

# 2023

Impact Report



Taking care of people for  
a better world, together



Taking care  
of people for a better  
world, together



**2023**  
Impact Report



# IMPACT REPORT 2023

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## 1. Letter from the Impact Manager



I am particularly proud to unveil Reale Mutua's second Impact Report covering 2023. This document is a key moment in our role of Benefit Corporation as it enables us to describe the impact generated through our activities in pursuit of Common Benefits.

Indeed, the Impact Report is a multi-faceted document which goes beyond the transparency requirements imposed by the law. Its pages describe the results achieved and provide you with information about our commitment to continuous improvement in order to generate and return the value generated to our Stakeholders.

The decision to become a Benefit Corporation has been crucial for Reale Mutua: in addition to marking a major milestone for the Company, it outlines the Group's journey towards the sustainable development model that it plans to embrace in the next few years.

Based on our history, our roots, our founding principles of Mutuality and Sustainability, and thanks to the boost given by role of Benefit Corporation, we have embarked on an internal journey towards a profit-for-purpose business model that integrates Sustainability along the entire value chain.

To confirm our commitment to genuine and integrated sustainability, in March 2023, we joined the United Nations Principles for Sustainable Insurance (PSI). Indeed, we believe that the international context can further boost the implementation of the ESG principles in our business.

In 2023, we achieved major results. Furthermore, we have also thought deeply about our way of doing business and sustainability, about what we are today and what we want to become in ten years' time, in order to be ready to respond and face the evolving challenges of the economic and social landscape in which we operate.



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Starting from our purpose "Taking care of people for a better world, together", we have committed to developing transformative projects aimed at generating positive and measurable impacts along the entire value chain.

First of all, we took care of the key People in our organisation - our Employees, and, to this end, we set up a new department focused on Corporate Well-being. Indeed, we believe that taking care of and promoting the fully-fledged well-being of our resources facilitate and generate change and multiplier impacts on the community.

We also took care of the areas and the social economy of our country by networking associations, companies and Third Sector entities. In this respect, in collaboration with the other Italian mutual company Itas Mutua, we set up the "Premio Mutualità" (Mutuality Award), which awarded €100,000 to the most virtuous project in terms of mutual distribution.

This and much more is described in the following pages which I invite you to read with curiosity. I hope that they may also serve as an inspiration to other entities that, similarly to us, have embarked on the journey towards sustainable and impact growth.

I hope you will enjoy your reading!

**Virginia Antonini**  
*Impact Manager*

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## 2. Methodological notes

In 2021, Reale Mutua began the process to obtain the status of Benefit Corporation (Law no. 208 of 28 December 2015), which was approved by IVASS (the Italian Insurance Supervisory Authority) in February 2022.

This decision consolidates and improves the definition of the Company's mutual insurer nature which has always pursued "sustainable success" by creating value in the medium and long term, guaranteeing the Company's solidity and future so as to return part of the wealth generated to the Members/Policyholders and to the communities in which it operates by going beyond profit maximisation as the ultimate goal of its business activity.

Pursuant to article 1.382 of the above law, the Company must prepare an Annual Benefit Report (the "Report") which covers the pursuit of its common benefit purposes (the "CBPs").

Therefore, the Report covers the impact activities carried out by Reale Mutua in the period 1/1/2023 - 31/12/2023.

It is noted that, in certain cases and for specific projects that also involved other Group Companies, it was not possible to extract the data covering "Reale Mutua" scope only. In these cases, qualitative-quantitative disclosure was provided, indicating the scope analysed.

The Report comprises:

- a **description of the specific goals, methods, actions implemented by the Directors and the results achieved** in pursuing the six Common Benefit Purposes formalised in the Company By-laws, including any circumstances that have prevented or slowed it down;
- **the assessment of the impact generated during 2023**, according to an external assessment standard that meets the requirements outlined in Annex 4 of Law no. 208/2015;
- **planning the new actions and goals for 2024**, in relation to the six Common Benefit Purposes formalised in the By-laws.

