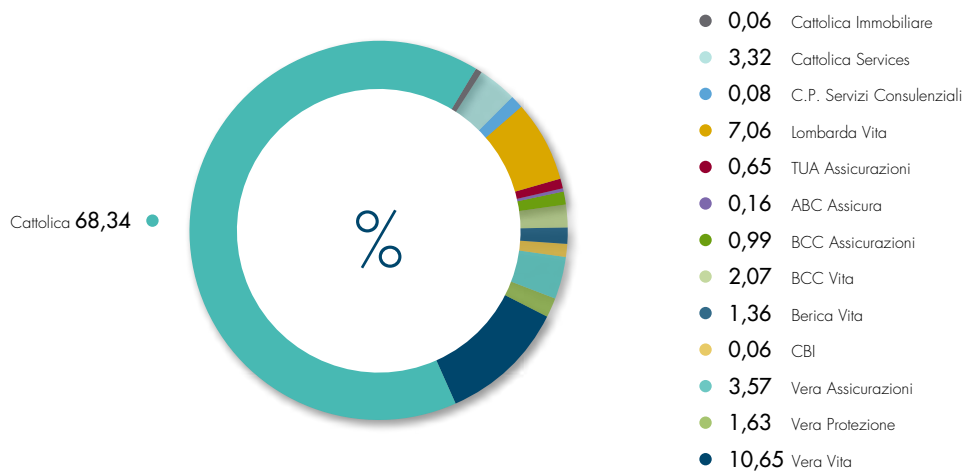
52 The Total Tax Contribution considers all the taxes paid during 2019 according to the "cash" principle, instead of on an accrual basis, as used in the model for the determination of the economic value generated and distributed.

53 The data refer to the scope of the Cattolica Group as at 31.12.2019, including the data of Cattolica Agricola, which was not included in 2018. For the purposes of a homogeneous comparison with the 2018 financial year, it can also be considered that this company's contribution to the Group's tax contribution is negligible.

Contributions by the companies to the total in 2019



Contributions by the companies to the total in 2018

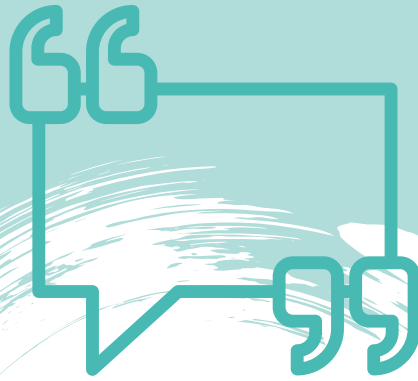


The methodology distinguishes between tax charges paid by Group Companies to the Italian Public Administration, which represent a cost for the company (taxes borne), and payments made as a substitute for tax (taxes collected).

The Total Tax Contribution approach classifies tax charges and withholding taxes paid into five macro-categories (labour taxes, product taxes, property taxes, profit taxes and environmental taxes), allowing comparison between different tax years.

As can be seen in the diagram, the Total Tax Contribution of the Cattolica Assicurazioni Group in 2019 amounted to € 681 million (2018: € 648 million), of which € 629 million (2018: € 545 million) of taxes collected (92.4% of the total) and € 52 million (2018: € 103 million) of taxes borne (7.6% of the total).

The Parent Company Società Cattolica di Assicurazione - Società Cooperativa contributed 65.2% of the Group's total, amounting to approximately € 444 million (2018: € 443 million).



OUR SPECIES CERTAINLY
HAS MUCH TO PROVE TO DEMONSTRATE
THAT WE HAVE THE WISDOM
OR JUDGEMENT REQUIRED
TO ACHIEVE A SUSTAINABLE WORLD.

