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and insurance

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RELEVANCE OF ISSUES AND MAIN IMPACTS

The global financial system can decisively influence the future of the planet: it has the necessary resources to give life to an economy that fully respects the climate and the environment, directing capital flows towards sustainable activities.

The Intesa Sanpaolo Group is a conscious interpreter of the change in progress and has integrated ESG factors into its investment process, in the belief that these elements, as well as promoting economically and socially sustainable development, can contribute positively to the financial results of customer portfolios, while at the same time reducing their risks. This commitment also aims to avoid potential negative impacts on the environment, economy and people, including human rights, caused by a failure to consider the principles of sustainability in connection with insurance and investment services.

Also with a view to long-term competitiveness, the European Union adopted a series of measures to direct capital flows towards sustainable investments, to integrate sustainability into risk management and to promote transparency and a long-term vision in its economic and financial activity; the reference regulatory framework was expanded by the European legislator through the following provisions: Regulation (EU) 2019/2088 (Sustainable Finance Disclosure Regulation) which governs disclosure in the field of sustainable finance, Regulation (EU) 2020/852 (so-called Taxonomy Regulation) on the establishment of a framework for the classification of activities considered sustainable, the Delegated Regulation (EU) 2021/1253 relating to the integration of customers' sustainability preferences by investment firms, Delegated Directive (EU) 2021/1269 referring to the integration of sustainability factors into the product governance obligations and Delegated Regulation (EU) 2022/1288 concerning the content and presentation of investment sustainability information. The European regulatory policy guides the Group's commitment in charting an increasingly clear-cut path towards common global objectives, also through an increasingly wide range of sustainable investments and insurance solutions for customer protection and thanks to enhanced advisory services in an ESG perspective to encourage greater customer awareness on the subject.

PERFORMANCE INDICATORS, RESULTS ACHIEVED AND OBJECTIVES

Macro-issue	Projects/Indicators	2022 Actions/Results	Plan Objectives for 2025 Cumulative value 2022-2025
Sustainable investments and insurance	Funds pursuant to SFDR	<ul style="list-style-type: none"> ■ Eurizon offers a diverse range of 232 products in all the asset classes that include a focus on environmental or social issues, or have sustainable investment objectives, classified according to Articles 8 and 9 of the Sustainable Finance Disclosure Regulation - SFDR, with around 110 billion euro of assets representing over 54% of the total assets of the funds managed 	Strengthening of the ESG offering in Asset management ¹ : growth of assets under management invested in ESG products to 156 billion euro in 2025 from 110 billion euro in 2021, increasing their level as a proportion of total assets under management from 46% to 60%

⁽¹⁾ Eurizon perimeter – funds pursuant to art. 8 and 9 SFDR 2088.

PERFORMANCE INDICATORS, RESULTS ACHIEVED AND OBJECTIVES

Macro-issue	Projects/Indicators	2022 Actions/Results	Plan Objectives for 2025 Cumulative value 2022-2025
Sustainable investments and insurance	Funds pursuant to SFDR	<ul style="list-style-type: none"> ▪ Fideuram offers 81 funds classified pursuant to Articles 8 and 9 of SFDR for a total amount of 26.6 billion euro of assets (61% of total assets of the funds managed), a sharp increase compared to 3 billion euro in 2021, confirming Fideuram's commitment towards fund development and conversion pursuant to Articles 8 and 9 SFDR, as part of the wealth management strategies of the Intesa Sanpaolo Group ▪ Review of Fideuram's Advisory model to incorporate ESG principles into need-based financial planning and launch of a comprehensive training programme for ESG certification for bankers with over 51 thousand hours already delivered in 2022 	Development of dedicated ESG advisory services for Fideuram, including through the provision of specific training to financial advisors
	Engagement activities with issuers	<ul style="list-style-type: none"> ▪ In Eurizon, there were 342 companies where engagement activities were conducted; these included 194 (around 57%) with engagement on ESG issues ▪ Eurizon conducted 538 engagement activities², of which 271 qualified as ESG and represented 50% of the total engagements carried out in the period (34% of the total meetings) ▪ The Private Banking Division ran 47 events during the year aimed at customers (28 face-to-face and 19 remotely) achieving a total of 11,150 participants (5,000 face-to-face and 6,150 remotely). 	Enhancement of engagement activities in line with the Stewardship Principles
Sustainable insurance	Unit-linked policies	<ul style="list-style-type: none"> ▪ 72%³ of unit-linked investment options linked to products open to new subscriptions (excluding pension plans) are classified according to Articles 8 and 9 SFDR (in 2021 it was 48%) 	Strengthening of the unit-linked/multi-line offering with ESG investment options
	Earthquake and/or Flooding insurance cover	<ul style="list-style-type: none"> ▪ Earthquake and/or Flooding insurance cover provided to customers who insure their house: 33.5 billion euro of insurance value 	Strengthening of the positioning in the non-motor damage insurance segment, including the protection of real estate assets

⁽²⁾ During 2022 Eurizon adopted a definition of "engagement" which allows it to determine which meetings can be qualified as such; Eurizon defines engagement as the sharing of views/holding dialogues with the companies it invests in that are deemed "significant" - according to qualitative/quantitative criteria specified from time to time within the internal regulations - in order to involve them in a medium/long-term relationship, with the objective of monitoring and determining commitments by these companies on specific issues, as well as participation in the related Shareholders' meetings.

⁽³⁾ Referred to the number of funds.

COMPANY POLICIES

Asset management and the insurance coverage of customers are central to the activities of the Intesa Sanpaolo Group and are ensured through organisational structures in business areas specialising in asset management, private banking and protection requirements with financial and insurance products and services. Focusing on the customers' portfolio diversification requests on the basis of their needs (expenses, reserves, investments, pensions and protection) and specific goals in terms of the effective allocation of resources, increasingly related to assessments on sustainability, the product and service range offered has been expanded from financial management and consultancy to the area of protection which concerns all customers, from small to large asset holders, and from SMEs to large companies, with due adjustment of the guarantees. The activity is therefore aimed at the development of financial and insurance products and customer advisory services to meet the welfare and protection needs of households and businesses, including in the long term, facilitating informed choices also thanks to increasingly specialised advisory services from an ESG perspective. Guidelines and Rules for the marketing of financial and insurance products clearly explain the obligation of operators to act in a transparent, fair and diligent way in the provision of investment services, as required by applicable legislation as well.

In the Group's Code of Ethics, as regards the principles of conduct towards customers, asset management's focus is to increasingly highlight social, environmental and good corporate governance criteria in investment assessments in order to promote balanced and sustainable development. With this in mind, the range in the portfolio includes funds that apply selection criteria in compliance with the Principles for Responsible Investment (PRI) with the aim of stimulating sustainability dynamics in the businesses invested in and to offer customers products that meet the needs of sustainability. Eurizon Capital and Fideuram Asset Management SGR have also signed up to the Italian Stewardship Principles, which define the procedures for exercising administrative and voting rights in listed companies, in order to stimulate discussion and cooperation about social and environmental sustainability issues with listed issuers that the company invests in.

As part of a more general process of integration of sustainability into business logic and strategies, the Intesa Sanpaolo Vita Insurance Group has subscribed to the Principles for Sustainable Insurance (PSI) promoted by the United Nations.

At the end of 2021, Eurizon Capital SGR, Fideuram Asset Management SGR and Fideuram Asset Management Ireland signed up to the Net Zero Asset Managers Initiative (NZAMI) and the Intesa Sanpaolo Vita insurance Group signed up to the two Net Zero alliances regarding the insurance core business Net-Zero Insurance Alliance (NZIA) and Net-Zero Asset Owner Alliance (NZAOA); these initiatives promoted by the United Nations have the aim of achieving climate neutrality by 2050. After signing up, in 2022 the Intesa Sanpaolo companies active in wealth management determined their respective targets for the Net Zero Asset Managers Initiative (NZAMI) and the Net-Zero Asset Owner Alliance (NZAOA).