The Report was prepared under the coordination of the Impact Manager and the Group Sustainability department under the scientific supervision of Triadi, a Benefit Corporation and an innovative start-up founded in 2022 as a spin-off of the Politecnico di Milano Tiresia, a research centre on impact. Triadi was entrusted with the development of the impact measurement methodology described in chapter 5. "Assessment of the performance on Common Benefit Purposes".

The Report is published on the Company website in the "Sustainability" section, attached to the 2023 Financial Statements of Reale Mutua, and included, in a specific section, in the 2023 Integrated Consolidated Financial Statements. It was also filed with the Chamber of Commerce, accompanying the documents that compose the Financial Statements.

For any communication or report in this respect, please contact the Group Sustainability Department, at: [direzionesostenibilitadigruppo@realemutua.it](mailto:direzionesostenibilitadigruppo@realemutua.it)





The Report has been made available to the Group Sustainability Committee and the Board of Statutory Auditors of the Company so that they could check its compliance with the legal rules and include them in their own report pursuant to article 2426 of the Italian Civil Code.

The **methodology** developed by Triadi to measure the impact<sup>1</sup> generated by Reale Mutua in pursuing its CBPs provided for the following steps:

- **analysis of the context and Stakeholders;**
- **mapping of the change and identification of the relationship of cause and effect between actions, products, and services of Reale Mutua and their impacts on Stakeholders;**
- **construction of impact measurement and management infrastructure;**
- **collection and analysis of data.**

### ANALYSIS OF THE CONTEXT AND STAKEHOLDERS

Triadi conducted a **context analysis** of Reale Mutua, to understand, in detail, its specificities, goals, and main activities, as well as exploring the reference sector in which it operates.

The main **Stakeholders** of the Company were identified, i.e., the parties mostly influenced by the business activities.

The goal was to identify the main players, their needs, and interests in order to involve them in the impact measurement process.

The following Stakeholders were identified: **Members/Policyholders, Employees, Suppliers, Distribution Network, Communities, and Environment.**

These analyses were carried out via desk activities, analysing the scientific and grey literature on the issue and project documents provided by Reale Mutua.

### MAPPING OF THE CHANGE AND IDENTIFICATION OF THE RELATIONSHIP OF CAUSE AND EFFECT BETWEEN ACTIONS, PRODUCTS, AND SERVICES OF REALE MUTUA AND THEIR IMPACTS ON STAKEHOLDERS

After defining the context and the Stakeholders, Triadi developed the **Theory of Change ("TOC")** of Reale Mutua.

Starting from the analysis of the six CBPs, the effects and changes on Stakeholders (*Outcomes*) necessary to achieve the CBPs were identified and, inversely, the activities, products, and services (*Outputs*) and resources (*Inputs*) through which Reale Mutua plans to generate these changes.

<sup>1</sup> For additional information, reference should be made to:

Bandini F., Boni L., Fia M. & Toschi L., (2022) *Mission, governance, and accountability of benefit corporations: Toward a commitment device for achieving commercial and social goals. European Management Review*, 20, 477–492.

continued in the note on the next page >>



### Output

Quantitative performance measure for the actions implemented to achieve Common Benefit Purposes



### Outcome

The **effects** of the actions implemented on beneficiary stakeholders



### Impact

The **change** generated by the outcome over time; the deeper and longer the change, the greater the level of the impact

Following this, the change was modelled (impact generation process) through the "Social value chain"<sup>2</sup> tool.



This mapping was completed through desk activities analysing the scientific and grey literature of the insurance sector and documents provided by Reale Mutua.

These analyses were combined with project meetings with Reale Mutua personnel, during which the previously assumed value dimensions of the social value chain and the causal connections that describe the change processes were confirmed.

An extract of Reale Mutua Value Chain for 2023/2024 is included in the Figure below.