Joss Tantram

THE "BOTTOM LINE" 2019

THE BOTTOM LINE 2019

With reference to the objectives set out in the previous Non-Financial Statement, the following is an update on the status of the main activities:

OBJECTIVE DECLARED	PROGRESS STATUS
Definition of a Sustainability plan that favours determining clear, measurable short, medium and long-term qualitative and quantitative objectives	In 2019 preliminary activities were initiated regarding the definition of the Sustainability Plan, which will be adopted in coordination with the new Business Plan 2021-2023 in order to create an integrated approach to the company strategy
Definition of a Group Environmental Policy, through the analysis of the main environmental risks generated or suffered related to the Group's activities and the identification of areas for improvement	The policy was approved in December 2019
Adoption of an Environmental Policy related to the Ca' Tron Agricultural estate, focused on principles and guidelines for the sustainable management of this important asset of Cattolica	The policy was approved in March 2019
Assignment to the Group of a solicited rating by a specialised rating company	A path was initiated in 2019 for the assignment of a solicited rating with the company Standard Ethics
Assessment of a carbon neutrality path, adhering to internationally recognised standards	In 2019 a carbon neutrality pilot project was launched that involved TUA Assicurazioni
Initiation of a design reflection, which considers the Ca' Tron Agricultural estate as a resource to be enhanced from the point of view of agricultural productivity and from an agro-landscape point of view, according to an approach that develops the connection to the territory, in an integrated and multifunctional perspective	<p>Among the activities carried out or being implemented:</p> <ul style="list-style-type: none"> → Planting of 30 hectares of hazelnut trees in collaboration with Loacker; → Collaboration with the University of Padua to estimate the effects of wind and hail damage on maize and cereal crops; → Installation of robotic traps on about 10 hectares of vineyard, in order to monitor some pathogenic insects of vines and reduce the moral hazard on prevention activities that require the use of plant protection products.
Strengthening stakeholder engagement activities for 2019, including other categories (e.g. customers)	During 2019, a sample of customers was involved, expanding the range of stakeholders engaged and increasing the number of agents and employees consulted
Adherence to the Responsible Investment Principles of the United Nations (UNPRI)	In June 2019, Cattolica signed the United Nations Principles for Responsible Investment (UNPRI)
Definition of training activities for employees on CSR issues, to spread a culture of sustainability in the company	The planning began at the end of 2019 and the training content is being defined; the provision of an institutional course to employees is expected in 2020
Training and induction activities for Directors on CSR and ESG issues as part of the “Training of administrative bodies of Group companies” cycle	The induction activities for Directors were carried out in December 2019, and the session was extended to Group Executives

With reference to the path of continuous improvement already undertaken by the Company, the adoption of a Group Anti-Corruption Policy is planned in 2020 in order to strengthen and confirm its commitment to the prevention of illegal practices and the promotion of a corporate culture based on reference best practices.

Cattolica also continues to expand its analysis, evaluation and management of responsible investments, with an increasing emphasis on ESG criteria in the monitoring of investments.

The Group reiterates its promise to multiply initiatives and projects with a positive impact on social, environmental and economic variables, balancing interventions within the company and in the territory, having as a common denominator the promotion of a culture of sustainability that induces responsible behaviour and the forward-looking vision of all stakeholders involved.



APPENDICES

Glossary of sustainability terms	135
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APPENDICES

GLOSSARY OF SUSTAINABILITY TERMS

A summary collection of terms, expressions and acronyms common in the lexicon of corporate sustainability can be consulted within the NFS 2018 or on the institutional website

of Cattolica at the following link:
<https://www.cattolica.it/en/sustainability-report> in the section "The words of sustainability".

ACKNOWLEDGEMENTS

The CSR Unit wishes to again thank all the colleagues who contributed to the realisation of the Sustainability Report 2019 both with their specialised contribution, and with the several bases for reflection, advice and suggestions, which emerged during the preparatory meetings and exchanges.

Anyone wanting to provide ideas, express comments or make suggestions can write to: csr@cattolicaassicurazioni.it.

METHODOLOGICAL NOTE

GRI STANDARD TABLE

GRI Universal Standards
GRI Topic-Specific Standards

INDEPENDENT AUDITORS' REPORT

METHODOLOGICAL NOTE

This Consolidated Non-Financial Statement (hereafter also “Sustainability Report”) has been drawn up so as to make the activities of Cattolica Assicurazioni Group (also called “Cattolica Group” or “Cattolica”), its performance, its results and its impact fully understandable as regards the relevant aspects required by Article 3 of Italian Legislative Decree no. 254/16, with reference to the financial year 2019 (from 1 January to 31 December).

As required by Article 5 of Italian Legislative Decree no. 254/16, this document constitutes a stand-alone report marked with a specific caption to identify it as the consolidated non-financial statement required by the regulation.