Since 2021, Eurizon has also been part of the Institutional Investors Group on Climate Change (IIGCC), a European body for collaboration among investors on climate change, which acts to promote the reduction of carbon emissions.

In line with its active participation and public commitments within the scope of the most important European initiatives on ESG and climate, the Intesa Sanpaolo Group intends in the 2022-2025 Business Plan to become leader in Wealth Management, Protection & Advisory, with a strong commitment to ESG; in particular, it has stated among its objectives an expansion of its ESG range of products in asset management, the further development of Eurizon's proprietary ESG scoring with the extension of its use to new asset classes and the development by Fideuram of advisory services with an ESG focus. In the insurance sector, it is committed to the development of a dedicated non-life ESG offer (e.g. products for companies that adopt eco-sustainable behaviour, green vehicles) and the enrichment of the ESG/climate offer within the Group's Life range (e.g. unit-linked ESG).

In 2022, the Group Companies continued with their project to bring their activity into line with the first-level legislation of the Regulation (EU) 2019/2088 (Sustainable Finance Disclosure Regulation) and the subsequent European provisions in the area of sustainable finance, in terms of policies, roles, responsibilities, processes and reporting.

SUSTAINABLE INVESTMENTS

The European Union has strengthened its commitment against the consequences of climate change and resource depletion through a series of regulatory provisions that have come into force over the past two years. In view of the widespread nature of new legislation, it is essential to identify, monitor and manage risks and opportunities related to ESG factors with the ultimate aim of attracting capital and promoting sustainable growth in the European market.

In such a complex context, the Intesa Sanpaolo Group confirmed its leadership in sustainable investments in 2022 as well. The Group has reached a total of over 310 funds that promote environmental or social characteristics (among others) or that have sustainable investment objectives, classified pursuant to Articles 8 and 9 of the Sustainable Finance Disclosure Regulation, for an equity of over 136 billion euro (180 funds for an equity of over 113 billion in 2021).

MEMBERSHIP OF THE NET ZERO ASSET MANAGERS INITIATIVE

After joining the Net Zero initiatives at the end of 2021, in 2022, Eurizon Capital SGR, Fideuram Asset Management SGR and Fideuram Asset Management Ireland dac determined their respective targets⁴, approved by the individual Boards of Directors, following the publication - in the 2022-2025 Business Plan - of the 2030 targets for the reduction in financed emissions relating to the main emission-intensive sectors, resulting from their membership of the Net Zero Banking Alliance.

The commitments undertaken by joining the Net Zero Asset Managers Initiative (NZAMI) are divided into four areas of action:

1. Asset Level Alignment Target, with which asset managers undertake to identify the share of assets, defined as Scope Portfolio⁵, which will be managed with the aim of achieving climate neutrality by 2050; in detail:
 - Eurizon has acquired a Scope Portfolio of 67.5 billion euro, equivalent to 15.39% of its AUM at 31 December 2021;
 - in the same period, the Scope Portfolio of Fideuram Asset Management stood at 7.9 billion euro, equivalent to 13.86% of its AUM, whereas the Scope Portfolio of Fideuram Asset Management Ireland amounted to 13.1 billion euro, equivalent to 29.79% of its AUM.
2. Portfolio Level Reference Target, which represents the intermediate goals in 2030 on the Scope Portfolio. The asset management companies Eurizon⁶, Fideuram Asset Management and Fideuram Asset Management Ireland⁷ have expressed their ambition to make a 50% reduction in financed emissions by 2030.
3. Stewardship and Engagement Target, which envisages a commitment to establish solid interaction plans with investee companies focused on incentivising them to implement effective decarbonisation programs; in particular:
 - Eurizon aims to contact 48 companies (representing 70% of the emissions financed by the Scope Portfolio) by 2025 and a further 107 companies by 2030 (so as to cover up to 90% of financed emissions) focusing on issuers belonging to sectors considered “material” for decarbonisation;
 - Fideuram Asset Management has assessed that it will have to take action with 53 companies by 2025 to achieve the goal of covering 70% of financed emissions and with 165 companies by 2030 (thus reaching 90% of the financed emissions). Fideuram Asset Management Ireland, for its part, will have to take the same action with 66 companies by 2025 (70% of financed emissions) and 195 by 2030 (thus covering 90% of financed emissions).
4. Investment in Climate Solutions, with which the signatories make a commitment to increase investments in environmentally sustainable activities:
 - for the definition of this target, Eurizon considered projects that could be financed with “Green Bonds”, estimating that about 4% of the total AUM (1.53% at the end of 2021) can be invested in Green Bonds by 2025;
 - Fideuram Asset Management and Fideuram Asset Management Ireland estimate that, by 2025, around 1% and 4%, respectively, of their AUM will be invested in Green Bond-funded projects.

⁴ For further insights into the published targets, one should refer to the 2022 TCFD Report [i].

⁵ Portfolio referring to specific asset classes – listed corporate shares and bonds – specified by NZAMI.

⁶ Target calculated as the intensity of greenhouse gas emissions from “Scope 1” (deriving from sources that are owned or controlled by the company) and from “Scope 2” (generated by energy purchased and consumed by the company) per million euros of turnover of the companies in the portfolio.

⁷ Target calculated as the intensity of greenhouse gas emissions from “Scope 1” (deriving from sources that are owned or controlled by the company) and from “Scope 2” (generated by energy purchased and consumed by the company) compared to the EVIC (Enterprise Value Including Cash, i.e. the issuer’s market value including cash).

EURIZON

Eurizon Capital SGR SpA offers investors a wide and diversified range of funds that integrate sustainability risks into their investment choices and at the end of 2022 it boasted assets of over 110 billion euro in products that promote environmental or social characteristics among their others, or that have sustainable investment goals, classified pursuant to Articles 8 and 9 of Regulation (EU) 2019/2088 (SFDR), which represent about 54% of the assets managed in UCITS (undertakings for collective investment in transferable securities) by the company.

THE INTEGRATION OF ESG FACTORS INTO THE INVESTMENT PROCESS

The vision and mission of Eurizon Capital SGR S.p.A. underline the importance for the Companies belonging to the Asset Management Division of the Intesa Sanpaolo Group to work together with the companies they invest in to promote rules that favour aspects of sustainability in their investments and promote high standards of governance. In fact, Eurizon believes that issuers that implement high standards in terms of environmental, social and corporate governance issues are able to generate sustainable performance in the long term.

During 2022, in light of the updates to the European regulatory framework on sustainable investments and in accordance with the provisions of Regulation (EU) 2019/2088 (SFDR), Eurizon updated its Sustainability Policy, supplementing its methods for selecting and monitoring the existing financial instruments. These methods provide for the application of specific processes for selecting financial instruments, appropriately graduated according to the characteristics and objectives of the individual managed products, which take into account ESG factors and SRI principles, in line with well-defined strategies:

- “SRI exclusions and restrictions” with respect to issuers operating in sectors deemed not to be “socially responsible” to which restrictions or exclusions are applied with respect to the Investment Universe of the individual assets managed (so-called “SRI Binding screening”); companies in this sphere are considered to be those characterised by a clear direct involvement in the manufacture of unconventional weapons, companies that derive at least 25% of their turnover from mining or production of electricity related to thermal coal or companies that derive at least 10% of turnover from oil & gas extraction activities through the exploitation of oil sands;
- “ESG exclusions and restrictions” with respect to “critical” issuers for which an escalation process is activated that determines restrictions and/or exclusions with respect to the Investment Universe of the individual assets managed (so-called “ESG Binding screening”); “critical” issuers mean those companies with a higher exposure to environmental, social and corporate governance risks, i.e. companies with a lower ESG sustainability rating in the equity and bond investment universe;
- “Integration of ESG factors” in the analysis, selection and composition of the portfolios managed with the aim of building portfolios featuring an “ESG score” higher than that of the related investment universe (so-called “ESG integration”);
- “Carbon footprint” which provides for the integration of methods for measuring carbon dioxide (CO₂) emissions generated by issuers, aimed at the construction of portfolios featuring a carbon footprint lower than that of its investment universe;
- “Impact investing” that use investment selection methods aimed at generating a social or environmental impact together with a measurable financial return;
- “Active ownership engagement” with the promotion of proactive interaction with the issuing companies both through the exercise of attendance and voting rights and through discussions and sharing views with the investee companies, encouraging effective communication with the companies’ management.