OUTPUTS	OUTCOMES	COMMON BENEFIT PURPOSES	BENEFICIARY STAKEHOLDERS
<b>POLICIES</b>	Increase in customers' perceived well-being and satisfaction due to policies	Offering products and services aimed at constantly improving the relationship with Members / Policyholders that generate economic, social, and environmental value and promote the mutual insurer nature of the company	Members/ Policyholders
<b>GENDER DIVERSITY ASPECTS</b>	Equity of treatment perceived by employees	Developing projects and initiatives aimed at promoting health, well-being, and inclusion	Employees
<b>FLEXIBLE WORKING ARRANGEMENTS</b>	Increase in the productivity perceived by employees		

continued >>

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De Silva, M. J., Breuer, E., Lee, L., Asher, L., Chowdhary, N., Lund, C., & Patel, V. (2014). Theory of change: a theory-driven approach to enhance the Medical Research Council's framework for complex interventions. *Trials*, 15(1), 1-13.

Funnell, S. C., & Rogers, P. J. (2011). *Purposeful program theory: Effective use of theories of change and logic models*. John Wiley & Sons.

Rawhouser, H., Cummings, M., & Newbert, S. L. (2019). Social impact measurement: Current approaches and future directions for social entrepreneurship research. *Entrepreneurship theory and practice*, 43(1), 82-115.

<sup>2</sup> Clark et. Al., 2004; Dufour, 2018; Rawhouser et al., 2019.



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OUTPUTS	OUTCOMES	COMMON BENEFIT PURPOSES	BENEFICIARY STAKEHOLDERS
<b>TRAINING INITIATIVES ON SUSTAINABILITY ISSUES</b>	Degree of awareness on sustainability issues	Support the personal and professional growth of employees, collaborators and directors, including through training and cultural activities and the development of corporate welfare initiatives	Employees
<b>SOCIAL ACTIVISM</b>	Sense of belonging to the organisation		
<b>CONSUMPTION AND EMISSIONS</b>	Change in mobility habits of employees and manager	Mitigating the environmental impacts of its activities in order to contribute to protecting the environment and ecosystem	Environment
<b>INITIATIVES TARGETING SUPPLY CHAIN SUSTAINABILITY</b>	Raise awareness of social and environmental sustainability issues and improve the skills necessary to assess the impact generated via its activities by suppliers	Operating in a responsible and transparent way in relation to commercial partners and suppliers, adopting preferential selection criteria for the parties that responsibly manage environmental and social impacts	Suppliers
<b>INCLUSION EVENTS</b>	Raise awareness of social inclusion issues  Improve the quality of life in communities where the relevant actions are implemented	Contributing to implementing collective- interest projects, including in collaboration with public institutions, local authorities, companies and profit and non-profit parties, in order to create shared value for the local area and the community	Community and region

## CONSTRUCTION OF THE IMPACT MEASUREMENT AND MANAGEMENT INFRASTRUCTURE

The table below shows an extract from the impact measurement infrastructure (the "Benefit Plan") envisaged for 2023.

						
PURPOSE	SDGS	TRANSLATION IN IMPACT GOAL FOR REALE MUTUA	ACTIVITY /ACTION	SPECIFIC CLASS OF TARGET STAKEHOLDERS OF REALE MUTUA	VALUE CHAIN INDICATOR	TYPE OF KPI
<p>Develop projects and initiatives that promote health, well-being and inclusion</p>	  	<p>Turn Reale Mutua into a dynamic, inclusive organisation that takes into account the needs of its employees and collaborators and that makes the workplace a pleasant and flexible environment for people's lives.</p>	<p>Overcome the gender-pay gap, enabling equal pay irrespective of gender</p>	Employees	Diversity in governance bodies and among employees, measuring the gender ratio for each category/hierarchical level	Output
				Employees	Adoption of measures aimed at overcoming the gender pay gap.	Output