In particular, its contents have been selected according to a structured materiality analysis, which allowed identifying the most relevant sustainability aspects for the Group and its stakeholders, as described in the paragraph “2019 Materiality analysis”. The analysis also included a comparison between the material aspects and the best practices in this field.

It is worth mentioning that, with respect to the business sector, no other significant polluting emissions into the atmosphere have been detected other than greenhouse gas emissions.

This Sustainability Report has been drawn up in compliance with the “Global Reporting Initiative Sustainability Reporting Standards”, defined in 2016 by the Global Reporting Initiative (GRI), according to the “in accordance – Core” option. Regarding the specific standard GRI 403 (Occupational Health and Safety), the most recent version of 2018 was adopted. In addition, the “Guidelines on the application in banks of GRI Standards (Global Reporting Initiative) in environmental matters” published by ABI Lab in the January 2020 version and the guidelines of the 2017/C215/01 EC Guidelines were taken into account.

The scope of economic and financial figures and information is the same as in the Consolidated Financial Statement of Cattolica Assicurazioni Group as at 31 December 2019. The scope of social and environmental figures and information is defined by the Consolidated Companies using the integral method within the Consolidated Financial Statement⁵⁴ of the Cattolica Group. In particular, the environmental data include the Group’s Management Offices in Verona, Rome,

Milan and Venice, the Cattolica Center in Verona and the Ca’ Tron agricultural estate. The figures relating to minor units (offices located in private buildings) are not included, as their environmental impact is not relevant.

As for the contributions and initiatives supporting the community described in the chapter “For the common good: social initiatives”, data and information on the Fondazione Cattolica are included. Despite being excluded from the consolidation scope of Cattolica Group’s Consolidated Financial Statement, the Foundation is an important tool for the Group to pursue its social strategies; its exclusion would prevent a complete and consistent illustration of the impacts generated.

In 2019, there were no significant changes in the size and organisational structure of the Group, with the exception of entering the scope of consolidation with the All Risk Solutions line-by-line approach. Their relative figures and information are included in the Group environmental and social data. Any exceptions are appropriately reported in the text.

In order to allow comparability of the data over time, a comparison with the data for 2018 has been included, where possible. The restatement of the comparative figures published previously are clearly indicated as such. In addition, to ensure the data are reliable, the use of estimates has been minimised and clearly marked within the document.

The Sustainability Report is published annually: this version is for Fiscal Year 2019 and was approved by the Board of Directors of Società Cattolica di Assicurazione - Società Cooperativa on 18 March 2020.

The Sustainability Report is subject to a limited examination (limited assurance engagement according to the criteria explained in principle ISAE 3000 Revised) by Deloitte & Touche S.p.A. This verification was carried out following the procedures explained in the “Independent Auditors’ Report”, included in this document.

In particular, the Group renews its commitment to sustainability this year. The Group pursues the continuous improvement process started last year for all the sustainability aspects, in order to virtuously follow the best practices in the sector.

⁵⁴ For the list of Companies consolidated on a line-by-line basis, please refer to Table 17 “Consolidation Area” in Part A of the Explanatory Note of the Consolidated Financial Statements as at 31 December 2019 of Cattolica Assicurazioni Group, published in the section “Investor Relations” of the website www.cattolica.it.

Investment policies

With specific reference to the risks associated with the ESG factors relating to the Group's investments and insurance portfolios, with a view to systematically improving the process related to responsible investments, the Group has adopted a system capable of incorporating ESG issues into the analysis of its investments and relative decision-making processes. This commitment, already integrated into investment policies, will continue in 2020 with the definition of specific guidelines in order to give increasing weight to ESG criteria in the monitoring of investments.

Fight against corruption

The Group Parent Company, the Italian insurance subsidiaries and the principal instrumental companies of the Group not subject to industry regulations adopted an Organisation, Management and Control Model in compliance with Italian Legislative Decree no. 231 of 8 June 2001 and the relevant Code of Conduct which commits all the companies of the Group and defines the principles and rules of conduct that employees and colleagues must follow when performing their work. Compliance with the Code is an essential condition for the dissemination of the principles of the Social Doctrine of the Church, at the base of Cattolica's principles.