The main changes implemented during 2022 concerned:

- the “SRI exclusions and restrictions” strategy, which was updated on the basis of the following aspects:
 - the implementation of Italian Law 220/2021 on measures to combat the financing of companies producing non-conventional weapons, providing for further restrictions regarding the financing of companies producing anti-personnel mines and cluster munitions and submunitions;
 - the implementation of the provisions contained in the main international treaties and conventions⁸ on the subject of the manufacture of non-conventional weapons in relation to the activities permitted by them.

⁸ Treaty of Ottawa (1997) prohibiting the use, stockpiling, production and transfer of anti-personnel mines; Convention on Cluster Munitions (2008) prohibiting the use, stockpiling, production and transfer of cluster munitions; Convention on Cluster Munitions (2008) prohibiting the use, stockpiling, production and transfer of cluster munitions; Chemical Weapons Convention (1997), which prohibits the use, stockpiling, production and transfer of chemical weapons; Biological Weapons Convention (1975), which prohibits the use, stockpiling, production and transfer of biological weapons; Regulation (EU) 2018/1542 of 15 October 2018 concerning restrictive measures against the proliferation and use of chemical weapons.

Furthermore, confirming the asset management company's growing commitment to fight climate change and in order to protect fragile ecosystems, during the year specific limitations/restrictions were introduced with respect to investment in issuers that generate more than 10% of their turnover from oil extraction through the exploitation of Oil Sands;

- the "ESG Integration" strategies, which have been updated by introducing further processes of selection of:
 - investments in financial instruments of issuers whose activities contribute to one or more Sustainable Development Goals (SDGs) promoted by the United Nations (so-called Sustainable Integration);
 - investments based on the screening of target UCITS provided that these products invest at least 70% of the assets in UCITS that promote environmental or social characteristics or sustainable investment objectives (so-called "Manager Selection Integration");
 - investments that take into account the construction logic of the respective benchmarks, identified according to environmental, social and corporate governance criteria, provided that these products - such as, for example, Limited Tracking Error products and indexed products - invest at least 90% of the assets in issuers included in the benchmark (so-called "ESG Index Integration");
 - Government issuers that use the indicators required by the "Sustainable Development Report" and in order to monitor the main adverse impacts; this objective is achieved by investing at least 70% of the assets in these issuers (so-called "Sovereign ESG Integration");
- the "Impact Investment" strategy, which is based on the selection of investments aimed at contributing to the sustainable development goals under the SFDR Regulation, has been updated to take account of the following objectives:
 - contribute to the sustainable development goals through processes for selecting investments based on sustainable investment criteria pursuant to the SFDR Regulation (so-called "SDG Investing");
 - generate a social or environmental impact together with a measurable financial return (so-called "Impact Investing").

For each of the Strategies, Eurizon maintains specific decision-making processes and operational limits aimed at containing the risks (including reputational risks) of the managed portfolios, whose compliance is monitored by the Risk Management Function with the support of the Compliance & AML Function.

It should also be noted that, for 2022, the assessment of the main negative effects of investment choices on sustainability factors (so-called PAIs) and the definition of possible related mitigation actions became an integral part of Eurizon's approach to sustainability. In this context, the asset management company adopted a specific framework that defines how PAIs (Principal Adverse Impacts) are taken into account within the assets managed, in accordance with the provisions of Regulation 2019/2088.

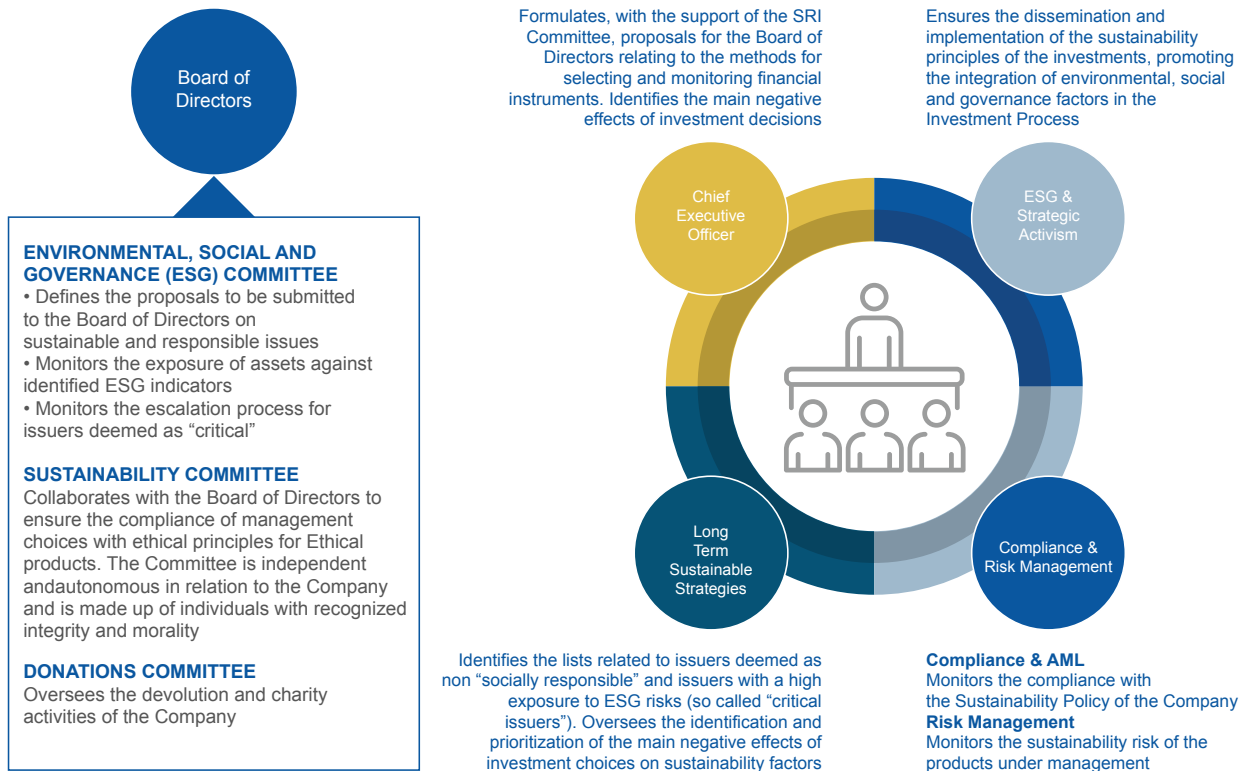
In relation to the objective in the new Business Plan regarding the further development of Eurizon's proprietary ESG scoring, in 2022 the coverage was extended by including the calculation of scores for corporate issuers in emerging markets and to the so-called "small caps".

In 2022, Eurizon published and updated its Sustainability Report, which for the second year illustrates the actions undertaken by the asset management company in 2021 in implementation of the Sustainability Policy and the Commitment Policy⁹. In addition, it redefined a framework that provides for the involvement of numerous corporate bodies and structures, which contribute together towards the implementation of the Sustainability Policy and which bear witness to the across-the-board nature of corporate responsibilities.