KPI SOURCE	ESRS REFERENCE STANDARD	DESCRIPTION - ESRS	KPI MEASUREMENT	RISKS (DUE DILIGENCE /DOUBLE MATERIALITY)	MEASUREMENT PROTOCOL	YEAR
GRI 405-1	ESRS S1 Own workforce S1-16 compensation indicators	Characteristics of undertaking's employees - number of employees by gender [table]	Diversity in governance bodies	Binary indicator: little emphasis on other D&I issues (IMP Evidence risk)	Annually	2022-2023
GRI 405-2	ESRS S1 Own workforce S1-16 compensation indicators	Gender pay gap	Ratio of basic salary and pay of women to men	Binary indicator: possible failure to identify other pay-gap reasons (IMP Evidence Risk); Weighting with corporate welfare/ additional benefits (IMP Efficiency risk)	Annually	2022-2023



**Measured  
performance**  
28 KPIs  
out of 38

The infrastructure is as follows:

- **6 CBPs** defined by the By-laws;
- **6 impact goals** linked to the CBPs and aligned with one or more Sustainable Development Goals (SDGs) and the material topics identified by the 2023 Double Materiality Analysis carried out by the Group;
- several **actions/activities** to be implemented in order to achieve the impact goals linked to the CBPs, whose performance is shown by:
  - **Output KPIs** (which measure the quantitative performance of activities, products, and/or services provided);
  - **Outcome KPIs** (which show the results and direct effects of actions/activities on beneficiaries/Stakeholders).

The source is indicated for each KPI, i.e., whether it is an ad-hoc KPI, customised based on the needs of Reale Mutua, or deriving from international standards (IIRIS+, GRI, SDGs, IMP, ESRS), along with the specific measurement methods (survey, number, etc.).

Following the publication of the delegated act on the first set of European Sustainability Reporting Standards (ESRS) by the European Financial Reporting Advisory (EFRAG), each KPI was linked to the relevant ESRS topic and a specific metric.

Each activity/action is linked to one or more KPIs; each KPI identified is accompanied by information about the frequency of data collection based on the specific characteristics.

With respect to frequency, data is collected annually.

Specifically, the aim of the structure for 2023 was to measure 38 KPIs. Of these, the performance of 28 indicators was effectively measured.

The infrastructure also provides information about the possible negative effects on the organisation, society, and environment linked to the activities/actions identified (by way of example: an increase in operating costs, an increase in CO<sub>2</sub>/GHG emissions, an increase in the collective risk for Members/Policyholders, etc.).

#### **COLLECTION AND ANALYSIS OF DATA**

In 2023, data collection and analysis was necessary in order to measure a series of key performance Indicators (KPIs) and map and measure the impact and change generated by the activities/actions linked to each of the six CBPs included in the By-laws.



During the year, data collection activities were carried out similarly to 2022 by consulting the following main corporate departments involved in reporting:

- General Secretariat
- Group Human Resources Department
- Change Management
- Group Purchasing
- Group Equity Investments and Finance
- Group Sustainability and Institutional Communication
- Chief Digital Innovation Officer

These departments, were also involved, at different levels, in an engagement process aimed at updating the qualitative-quantitative KPIs based on the new actions/activities implemented during the year and defining the target commitments for the 2024 Plan.

Efforts were focused on revising the impact measurement methodology, updating the reporting standards to reflect the new European formats (first and foremost EFRAG), and setting up and strengthening an internal data collection system in order to collect the information necessary to quantify the outputs for 2023.

With respect to the measurements of outcomes, the Company is about to launch a specific data collection organisation process.

This process is a valuable opportunity to match the impact activities linked to the status of Benefit Corporation to the Group's values, the Company's sustainability strategy and the Business Plan, in order to steer short- and medium-term planning towards broader ESG strategic guidelines.