With reference to the path of continuous improvement already undertaken by the Company, the adoption of a Group Anti-Corruption Policy is planned in 2020 in order to strengthen and confirm its commitment to the prevention of illegal practices and the promotion of a corporate culture based on reference best practices.

Social Issues

The centrality of customers continues to be a key principle of Cattolica's strategy, which is committed to this direction not only through the offer of products and services that encourage responsible behaviour, but also through clear, simple and transparent communication.

The close connection with the territory and the attention to the community are also always proven through the Fondazione Cattolica, established in order to spark a tangible synergy between business and civil society in which the attention to profitability and the challenges of the market actually include a raising of awareness and social sensitivity.

Employee-related aspects

The Group continued the program of initiatives again this year tied to the enhancement of its human capital, in cooperation with the company Great Place To Work®. With reference to Health and Safety risks, they are assessed and managed as part of the Organisational Model pursuant to Italian Legislative Decree no. 231/2001.

Furthermore, the Cattolica Group confirms the commitment to implementing a structured process for the collection of data and information about health and safety at Ca' Tron agricultural estate, also involving third-party contractors. There is still also the assessment of the possibility of adopting a policy on the diversity of corporate governance bodies.

Human Rights

The Cattolica Group to date has not considered the risk of human rights violation within the Company or by direct suppliers significant. Regardless, the Group is strengthening controls on outsourcing, also with reference to the main subcontractors. Cattolica has also continued its mitigation efforts aimed at preventing and minimising human rights risks in investment management. In order to monitor these risks, already in 2018 the Group Investment Policy was finalised to include exclusion criteria for all the companies characterised by serious violations of human rights or of an environmental nature.

Environmental aspects

The Group oversees the main areas related to direct environmental impacts. In this regard, it should be noted that in 2019 an Environmental Policy relative to the Ca' Tron agricultural estate was approved, which includes an analysis of the main environmental risks generated or suffered, the identification of the significant topics tied to the activities of the estate and the identification of the areas of improvement relative to the environment. It should also be noted that in December 2019 the Group environmental policy was approved in order to reduce the direct impact generated in terms of use of energy resources from non-renewable sources and greenhouse gas emissions.

The Cattolica Group also confirms its commitment to:

- extending the analysis of the main environmental risks generated or suffered resulting from the Group's activities, with special reference to the risks connected to the investments;
- implementing a structured process for collecting data and information on Ca' Tron agricultural estate's environmental impact, especially in terms of water usage, which is currently estimated.

With reference to the definition of a Sustainability Plan and a Sustainability Policy, declared in the previous Sustainability Report, during 2019 preliminary activities aimed at integrating the contents and objectives of these projects within the corporate strategy 2020-2023 were initiated.

GRI STANDARD TABLE

GRI UNIVERSAL STANDARDS

Indicator	Page	Information
GRI 102: GENERAL DISCLOSURES (2016)		
Organisation profile		
102-1	Page 34	Name of the Organisation
102-2	Pages 20-23; 60	Activities, brands, products, and services
102-3	Page 34	Location of headquarters
102-4	Page 20	Location of operations
102-5	Page 14 section 2.0 <i>Information on ownership structure</i> of the Report on Corporate Governance and Ownership Structures, published in the Governance section of the site www.cattolica.it/en	Ownership Structures and Legal form
102-6	Page 20	Markets served
102-7	Pages 20-23; 61-66; 74 The Market capitalisation of the security as at 31 December amounted to € 1,267 million.	Scale of the organisation
102-8	Page 96	Information on employees and other workers
102-9	Pages 60-61; 64	Supply chain
102-10	Page 138	Significant changes to the organisation and its supply chain
102-11	Pages 40-43	Precautionary Principle or approach
102-12	Pages 18-19; 41; 114	External initiatives
102-13	Page 80	Membership of associations
Strategy		
102-14	Pages 7; 9	Statement from senior decision-maker
102-15	Pages 40-43	Key impacts, risks, and opportunities
Ethics and integrity		
102-16	Pages 12-13; 41; 126	Values, principles, standards and norms of behaviour
Governance		
102-18	Pages 33-34	Governance Structure
Stakeholder engagement		
102-40	Page 24	List of the stakeholders groups
102-41	100% of employees is covered by collective bargaining agreements	Collective bargaining agreements
102-42	Pages 24-26	Identifying and selecting stakeholders
102-43	Pages 25-26	Approach to stakeholder engagement
102-44	Page 27	Key topics and concerns raised