It should be noted that for the year 2022 the Donations Committee of Eurizon - the body that oversees the donations and charity activities of the Asset Management Division and which deals with the donations required in the legal documentation of some products managed by Eurizon - approved the donation of an amount of 797,000 euro in favour of 29 charitable initiatives. In particular, priority was given to initiatives in support of humanitarian activities, research and support for the needy; at the beginning of the year, this included a donation by Eurizon of 200,000 euro in favour of the Fondazione Rava to support paediatric hospitals in Ukraine.

⁹ In order to regulate the conduct that the asset management company adopts to stimulate dialogue with the issuers in which it invests, by integrating its commitment as a shareholder in the investment strategy, the asset management company defined its Commitment Policy, adopted also pursuant to Article 124-quinquies of Italian Legislative Decree no. 58 of 24 February 1998 (so-called "Consolidated Law on Finance" - TUF) and updated during 2022.

EURIZON'S GOVERNANCE OF SUSTAINABILITY



ACTIVE OWNERSHIP ENGAGEMENT

In 2022, Eurizon, as part of its Stewardship activities, defined with the term Engagement the sharing of views/ holding dialogues with the companies it invests in with a view to involvement and medium/long-term relationships, with the aim of monitoring and determining their commitments on specific issues, as well as taking part in the related shareholders' meetings.

As an adherent to the Italian Stewardship Principles for the exercise of administrative and voting rights in listed companies, the asset management company pays particular attention to the policies implemented by issuers, encouraging exchanges of views with the companies it invests in. The Principles defined by Assogestioni are aligned with those contained in the Stewardship Code promoted by the European Fund and Asset Management Association (EFAMA), of which Eurizon Capital SGR is a member, and which aim to encourage, at European level, the development of good corporate governance practices.

In 2022, Eurizon held a total of 1,034 meetings with 622 issuer companies; 538 of these meetings were in the form of engagement meetings, held with 342 different issuers. ESG-qualified engagements in the period numbered 271 and represented 50% of the total engagements held in the period (34% of total meetings), confirming Eurizon's strong commitment to sustainability issues and the effectiveness of the active ownership engagement instrument.

In this context, it should be noted that as part of the Net Zero Asset Managers Initiative (NZAMI), in July 2022, the engagement activity began with the aim of contacting 155 companies by 2030, selected taking into consideration various factors, including the current level of carbon emissions, the estimated level for the future, the jurisdiction and the progress made to date with reference to the objectives of decarbonisation.

As regards the exercise of voting rights in shareholders' meetings, in 2022, Eurizon took part in 254 shareholders' meetings, 69 of which with selected companies listed on Borsa Italiana (27% of the total) and 185 in companies listed on international markets (73%), voting on 3,324 resolutions on the agenda.

In 2022, Eurizon published its Stewardship Report on engagement activities and the exercise of voting rights, reporting not only statistics on the activities carried out, but also on the most significant issues for the asset management company for the year 2022.

NEW PRODUCTS INCLUDING ESG FACTORS

Under Regulation (EU) 2019/2088 (SFDR), at the end of 2022, the assets of the UCITS (Undertakings for Collective Investment in Transferable Securities) offered pursuant to Articles 8 and 9 amounted to over 110 billion euro, representing a total of about 54% of the assets managed in UCITS by Eurizon; in particular, the assets of the products categorised as Article 8 amounted to approximately 106.9 billion euro and the assets of the products categorised as Article 9 to approximately 3.3 billion euro.

The number of products managed according to these criteria is 232 (59 of which were launched in 2022) - considering the individual placement windows - referring to 32 different investment strategies.

In particular, in line with the company mission, in 2022, the asset management company launched several UCITS that integrate ESG factors in the selection process and envisage capital protection or a “step-in” strategy for gradual investment in the equity markets.

It should be noted that in view of the growing commitment towards the Net Zero targets subscribed and published by the asset management company in 2022, the Company launched the first two Fondo Eurizon Step 50 Obiettivo Net Zero funds that invest in global companies committed to achieving the Net Zero objective by 2050.

Within the scope of the International Subsidiary Banks Division, the range of ESG products offered by VÚB Banka (Slovakia), Intesa Sanpaolo Bank (Slovenia), Privredna Banka Zagreb (Croatia) and CIB Bank (Hungary) was further enriched reaching a total of 48 ESG funds in the catalogue. More specifically, Privredna Banka Zagreb began the distribution of ESG funds under Luxembourg law and CIB Bank proposed two funds that were transformed into Article 8 during the year.

GREEN BONDS IMPACT REPORT

In May 2022, the asset management company drafted the Green Bonds Impact Report regarding Eurizon Fund Absolute Green Bonds and Eurizon Fund Green Euro Credit for the analysis period (1 January 2021 – 31 December 2021), which details the results of the quantitative impact analysis and the contribution to the UN's SDGs¹⁰.

In particular, as regards the Eurizon Fund Absolute Green Bonds, it was calculated that for every million euro invested, the following results are obtained: 1,100 megawatt/hours produced, 239,441 litres of water saved or purified and a reduction of 776 tonnes of CO₂. At the end of December 2022, the fund's assets amounted to over 1.45 billion euro.

With reference to the Eurizon Fund Green Euro Credit, for every million euro invested, the following results are achieved: 618 megawatt/hours produced, 149,486 litres of water saved or purified and a reduction of 493 tonnes of CO₂. At the end of 2022, the fund's assets amounted to over 0.6 billion euro.

It should be noted that Eurizon, thanks to Eurizon Fund Absolute Green Bonds, was ranked first at the ESG Investing Awards 2022, in the Best ESG Investment Fund category and also received an award at the MainStreet Partners “ESG Champions” 2022.

Also with reference to institutional mandates, the Company's investment process takes into account the integration of ESG criteria in its investment choices in accordance with the provisions of Regulation (EU) 2019/2088. In particular, all mandates comply with exclusion criteria both with regard to SRI themes (with reference to issuers operating in non-socially-responsible sectors) and ESG themes (issuers considered critical with low ESG scores). A specific ESG report is regularly produced on a large number of mandates (47 mandates, 10.3 billion euro managed and a total of 28 customers), indicating the positioning of the portfolio with respect to the reference benchmark. In addition, Eurizon manages 18 mandates relating to 13 customers for approximately 5.8 billion euro on which specific investment restrictions are implemented and/or support is provided to customers in the engagement and corporate governance activities.

In order to encourage external dissemination of ESG issues, in addition to providing supporting materials and presenting and marketing its products, Eurizon also conducted a number of specific information and training programmes during the year.

More specifically, within the Asset Management Division, various types of courses were organised for extra captive banking networks, financial advisors and institutional customers, covering topics such as: the different types of economies, the current evolution of institutional meetings, the importance of Active Ownership Engagement, the regulatory framework and ESG reporting and sustainability terminology.

⁽¹⁰⁾ For further information on the important environmental and social impact results deriving from the investments made, one should refer to the Green Bonds Impact Report [\[1\]](#).

Aside from providing a regulatory overview and a panorama of ESG products, the initiatives undertaken in 2022 outlined the direction taken by the market and the actions launched by Eurizon during the year. Lastly, it is worth noting that the CEO of Eurizon Capital SGR was appointed Chair of the Financial Education Committee of Assogestioni. At the same time, the Association launched a project concerning young people and asset management with Eurizon chairing the presentation conference.

FIDEURAM - INTESA SANPAOLO PRIVATE BANKING

The Private Banking Division considers the integration of environmental, social and governance factors into its business model of fundamental importance, in the belief that these elements, as well as promoting economically and socially sustainable development, can contribute positively to the financial results of customer portfolios, while at the same time reducing the risks.