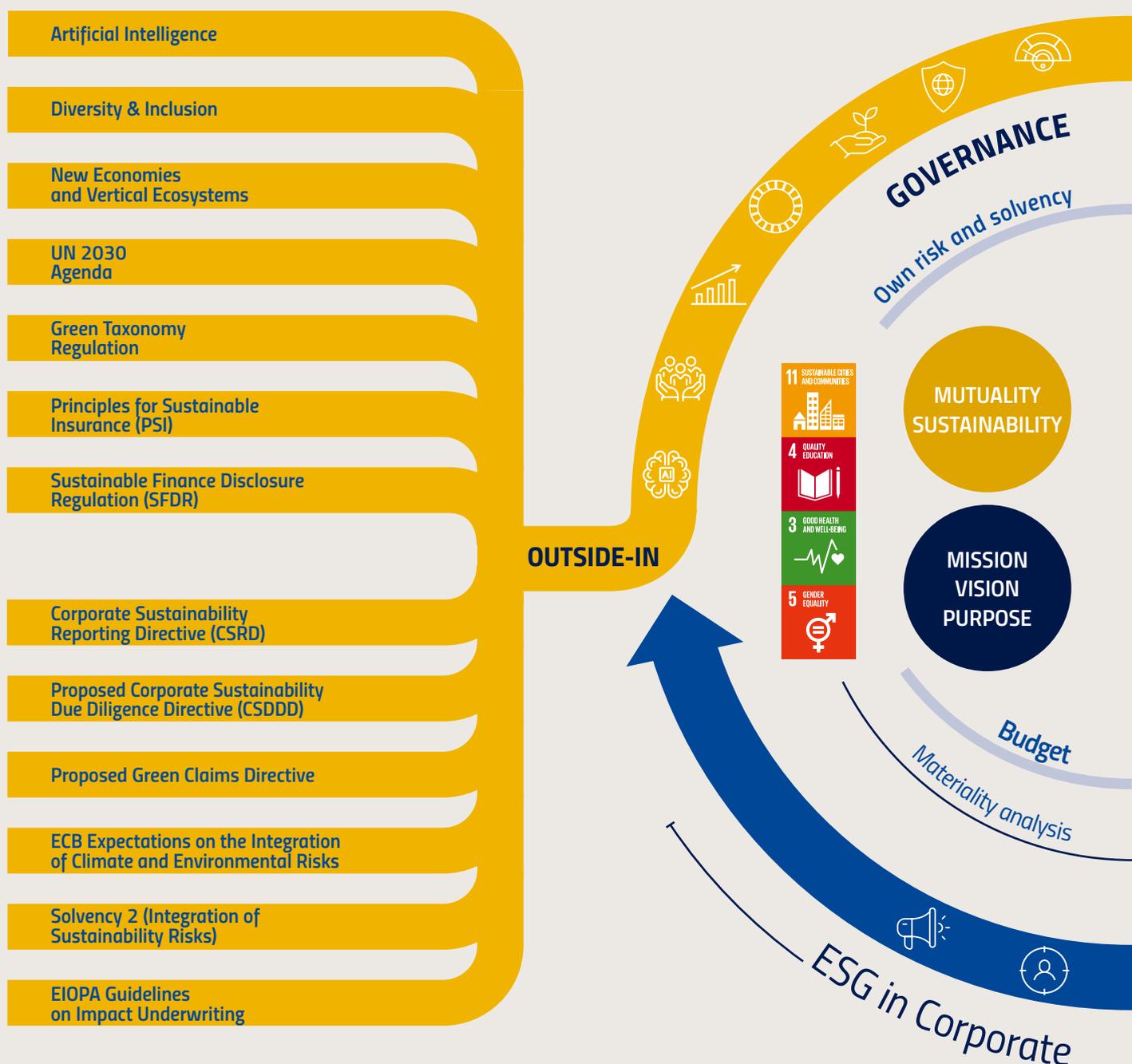
**Measurement  
infrastructure**

All KPIs were linked to  
EFRAG standards

### 3. Introduction

The acquisition of the status of Benefit Corporation is a further step of the ambitious journey that the Group commenced in 2020 in order to embed sustainability into its processes.