Indicator	Page	Information
Reporting practices		
102-45	Page 21	Entities included in the consolidated financial statements
102-46	Pages 27-28; 138	Defining report content and topic Boundaries
102-47	Page 28	List of material topics
102-48	Page 138	Changes to information in previous reports
102-49	Page 28	Significant changes in terms of material topics and their scope
102-50	Page 138	Reporting period
102-51	The 2018 Cattolica Group Sustainability Report was published in March 2019	Date of most recent report
102-52	Page 138	Reporting cycle
102-53	Page 135	Contact point for questions regarding the report
102-54	Page 138	Claims of reporting in accordance with the GRI Standards
102-55	Pages 140-145	GRI content index
102-56	Pages 147-149	External assurance

GRI TOPIC-SPECIFIC STANDARDS

Indicator	Page/Link	Omission	Information
GRI 200: ECONOMIC SERIES (2016)			
Economic performance			
GRI-103: Topic management (2016)			
103-1	Pages 27-28		Explanation of the material topic and its Scope
103-2	Pages 14-15; 80; 124-127		The management approach and its components
103-3	Pages 14-15; 80; 124-127		Evaluation of the management approach
GRI-201: Economic performance (2016)			
201-1	Pages 124-125		Direct economic value generated and distributed
Anti-corruption			
GRI-103: Topic management (2016)			
103-1	Pages 27-28		Explanation of the material topic and its Scope
103-2	Pages 19; 38; 48; 139		The management approach and its components
103-3	Pages 19; 38; 48; 139		Evaluation of the management approach
GRI-205: Anti-corruption (2016)			
205-2	Pages 38-39		Communication and training about anti-corruption policies and procedures
205-3	In 2019, the following did not occur cases of active or passive corruption during the reporting year		Verified incidents of corruption and actions taken

Indicator	Page/Link	Omission	Information
Anti-competitive behaviour			
GRI-103: Topic management (2016)			
103-1	Pages 27-28		Explanation of the material topic and its Scope
103-2	Page 19		The management approach and its components
103-3	Page 19		Evaluation of the management approach
GRI-206: Anti-competitive practices (2016)			
206-1	In 2019, no cases of legal action against the Group with reference to anti-competition practices and/ or violations of monopoly practices and anti-trust regulations were recorded.		Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices
GRI 300: ENVIRONMENTAL SERIES (2016)			
Energy			
GRI-103: Topic management (2016)			
103-1	Pages 27-28		Explanation of the material topic and its Scope
103-2	Pages 15; 41; 52-55; 108-109		The management approach and its components
103-3	Pages 15; 41; 52-55; 108-109		Evaluation of the management approach
GRI-302: Energy (2016)			
302-1	Pages 110-111; 116		Energy consumption within the organization
302-3	Page 111		Energy intensity
Emissions			
GRI-103: Topic management (2016)			
103-1	Pages 27-28		Explanation of the material topic and its Scope
103-2	Pages 40-41; 55-56; 112-113		The management approach and its components
103-3	Pages 40-41; 55-56; 112-113		Evaluation of the management approach
305: Emissions (2016)			
305-1	Pages 112-113		Direct (Scope 1) GHG emissions
305-2	Pages 112-113		Energy indirect (Scope 2) GHG emissions
305-3	Pages 112-113 The Scope 3 emissions include those generated by the use of the private cars of the employees and the chauffeured cars used for work purposes, as well as the emissions caused by work travel by other means (rail and air).		Other indirect (Scope 3) GHG emissions
GRI 400: SOCIAL SERIES (2016)			
Employment			
GRI-103: Topic management (2016)			
103-1	Pages 27-28		Explanation of the material topic and its Scope
103-2	Pages 92-93		The management approach and its components
103-3	Pages 92-93; 96-97		Evaluation of the management approach
GRI-401: Employment (2016)			
401-1	Page 97		New employee hires and employee turnover