In line with the objective stated in the 2022-2025 Business Plan relating to the Development of dedicated ESG advisory services, during 2022 Fideuram supplemented its service model based on customised advice to manage the sustainability preferences of its customers, which from July 2021 are collected by using the MiFID profiling questionnaire. Starting from August 2022, new features have been released to enhance the advisory platform and, in particular, a new display function has been introduced showing the composition of portfolios with respect to the investments' environmental, social and sound governance characteristics and their adherence to the preferences expressed by the customer is monitored over time. When a proposal is made, a new feature also checks the consistency of the potential investments with respect to the sustainability preferences indicated by customers, measured in terms of ESG impact on the portfolio.

Also with a view to raising awareness and engaging customers on sustainability issues, 47 events were held in 2022 (28 face-to-face and 19 remotely), achieving a total of 11,150 participants (5,000 face-to-face and 6,150 remotely).

In addition, with the aim of adequately training professionals, Fideuram launched a comprehensive ESG certification training program for bankers, with over 51,000 hours provided to 3,057 participants, and for employee private bankers and agents, with approximately 13,900 hours provided to over 1,040 participants.

The Division updated its internal regulations incorporating the changes, attributable to sustainability and to the related regulatory developments introduced at European and national level, with respect to customer preferences, product governance and management of financial products, investment service delivery processes, advice on financial products and distribution of insurance products.

With reference to the development and selection of new investment solutions, the process for selecting issuers and Product Companies was enhanced with analyses aimed at assessing their positioning with respect to parameters referring to ESG factors and sustainability risk management; furthermore, in compliance with Regulation (EU) 2019/2088 (SFDR), the criteria for classifying sustainable products (Articles 8 or 9) were adopted at a Group level, as applicable, and also the presence of sustainable/eco-sustainable investments (Art. 2 paragraph 17 of Regulation (EU) 2020/852) and the consideration of PAIs (Art. 7 of the SFDR). This approach strengthens the assessment of product sustainability during the selection phase and in monitoring the offered range of products over time.

Furthermore, pursuant to Articles 3 and 4 of the SFDR Regulation, Fideuram publishes on its institutional website the Policy document on the integration of sustainability risks and information on the main negative effects on sustainability factors in providing its investment advisory services and in the field of insurance distribution, through which it illustrates its policy with respect to the integration of environmental, social and governance (ESG) sustainability risks in company activities and processes for selecting issuers and defining the catalogue of financial products and delivering advisory services.

With the aim of outlining an approach geared not only towards sustainable and responsible investments (SRI) but also towards integrating environmental, social and governance factors (ESG), the Division's product Companies have adopted Sustainable and Responsible Investment Policies. These policies involve all employees and freelancers and apply to company activities and investment processes.

Commitment Policies have also been adopted to describe the forms of behaviour that Division companies should adopt to stimulate the sharing of views with issuers and to encourage long-term commitment in the companies they invest in. In addition, both Companies (Fideuram Asset Management SGR and Fideuram Asset Management Ireland) perform activities related to the exercise of administrative and voting rights, through the ISS proxy voting platform for securities held by the managed Funds. In accordance with the SRD II Directive, Fideuram Asset Management SGR has also adhered to the Italian Principles of Stewardship promoted by Assogestioni for the exercise of administrative and voting rights in listed companies, thus ensuring full transparency regarding the issuer's performance and strategy, governance, corporate social responsibility and risk management.

Fideuram - Intesa Sanpaolo Private Banking, through a Governance system based on important organisational safeguards, builds and pursues an integrated company strategy that focuses on business results but also on human, social, relational and environmental capital. In particular:

- the Sustainability Manager has a role of integrated and comprehensive oversight of the ESG initiatives, also in liaison with the Intesa Sanpaolo Group initiatives;
- the “Sustainability (ESG)” session, within the Division’s Steering Committee, identifies sustainability issues at least once every quarter and defines strategic initiatives, assessing their financial feasibility and impact;
- Fideuram Asset Management’s ESG & Strategic Activism team ensures proper management of ESG issues also in the Division’s asset management companies. Its main tasks include: integrating ESG metrics into the financial analysis of the products managed, assessing the sustainability profiles of products distributed and managed by third parties, managing products focused on sustainability and overseeing corporate governance and engagement activities with respect to issuers; the structure also deals with the implementation of the Net-Zero Asset Management Initiative project and initiatives in favour of combating climate change.

In 2022, the ESG Program launched in 2021 by the Division was continued, aiming at integrating sustainability into all aspects of business management and operations with the across-the-board involvement of all company functions. The main objectives worth highlighting include the definition of strategic positioning with respect to ESG issues, the integration of sustainability into the service model, the inclusion of sustainability factors and risks both in the investment process and in financial advisory activities and the development of corporate culture and sensitivity towards ESG issues.

CUSTOMERS’ SUSTAINABILITY PREFERENCES

In July 2021, the MiFID customer profiling questionnaire was supplemented with specific questions aimed at detecting any sustainability preferences. From the analysis of the responses, it was noticed that as at 31/12/2022 there was a clear predominance of customers who declared they had sustainability preferences: about 86% for Fideuram and about 92% for Intesa Sanpaolo Private Banking, with a marked prevalence of preferences on the environmental part (over 90% on the entire Division).

In response to a customer-base with a strong appetite for sustainability, as emerges from the analysis of the responses to the MiFID questionnaires, and in line with the Group’s objectives, the Division continues its dialogue with its product factories and with its third-party partners with a view to expanding the offer of sustainable investment solutions available to the advisors in the Division’s Networks.

As part of the Company’s products and services, already in the range, it is worth highlighting the activity performed by Fideuram Asset Management SGR with respect to its own funds, but above all on the Folio management lines and Omnia Portfolio Management Schemes in the range, of which 68 in line with Art. 8 SFDR. Fideuram Asset Management Ireland continued operations on Fonditalia with 37 sub-funds referable to Art. 8 SFDR.

Also in 2022, the new offering focused heavily on solutions that reflected the criteria adopted by the Division as regards ESG with a ratio of 3 out of 4. The new aspects concerned the various product families (traditional and alternative funds, portfolio management schemes, insurance investment products and placements of asset management products), including:

- Willerfunds Private Suite, a vehicle of Fideuram Asset Management Ireland dedicated to the ISPB Network that has launched 11 new sub-funds created with leading international asset managers, 8 that promote environmental and/or social characteristics (Art. 8 SFDR) and 3 with sustainable investment objectives (Art. 9 SFDR);
- FAI Mercati Privati Sostenibili, created by Fideuram Asset Management SGR in collaboration with Blackrock, which is one of the first examples on the Italian market of an alternative fund classified pursuant to Art. 8 SFDR.

Within the scope of Portfolio Management Schemes, the Fogli Fideuram range has been enriched with new ESG lines, including: Foglio Impact Allocation and Equity Net Zero Emission (Art. 9 SFDR), Foglio Next Generation Winners (Art. 8 SFDR) and Il Mio Foglio ESG (Art. 8 SFDR); the latter allows the customer to construct their own portfolio starting from a specific list of strategies that have strong ESG characteristics (all classified under Articles 8 or 9 SFDR) or to use predefined model portfolios (“guided pathways”) broken down by level of risk and built according to a “High Conviction” approach, linked to the tactical selection of specific ESG topics.

As at 31 December 2022, Fideuram Asset Management SGR and Fideuram Asset Management (Ireland)

had a range of 197 products pursuant to Articles 8 and 9 of the SFDR Regulation, for a total of assets under management of 46.4 billion euro, divided as follows: 26.6 billion in investment funds, 17.2 billion in portfolio management schemes and the remaining share in insurance products. More specifically, the ESG offer in funds included 77 funds classified pursuant to Art. 8 and four classified pursuant to Art. 9 of the SFDR Regulation out of a total of 183 funds (26.6 billion euro equal to 61% of the total assets of the Funds).