This journey is comprised of a structured set of project activities which culminated in the launch of a strategic project, **ESG in Corporate Strategy** at the end of 2023 with the aim of achieving the full integration of ESG goals in the Group's strategic and business plan in the medium term.





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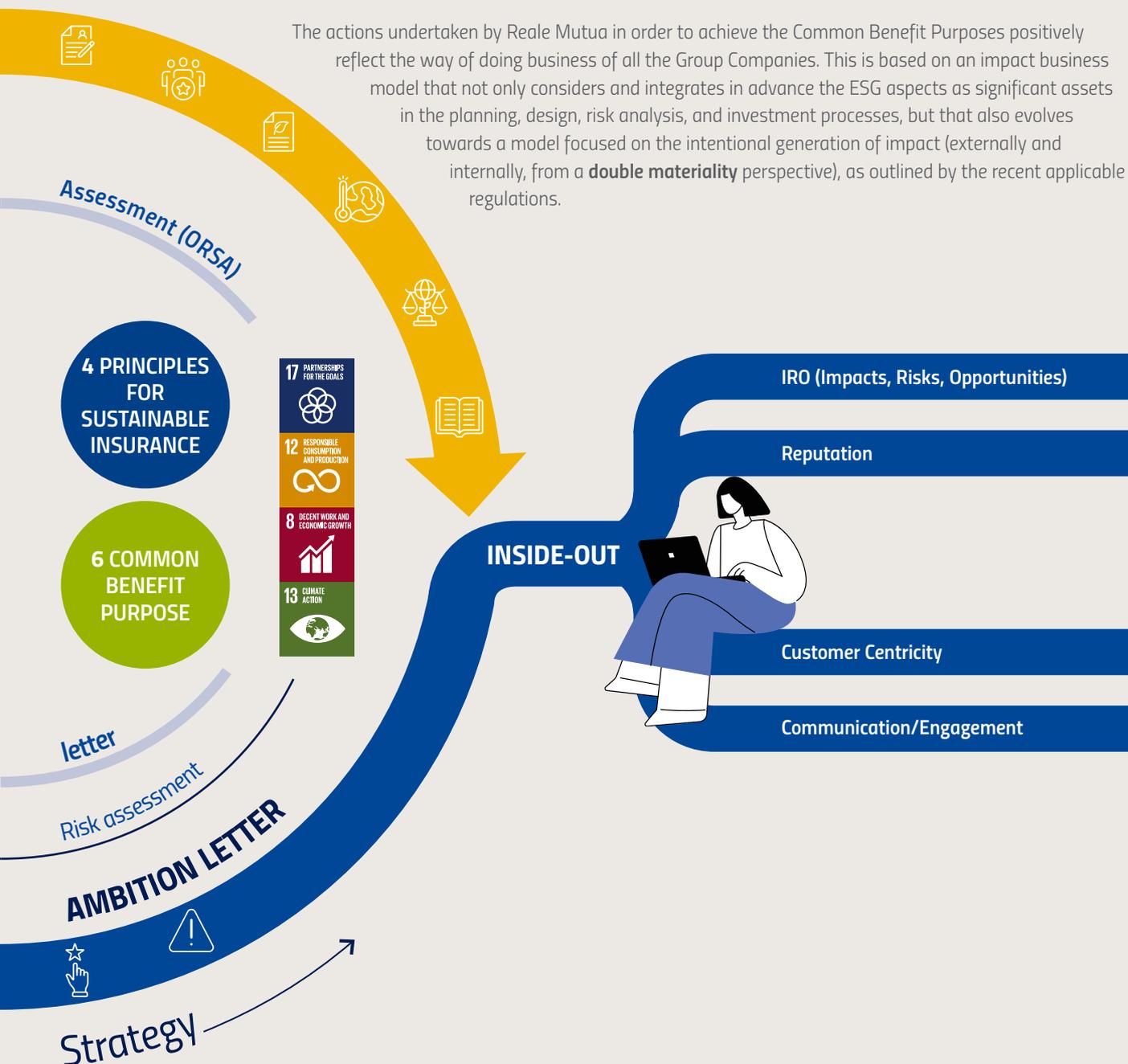
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To this end, acquiring the status of Benefit Corporation was a fundamental step of the journey, in line with the **integrated sustainability** model already launched in previous years (for example, since 2021, Reale Group has reported its financial and non-financial performance in an integrated manner), confirming the Company's willingness to take on specific social, environmental and governance commitments which are included in its By-laws.