Indicator	Page/Link	Omission	Information
Employment and industrial relations			
GRI-103: Topic management (2016)			
103-1	Pages 27-28		Explanation of the material topic and its Scope
103-2	Pages 102-103		The management approach and its components
103-3	Pages 102-103		Evaluation of the management approach
GRI-402: Labour and Industrial Relations (2016)			
402-1	Page 103		Minimum notice periods regarding operational changes
Health and safety in the workplace			
GRI-103: Topic management (2016)			
103-1	Pages 27-28		Explanation of the material topic and its Scope
103-2	Pages 41; 103-104		The management approach and its components
103-3	Pages 41; 103-104		Evaluation of the management approach
GRI-403: Occupational Health and Safety (2018)			
403-1	Pages 103-104		Occupational health and safety management system
403-2	Pages 41; 103-104		Hazard identification, risk assessment and incident investigation
403-3	Page 103		Occupational health services
403-4	Pages 103-104		Worker participation, consultation and communication on occupational health and safety
403-5	Pages 99; 103		Worker training on occupational health and safety
403-6	Page 103		Promotion of worker health
403-7	Pages 103-104		Prevention and mitigation of occupational health and safety impacts directly linked by business relationships
403-9	Page 104		Work-related injuries
Training and education			
GRI-103: Topic management (2016)			
103-1	Pages 27-28		Explanation of the material topic and its Scope
103-2	Pages 92-93; 98-101		The management approach and its components
103-3	Pages 92-93; 98-101		Evaluation of the management approach
GRI-404: Training and education (2016)			
404-1	Page 101		Average hours of training per year per employee
Diversity and equal opportunity			
GRI-103: Topic management (2016)			
103-1	Pages 27-28		Explanation of the material topic and its Scope
103-2	Pages 35-36; 96-97; 102		The management approach and its components
103-3	Pages 35-36; 96-97; 102		Evaluation of the management approach
GRI-405: Diversità e pari opportunità (2016)			
405-1	Pages 35-36; 96-97		Diversity of governance bodies and employees

Indicator	Page/Link	Omission	Information
Marketing and labelling			
GRI-103: Topic management (2016)			
103-1	Pages 27-28		Explanation of the material topic and its Scope
103-2	Pages 67-69		The management approach and its components
103-3	Pages 67-69		Evaluation of the management approach
GRI-417: Marketing and labelling (2016)			
417-2	In 2019, no cases of non-compliance with regulations and/or voluntary codes were filed, with reference to product and service information and communication practices.		Incidents of non-compliance concerning product and service information and labelling
417-3	In 2019, no cases of non-compliance with regulations and/or voluntary codes were filed, with reference to marketing communication practices, promotion and advertising.		Incidents of non-compliance concerning marketing communications
Consumer privacy			
GRI-103: Topic management (2016)			
103-1	Pages 27-28		Explanation of the material topic and its Scope
103-2	Pages 67-69		The management approach and its components
103-3	Pages 67-69		Evaluation of the management approach
GRI-418: Consumer privacy (2016)			
418-1	Page 69		Substantiated complaints concerning breaches of customer privacy and losses of customer data
Risk management			
GRI-103: Topic management (2016)			
103-1	Pages 27-28		Explanation of the material topic and its Scope
103-2	Pages 37-38; 40-43; 48; 138-139		The management approach and its components
103-3	Pages 37-38; 40-43; 48; 138-139		Evaluation of the management approach
Corporate Governance			
GRI-103: Topic management (2016)			
103-1	Pages 27-28		Explanation of the material topic and its Scope
103-2	Pages 15-17; 33-38		The management approach and its components
103-3	Pages 15-17; 33-38		Evaluation of the management approach
Innovation and multichannel system			
GRI-103: Topic management (2016)			
103-1	Pages 27-28		Explanation of the material topic and its Scope
103-2	Pages 66; 69-73; 75-76		The management approach and its components
103-3	Pages 66; 69-73; 75-76		Evaluation of the management approach