As an addition to the Group's product offering according to the Guided Open Architecture Approach to meet even the most sophisticated needs, customers can also find third-party ESG products on offer in the catalogue in collaboration with leading international investment houses. As at 31 December 2022, 57% of customers' assets under management were classified pursuant to Articles 8 and 9 of the SFDR Regulation (27% in 2021).

FONDITALIA 4 CHILDREN

In 2021, Fideuram Asset Management Ireland, in collaboration with UNICEF, launched the Fonditalia 4 Children fund, the first sub-fund of Fonditalia to be classified pursuant to Article 9 SFDR, as it pursues sustainability objectives with particular attention to the social sphere. The portfolio is built by selecting companies that support and foster social goals such as, but not limited to, improving health and well-being, decent working conditions, economic and social inclusion, quality education, sustainable cities and communities with a thematic focus on children's rights. The product envisages collaboration with Unicef for defining the exclusions of securities from the investment universe and the recurrent donation of an amount as fees in support of certain projects of theirs. As at 31 December 2022, the fund managed about 254.5 million euro.

PENSION FUND WITH DEFINED CONTRIBUTION OF THE INTESA SANPAOLO GROUP

The European Directive 2016/2341, the so-called IORP II, also in force in the Italian supplementary pension system, encouraged pension funds to adopt a strategic and long-term approach for the integration of ESG factors in risk management and in their investment strategies. The sensitivity and controls of the portfolio with ESG logic are considered a fundamental element of the portfolio management policy not only with reference to regulatory obligations but also with a view to proper risk management.

In this perspective, the Fund published the Communications on the commitment policy, the document on the Investment strategy and agreements with asset managers, as well as the Sustainability disclosure pursuant to Regulation (EU) 2019/2088, to comply with the legislation and regulations on transparency; the Fund also updated the Information Note (which is the document to which all members have to refer) in which there is an appendix dedicated to the Sustainability disclosure; lastly for each sub-fund of the Fund, information was given as to whether it features sustainable investments or ESG elements.

Since the beginning of its activity in 2016, the Fund has developed its own principles of conduct to be adopted regarding sustainability and responsibility and, to put these principles into practice, it adheres to the Principles for Responsible Investment (PRI) promoted by the United Nations to disseminate and support sustainable and responsible investment in the international financial community.

The RSI (Responsible and Sustainable Investment) Guidelines published by the Fund define the Entity's activities in the field of sustainable and responsible investment; they provide behavioural recommendations – inspired by the most common international practices – relating to chosen approaches, adopted tools and the role of the parties involved. For the implementation and regular monitoring of activities related to sustainable and responsible investments, the Fund employs a Sustainability Advisor (ESG Advisor), selected by the Board of Directors.

A particular focus was placed by the Fund on the theme of Climate Change with the activation in 2020 of the Futuro Sostenibile sub-fund, characterised by the ESG approach and with a specific focus on Climate Change. This sub-fund invests in sectors and companies that place factors mainly of an environmental, but also of a social and governance nature at the heart of their activities; as of December 2022, more than 17,700 members decided to invest in this sub-fund, which has reached assets of around 134 million euro.

The Fund also signed up to the collective Climate Action 100+ (CA100+) initiative, of which the international organisations UN-PRI and IIGCC (Institutional Investor Group on Climate Change) are active participants. The initiative involves over 700 investors with resources under management of about 68 thousand billion dollars. The project subjects 166 companies – with a total capitalisation of over 10 thousand billion dollars, identified as responsible for over 80% of emissions of greenhouse gases produced industrially – to climate change engagement with the objective to induce these companies to adopt a strong active climate change governance

and reduce greenhouse gas emissions in line with the Paris Agreement and at the same time to increase transparency in reporting.

In order to measure the negative impact of issuers on sustainability factors, the Fund has also considered it important to take into consideration the PAI (Principal Adverse Impacts) indicators as regards the mandatory ones and the additional indicators, as established by Regulation (EU) 2019/2088 and as published in the Document called Declaration on consideration of the main negative effects for the sustainability of the Futuro Sostenibile sub-fund.

The Fund has also taken sustainability issues into account in its direct investments, continuing to invest in renewable energy through specialised funds.

During 2022, a specific office dedicated to monitoring ESG issues was set up within the Fund and metrics were implemented to monitor the implementation of the Fund's guidelines. By applying the latter, the Fund adopted appropriate procedural measures to implement the ban on investment in companies that produce anti-personnel mines and cluster munitions and submunitions, in accordance with the provisions of Italian Law 220/2021 and subsequent amendments.

SUSTAINABLE INSURANCE

In line with the objectives of the Intesa Sanpaolo Group and the strategic importance that the integration of ESG factors is assuming for the financial and insurance sectors, the Insurance Division continued in 2022 its development programme on ESG issues, providing for the creation of actions and effective initiatives to foster development of internal governance and to generate a concrete and significant impact in environmental, social and transparency terms with respect to its customers.

In compliance with the commitments undertaken by joining the Net Zero Asset Owner Alliance and the Net Zero Insurance Alliance (signed by the insurance Parent Company in December 2021), with the Sustainable Development Goals (SDGs) and PSI (Principles for Sustainable Insurance) issued by the United Nations and with the other international principles which the Intesa Sanpaolo Group also adheres to, the integration of ESG factors is arranged by the Insurance Division in the various areas of business in which it operates.

INTERNAL GOVERNANCE AND RISK MANAGEMENT

Intesa Sanpaolo Vita S.p.A., in its capacity as Parent Company of the Intesa Sanpaolo Vita Insurance Group (hereinafter Insurance Group) has prepared tools for the monitoring of Governance and risk management in the field of sustainability through business units, policies and dedicated project initiatives, also in line with the evolution of national and international legislation.

The activities of the organisational unit dedicated to sustainability continued their progress and all the governance functions for the Insurance Group companies were placed under that unit's umbrella, as well as the function of the contact person liaising with the Banking Parent Company and external organisations. The Sustainability function aims to coordinate the ESG projects of the Insurance Group Companies and launch internal and external initiatives to promote the culture of sustainability and to support their implementation together with the business functions, coordinate the across-the-board positioning initiatives for the Insurance Group in the field of sustainability and promote insurance culture initiatives.

In 2022, the Insurance Group launched an important project to strengthen the integration of ESG factors and accelerate the path towards the net-zero goal. This provided for the involvement of the main areas of activity of the Division (Investments, Risk Management, Compliance, Legal, Life and Non-Life Products, IT, Organisation, HR, Management Control, Data Office) to absorb the new legislation in both a strategic and regulatory compliance perspective, defining a roadmap of actions to be performed in the short, medium and long term. The working groups maintain constant coordination with the parent company Intesa Sanpaolo and the other divisions of Intesa Sanpaolo (in particular the Private Banking and Asset Management Divisions).

In June 2022, the update of the Sustainability Policy was approved by the Board of Directors of the Insurance Group's Parent Company (and subsequently implemented by the Boards of Directors of the Companies in the Insurance Group). This Policy summarises the values and commitments of the Insurance Group, with the aim of promoting a responsible and sustainable business model and increasingly integrating the sustainability principles into business decisions and processes. The Policy also assigns roles and responsibilities on the integration of ESG principles to the Board of Directors and the corporate structures involved.

In line with the developments in the international regulatory context, during 2022 the preparatory activities for compliance with the regulatory requirements were carried out with reference to Regulation (EU) 2019/2088

(SFDR) and Delegated Regulation (EU) 2022/1288 (SFDR) relating to sustainability reporting in the financial services sector, and to Regulation (EU) 2020/852 (Green Taxonomy) on the establishment of a framework to facilitate sustainable investment.