Indicator	Page/Link	Omission	Information
Principles of responsible investment			
GRI-103: Topic management (2016)			
103-1	Pages 27-28		Explanation of the material topic and its Scope
103-2	Pages 40-41; 48-56		The management approach and its components
103-3	Pages 40-41; 48-56		Evaluation of the management approach
Products and services supporting sustainable and responsible behaviours			
GRI-103: Topic management (2016)			
103-1	Pages 27-28		Explanation of the material topic and its Scope
103-2	Pages 60-63		The management approach and its components
103-3	Pages 60-63		Evaluation of the management approach
Customer Satisfaction			
GRI-103: Topic management (2016)			
103-1	Pages 27-28		Explanation of the material topic and its Scope
103-2	Pages 60-61; 67-69		The management approach and its components
103-3	Pages 60-61; 67-69		Evaluation of the management approach
Excellence in accident management			
GRI-103: Topic management (2016)			
103-1	Pages 27-28		Explanation of the material topic and its Scope
103-2	Pages 62-69		The management approach and its components
103-3	Pages 62-69		Evaluation of the management approach
Management of agents and intermediaries			
GRI-103: Topic management (2016)			
103-1	Pages 27-28		Explanation of the material topic and its Scope
103-2	Pages 38-39; 64-66		The management approach and its components
103-3	Pages 38-39; 64-66		Evaluation of the management approach
Indirect social impact			
GRI-103: Topic management (2016)			
103-1	Pages 27-28		Explanation of the material topic and its Scope
103-2	Pages 80-86		The management approach and its components
103-3	Pages 80-86		Evaluation of the management approach
Climate change and natural disasters			
GRI-103: Topic management (2016)			
103-1	Pages 27-28		Explanation of the material topic and its Scope
103-2	Pages 19; 40-41; 52-55; 75-76; 114		The management approach and its components
103-3	Pages 19; 40-41; 52-55; 75-76; 114		Evaluation of the management approach

**INDEPENDENT AUDITOR'S REPORT
ON THE CONSOLIDATED NON-FINANCIAL STATEMENT
PURSUANT TO ARTICLE 3, PARAGRAPH 10 OF LEGISLATIVE DECREE No. 254
OF DECEMBER 30, 2016 AND ART. 5 OF CONSOB REGULATION N. 20267 OF JANUARY 2018**

**To the Board of Directors of
Società Cattolica di Assicurazione – Società Cooperativa**

Pursuant to article 3, paragraph 10, of the Legislative Decree no. 254 of December 30, 2016 (hereinafter "Decree") and to article 5 of the CONSOB Regulation n. 20267/2018, we have carried out a limited assurance engagement on the Consolidated Non-Financial Statement of the Cattolica Assicurazioni Group (the "Group") as of December 31, 2019 prepared on the basis of art. 4 of the Decree, and approved by the Board of Directors on March 20th, 2020 (hereinafter "NFS").

Responsibility of the Directors and the Board of Statutory Auditors for the NFS

The Directors are responsible for the preparation of the NFS in accordance with articles 3 and 4 of the Decree and the "Global Reporting Initiative Sustainability Reporting Standards" established in 2016 by GRI – Global Reporting Initiative (hereinafter "GRI Standards"), which they have identified as reporting framework.

The Directors are also responsible, within the terms established by law, for such internal control as they determine is necessary to enable the preparation of NFS that is free from material misstatement, whether due to fraud or error.

The Directors are moreover responsible for defining the contents of the NFS, within the topics specified in article 3, paragraph 1, of the Decree, taking into account the activities and characteristics of the Group, and to the extent necessary in order to ensure the understanding of the Group's activities, its trends, performance and the related impacts.

Finally, the Directors are responsible for defining the business management model and the organisation of the Group's activities as well as, with reference to the topics detected and reported in the NFS, for the policies pursued by the Group and for identifying and managing the risks generated or undertaken by the Group.

The Board of Statutory Auditors is responsible for overseeing, within the terms established by law, the compliance with the provisions set out in the Decree.

Auditor's Independence and quality control

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

Ancona Bari Bergamo Bologna Brescia Cagliari Firenze Genova Milano Napoli Padova Parma Roma Torino Treviso Udine Verona

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Il nome Deloitte si riferisce a una o più delle seguenti entità: Deloitte Touche Tohmatsu Limited, una società inglese a responsabilità limitata ("DTTL"), le member firm aderenti al suo network e le entità a esse correlate. DTTL e ciascuna delle sue member firm sono entità giuridicamente separate e indipendenti tra loro. DTTL (denominata anche "Deloitte Global") non fornisce servizi ai clienti. Si invita a leggere l'informativa completa relativa alla descrizione della struttura legale di Deloitte Touche Tohmatsu Limited e delle sue member firm all'indirizzo www.deloitte.com/about.