In particular, during the year, the criteria for classifying the offer in the Life business aimed at classifying a financial product that promotes, among other things, environmental or social characteristics or a combination of the two, and a financial product that has sustainable investments as its objective (pursuant to Articles 8 or 9 of SFDR) were updated and aligned among the Companies of the Insurance Group; the relating pre-contractual information and the relevant sections on the Companies' websites were subsequently integrated.

In November 2022, the Board of Directors of the Insurance Group's Parent Company also approved the update of the Policy for the integration of ESG (Environmental, Social and Governance) sustainability factors into the investment process, with regard to the integration of environmental, social and governance (ESG) factors and the principles of Sustainable and Responsible Investment (SRI)¹¹ of the Intesa Sanpaolo Vita Insurance Group, including additional sustainability factors in the investment strategy and updating the sustainability principles and standards adopted for the responsible management of investments at the Insurance Group level. The document also defines the roles of company structures and delegated managers, the investment guidelines, the elements for defining critical issuers and excluded sectors, in line with the Intesa Sanpaolo Group's strategy.

In addition and similarly in compliance with regulatory requirements, the Policy on the Principal Adverse Impacts (PAI) was updated; this Policy presents the methods adopted by the Insurance Group for managing risk mitigation of potentially negative impacts on sustainability related to investments and applies to all the Companies in the Insurance Group; a summary thereof is available on the Companies' websites.

Remuneration and Incentive Policies have also been updated, consistent and in line with the provisions on the integration of sustainability risks pursuant to Regulation (EU) 2019/2088. Following the procedure from the previous year, managers were also assigned a KPI in 2022, with a 15% weight called "Environmental, Social and Governance (ESG)". The objectives related to the ESG KPI are based on results at Parent Company level, recognizing the Group's commitment to sustainability as a whole, and at Insurance Group level, in order to enhance the areas of action of the individual structures.

Furthermore, in keeping with 2018, a KPI for the Key Functions was confirmed for 2022 with a weight of 10% with the name "Risk Culture – Promoting awareness at all levels of the organisation regarding emerging risks, with a particular focus on the risks related to climate change and technological innovation, by means of educational, awareness raising and training initiatives".

Summaries of the Remuneration Policies mentioned above have been published on the Companies' websites.

Finally, to allow the effective implementation of the planned actions and ensure the development of the necessary expertise within the company, important training initiatives have been run for the company population and those addressed to the Boards of Directors of the Insurance Group Companies have continued; the latter had already started in previous years, geared to increasing awareness of ESG issues and the impacts they generate in the insurance context.

MEMBERSHIP OF NET-ZERO INSURANCE ALLIANCE (NZIA) AND NET-ZERO ASSET OWNER ALLIANCE (NZAOA)

As at the end of 2021, the Insurance Group has signed up to the international Net Zero Insurance Alliance (NZIA) and the Net Zero Asset Owner Alliance (NZAOA); the NZIA provides for a commitment to zero emissions from the underwriting portfolio by 2050 through the definition of intermediate targets focused on the Non-Life business, while NZAOA provides for a commitment to zero emissions in the investment portfolio of the insurance group companies by 2050, through the definition of specific intermediate targets on the investment portfolio (i.e. carbon intensity), engagement with the main counterparties to develop and promote transition programmes and incentives to finance climate transition and new green technologies.

As regards the NZIA, in 2022 the Insurance Group actively participated in alliance meetings during the year and replied to the consultation on the draft protocol published in November 2022. To support the development of new approaches for the measurement of insurance-associated emissions, it is also

⁽¹¹⁾ With reference to the management of investments, the Insurance Group relies on various delegated managers: Eurizon Capital, Eurizon Capital Real Asset, Fideuram Asset Management, and Fideuram Asset Management Ireland.

contributing as a lead to the study of the possible contribution of the Life and Health world.

As regards the NZAOA, in October 2022, the Intesa Sanpaolo Vita Group informed the market of its intermediate targets for 2030¹². The objectives defined by the Intesa Sanpaolo Vita Group represent the intermediate targets, as well as the first tangible steps that the Group has taken towards the “Net Zero” objective by 2050; more specifically:

- with reference to the “area of action” known as “Sub-Portfolio”, the Group has set an intermediate quantitative emission reduction target on the “Direct Investments” component in its Portfolio - for the “Listed Equity” and “Publicly Traded Corporate Bond” asset classes - which consists of a reduction of 50% of the “Carbon Intensity by EVIC” by 2030, compared to December 2021 as the initial reference period (so-called “baseline year”). The Assets Under Management (AUM) being targeted, as at 31 December 2021, amounted to 19.6 billion euro;

- with reference to the “area of action” known as “Engagement”, the Group has planned bilateral discussions with the most important emitters – i.e. the “Top 20 Emitters”, which account for approximately 70% in terms of emissions in the Insurance Group’s Scope Portfolio – with the ultimate aim of assessing, discussing and enabling the respective decarbonisation paths and strategies. The Group will also cooperate with NZAOA by providing contributions aimed at drafting collaborative position papers on related topics;

- with reference to the “area of action” known as “Financing the Transition”, the Intesa Sanpaolo Vita Insurance Group will annually update its “Climate Solution Reporting”, i.e. a monitoring program on how much existing investments actually “finance” the transition to a “green” planet. As at 31 December 2021, the report recorded investments that support the transition equal to about 5% of the Group’s “scope” portfolio (Direct and Indirect Investments). Intesa Sanpaolo Vita will also collaborate with a “NZAOA - Financing the Transition Working Group” providing contributions aimed at developing and publicising new investment solutions to support the “green” transition, standards on reporting and any new methodologies on related issues.

INSURANCE PRODUCTS AND SUSTAINABILITY

During 2022, the Intesa Sanpaolo Vita Insurance Group continued to encourage the development of its product and service model for all business lines to meet customer needs with respect to sustainability issues. In line with the constant commitment of the Insurance Group with respect to sustainability, also outlined within the defined company policies, the objective of the Division is to continue the development of its offer, also providing new products and types of cover over the coming years, as well as a review of product processes from an ESG perspective.

The offer of the Insurance Group is arranged into Life and Non-Life businesses, which include several product lines on offer.

As part of the Life Business, in which the Insurance Group operates with the companies Intesa Sanpaolo Vita, Fideuram Vita and Intesa Sanpaolo Life, the commitment to offer customers an increasing number of investment options, classified in Articles 8 and 9 pursuant to Regulation (EU) 2019/2088 (SFDR), continued during 2022

Life Business products include sustainability aspects in the following areas:

- “Savings and Investment” (insurance investment solutions)
- “Supplementary Pensions” (products that use savings to build a supplementary pension in addition to the state pension)

The “Savings and Investment” area is the one which offers the widest range of Art. 8 products pursuant to Regulation (EU) 2019/2088 (SFDR).

The percentage of investment options classified under Articles 8 and 9 out of the total unit-linked investment options linked to products open to new subscriptions went from 48% at the end of 2021 to 72% at the end of 2022. More specifically, Intesa Sanpaolo Vita launched three new products pursuant to Article 8 in 2022 and further enriched the investment options of external Management Houses with UCITS pursuant to Articles 8 and 9 of the multi-class products placed through the Intesa Sanpaolo Private Banking Network, thus expanding the investment choices for customers who declare their preference for ESG products.

Intesa Sanpaolo Vita and Fideuram Vita have enhanced the multi-class range (Synthesis and Fideuram Vita Sintonia family products) and unit-linked products (Fideuram Vita Futura and Fideuram Vita Insieme family products) with a wide selection of external funds classified by the respective management companies under

⁽¹²⁾ For further insights into the published targets, one should refer to the 2022 TCFD Report [i].

Articles 8 and 9 SFDR; with regard to Fideuram Vita, the ESG offer also includes all the internal funds that make up the Fideuram Vita Futura product (classified under Articles 8 and 9) and two internal funds of Fideuram Vita Insieme Private (classified under Article 8).