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

Auditor's responsibility

Our responsibility is to express our conclusion based on the procedures performed about the compliance of the NFS with the Decree and the *GRI Standards*. We conducted our work in accordance with the criteria established in the "*International Standard on Assurance Engagements ISAE 3000 (Revised) - Assurance Engagements Other than Audits or Reviews of Historical Financial Information*" (hereinafter "*ISAE 3000 Revised*"), issued by the *International Auditing and Assurance Standards Board (IAASB)* for limited assurance engagements. The standard requires that we plan and perform the engagement to obtain limited assurance whether the NFS is free from material misstatement. Therefore, the procedures performed in a limited assurance engagement are less than those performed in a reasonable assurance engagement in accordance with *ISAE 3000 Revised*, and, therefore, do not enable us to obtain assurance that we would become aware of all significant matters and events that might be identified in a reasonable assurance engagement.

The procedures performed on NFS are based on our professional judgement and included inquiries, primarily with company personnel responsible for the preparation of information included in the NFS, analysis of documents, recalculations and other procedures aimed to obtain evidence as appropriate.

Specifically we carried out the following procedures:

- Analysis of relevant topics with reference to the Group's activities and characteristics disclosed in the NFS, in order to assess the reasonableness of the selection process in place in light of the provisions of art. 3 of the Decree and taking into account the adopted reporting standard.
- Analysis and assessment of the identification criteria of the consolidation area, in order to assess its compliance with the Decree.
- Comparison between the financial data and information included in the NFS with those included in the consolidated financial statements of the Cattolica Assicurazioni Group.
- Understanding of the following matters:
 - business management model of the Group's activities, with reference to the management of the topics specified by article 3 of the Decree;
 - policies adopted by the entity in connection with the topics specified by article 3 of the Decree, achieved results and related fundamental performance indicators;
 - main risks, generated and/or undertaken, in connection with the topics specified by article 3 of the Decree.

Moreover, with reference to these matters, we carried out a comparison with the information contained in the NFS and the verifications described in the subsequent point 5, letter a).

- Understanding of the processes underlying the origination, recording and management of qualitative and quantitative material information included in the NFS.

In particular, we carried out interviews and discussions with the management of Società Cattolica di Assicurazione – Società Cooperativa and with the employees of Cattolica Immobiliare S.p.A., Cattolica Services S.c.p.a., TUA Assicurazioni S.p.A. and Cattolica Agricola S.a.r.l. and we carried out limited documentary verifications, in order to gather information about the processes and procedures which support the collection, aggregation, elaboration and transmittal of non-financial data and information to the department responsible for the preparation of the NFS.

In addition, for material information, taking into consideration the Group's activities and characteristics:

- at the parent company's and subsidiaries' level:
 - a) with regards to qualitative information included in the NFS, and specifically with reference to the business management model, policies applied and main risks, we carried out interviews and gathered supporting documentation in order to verify its consistency with the available evidence;
 - b) with regards to quantitative information, we carried out both analytical procedures and limited verifications in order to ensure, on a sample basis, the correct aggregation of data;
- for the following company, Società Cattolica di Assicurazione – Società Cooperativa, which we selected based on its activity, its contribution to the performance indicators at the consolidated level and its location, we carried out visits on site, during which we have met the management and have gathered supporting documentation with reference to the correct application of procedures and calculation methods used for the indicators.

Conclusion

Based on the work performed, nothing has come to our attention that causes us to believe that the NFS of the Cattolica Assicurazioni Group as of December 31, 2019 is not prepared, in all material aspects, in accordance with articles 3 and 4 of the Decree and the *GRI Standards*.

DELOITTE & TOUCHE S.p.A.

Signed by
Andrea Paiola
Partner

Milan, Italy
April 8 2020

*This report has been translated into the English language solely
for the convenience of international readers.*





Images
iStockphoto
Indigomedia Manuel Bressan

A special thanks to all the colleagues who joined the Photo Contest of the Cattolica Assicurazioni Group

Mercurio GP
Creative concept
Graphic design
www.mercuriogp.eu

Lucaprint S.p.a.
Layout
Printing
www.lucaprintgroup.com



ELEMENTAL
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May 2020