As regards Intesa Sanpaolo Life, the ESG offer includes all the internal funds that make up the Prospettiva Sostenibile, Patrimonio Pro, Selezione Private Pro and Doppio Centro products, as well as providing for exclusion criteria for all internal funds for investments in certain sectors and countries with high ESG impact and sustainable investment criteria integrated into the selection process of underlying securities and UCITS. For all Life Companies, there is continued monitoring of the offer of internal and external (where included in the product) ESG investment options, also for products classified under Article 8, but closed for placement. Finally, also in the field of “Savings and Investment”, there are also some proposals with social importance:

- “Tu Dopo di Noi” (You After Us) from Intesa Sanpaolo Vita, an insurance product made for the members of a disabled person’s family who want to protect their loved one with a secure capital for the future or with a certain income in the event of the death of the signatory;
- “Base Sicura Tutelati” (Secure Base for the Protected) from Intesa Sanpaolo Vita, an insurance product dedicated exclusively to protected persons such as minors and/or incapacitated persons who wish to invest a capital sum, while protecting it with a typical Class I guarantee and who require the prior authorisation of a Guardianship Judge.

With regard to the “Supplementary Pensions” products, in which 100% of Fideuram Vita’s investment sub-funds and 16% of Intesa Sanpaolo Vita’s investment sub-funds are classified under Article 8, it is worth noting the following:

- “Il Mio Domani” (My Tomorrow) (an open-ended pension fund from Intesa Sanpaolo Vita with individual membership) which presents, among others, three lines of investment with ESG benchmarks and a lifecycle investment profile that provides for the allocation of the most coherent starting sub-fund, based on the time horizon before reaching one’s retirement date;
- “Fondo Pensione Fideuram” (Fideuram Pension Fund) (an open-ended pension fund from Fideuram Vita with individual membership), which includes, in its investment policy of each investment sub-fund in the Fund, certain exclusion criteria for investments in certain sectors and countries with high ESG impact and, solely for the Fideuram Millennials sub-fund, sustainable investment criteria built into the stock selection process, thus combining the theme-based objective of sustainability.

Within the scope of the Non-Life business, the Division is active with the companies Intesa Sanpaolo Assicura, Intesa Sanpaolo RBM Salute, with products covering the Home (theft, fire, etc.), Mobility (cars and motorcycles), Health (accidents, illness) and SMEs/Corporate sectors.

The Motor insurance product called “ViaggiaConMe” (TravelWithMe) is a usage-based solution which encourages policyholders to use their vehicles responsibly, reducing their premiums if they lower their mileage (monitored using a device installed in the car). Furthermore, the ViaggiaConMe product provides for the protection of the vehicle in the event of natural disasters such as tornadoes, hurricanes, floods, storm surges, landslides, landslips, hail or snow, earthquakes.

The “XME Protezione” (Protection for Me) product is a policy with a range of insurance covers in the areas of Health, Home and Family that the customer can purchase, also at different times, customising protection according to their needs. In addition to the traditional cover dedicated to the home, XME Protezione includes the possibility of protecting the home in the event of natural disasters such as earthquakes and floods, providing compensation above the market average of up to 80% of the reconstruction value. During 2022, the XME Protezione offer was supplemented with the Caregiver module dedicated to covering risks deriving from unforeseen events (illness, accident or inability to return home from a trip) that prevent a Caregiver from providing his/her non-professional assistance in favour of their over-65 loved ones. In such cases, the Company provides health and social care workers who provide the Insured with help to ensure the continuity of services delivered to their loved ones.

In line with the objective of the 2022-2025 Business Plan to strengthen its position in non-motor non-life insurance, Intesa Sanpaolo Assicura increased its exposure to Earthquake and Flood coverage to 33.5 billion euro at the end of 2022 (32 billion euro at the end of 2021).

The entry of Intesa Sanpaolo RBM Salute within the consolidation area of the Insurance Group has made it possible to include in the XME Protezione product, cover for the payment or reimbursement of medical expenses in the event of an accident or illness, which includes events such as hospitalisation or surgery, but also specialist visits, instrumental diagnostics, physiotherapy or ophthalmology, and to develop built-in prevention programmes aimed at protecting customers’ health prior to the emergence of the most common diseases. During 2022, Intesa Sanpaolo RBM Salute supplemented the XME Protezione offer by including coverage dedicated to over-65s who, as a result of certain events, find themselves in temporary difficulty. The

attention paid to the senior segment is also confirmed through extending the age for coverage to 90 years for the hospital admittance and operation module.

In the context of health protection to support companies and their corporate welfare, Intesa Sanpaolo Assicura offers the “Collettiva Infortuni” (Collective Accident) Policy that protects one or more categories of workers in the event of an accident while performing professional and extra-professional activities. Traditionally uninsurable categories of workers such as interns, trainees and co-workers with a contract of collaboration are also covered. The range of protection in this area is completed by two insurance solutions offered by Intesa Sanpaolo RBM Salute reserved for companies and aimed at protecting workers and their families: one to cover the risks associated with serious illnesses, and the other takes the form of a health plan which reimburses medical expenses.

To respond to the needs of an increasingly digital clientele and also to target young people, Intesa Sanpaolo Assicura started a partnership with the YOLO digital platform since 2020 for the sale and proposal of insurance policies via “instant” and “on-demand” procedures, such as, for example, through geo-location and expenses incurred, in highly sensitive areas such as winter sports and pet care.

INNOVATION & PROMOTION OF AN INSURANCE CULTURE

The Insurance Group continued to invest in innovation and development of digital skills and processes, also as a lever to have an increasingly effective impact in terms of sustainability.

In this context, the Intesa Sanpaolo Vita Group has set itself the objective of promoting the Culture of Insurance Protection, to encourage increasingly responsible and sustainable forms of behaviour, with the aim in particular of providing all people with information about having a conscious and reasoned approach to managing their well-being and an understanding of the value that financial and insurance planning can bring to individuals and their family units.

To this end, between the end of 2020 and the first half of 2021, the Insurance Group launched a programme of analysis, which enabled it to identify projects and initiatives to promote protection among younger customers (Millennials) - the target group with the lowest level of cover and furthest from the financial and insurance world - by engaging them in the process of defining projects.

One of the initiatives in this area is “Proteggere ad Arte” (Artful Protection) the first digital contest dedicated to young artists who were asked to interpret the world of insurance protection using their own means of expression, which was launched in 2021 and then continued in 2022, through an exhibition opened in Turin (at Area X) and Milan (at Intesa Sanpaolo Vita) to give visibility to the winning works.

At the end of November 2022, a new insurance culture initiative was also launched: the digital Community In Action Esg POOL, promoted through the launch of a contest (“La Sfida” - The Challenge). “La Sfida” is a digital game which has the Trio Medusa as its testimonials and protagonists to engage young people and contribute to the development of more conscious and virtuous behaviours in the management of insurance needs with an eye to the construction of a sustainable future for themselves and for others. Once the “La Sfida” is over, the Community will continue to develop new initiatives to bring younger generations closer to the world of insurance with an inclusive and sustainable approach, listening to their needs and creating mechanisms for involvement and co-designing with them.

During 2022, there was also a continuation of the activities related to Area X (the first experiential space linked to the world of insurance protection, created in Turin) through events, live-streaming engagements with leading figures from the world of sport and partnerships with other Divisions of the Group to promote, in an inclusive way, the topic of Protection.

Following the success of the first and second editions of the Level II Master’s Degree in Insurance Innovation (run in partnership with the University of Turin, the Turin Polytechnic and Collegio Carlo Alberto), the Insurance Group is running further editions of the initiative dedicated to recent graduates and professionals in the insurance sector interested in exploring digital and innovative topics in the insurance field.