This resulted in the need to amend its By-laws in order to include in its mission the goal of pursuing, in addition to profits, six Common Benefit Purposes, in line with the 17 Sustainable Development Goals (SDGs) of the United Nations and the material topics identified by the materiality analysis. This step shifted the core of the sustainability strategy from a more conventional approach, based on ESG voluntary and discretionary actions, to the pursuit of a **benefit purpose** aimed at generating intentional, measurable, and additional impacts along the entire value chain.

The actions undertaken by Reale Mutua in order to achieve the Common Benefit Purposes positively reflect the way of doing business of all the Group Companies. This is based on an impact business model that not only considers and integrates in advance the ESG aspects as significant assets in the planning, design, risk analysis, and investment processes, but that also evolves towards a model focused on the intentional generation of impact (externally and internally, from a **double materiality** perspective), as outlined by the recent applicable regulations.





Business model evolution

The evolution of the Business Model towards an integrated sustainability impact model envisaged a series of interconnected project activities:

- define an impact measurement plan (the “Plan”), in order to monitor the impact and change generated by the activities and actions that have been (and will be) implemented in order to pursue the Common Benefit Purposes;
- gradually integrate the Risk Assessment process into the double materiality analysis process, in order to ensure the optimal mapping of impacts, risks and opportunities (IROs);
- link the six CBPs to the material topics identified as part of the Group's Double Materiality Analysis, in order to ensure full synergy between the definition of business objectives and the impact goals of the Parent as a Benefit Corporation;
- launch a Group's strategic project to define a methodology to measure the social impact of the initiatives launched by the Company, also integrating application of the Social Return on Investment (SROI) methodology, which summarises the social impact generated by the initiative against the economic investment made;
- carry out engagement actions preliminary to the preparation of the Ambition Letter.

**81**  
**managers of the Group** participated in a workshop aimed at identifying the impact goals linked to the 6 CBPs

Specifically, in May 2023, a workshop was organised for the Group Managers in order to identify a series of impact goals (outcomes), linked to each of the six CBPs and the necessary enablers, with a short and medium-term horizon. More than 80 people attended the event which took place in groups in order to facilitate discussion and constructive thinking. The workshops were moderated by trainers specialised in sustainability issues.



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In September, at Dynamo Camp's Pistoia headquarters, the Corporate Bodies and the Top Managers participated in a workshop on the presentation of the Ambition Letter and the Budget Letter. Attendance to this event was close to 100% (81 participants). As part of this journey, the Benefit Plan was aligned to Reale Mutua's broader multi-stakeholder strategic objectives and the six CBPs have become one of the pillars of the Company's integrated sustainability strategy, which underpins the operations of the next few years in order to generate positive, measurable and additional impacts for all Stakeholders.

The Plan was revised and partially updated in 2023 in order to comply as much as possible with the framework of the new sustainability reporting standards (ESRS - European Sustainability Reporting Standard, defined by EFRAG) which will be reported next year. The aim was to optimise impact measurement activities with strategic objectives and the regulatory requirements applicable to sustainability reporting (CSRD - Corporate Sustainability Reporting Directive).

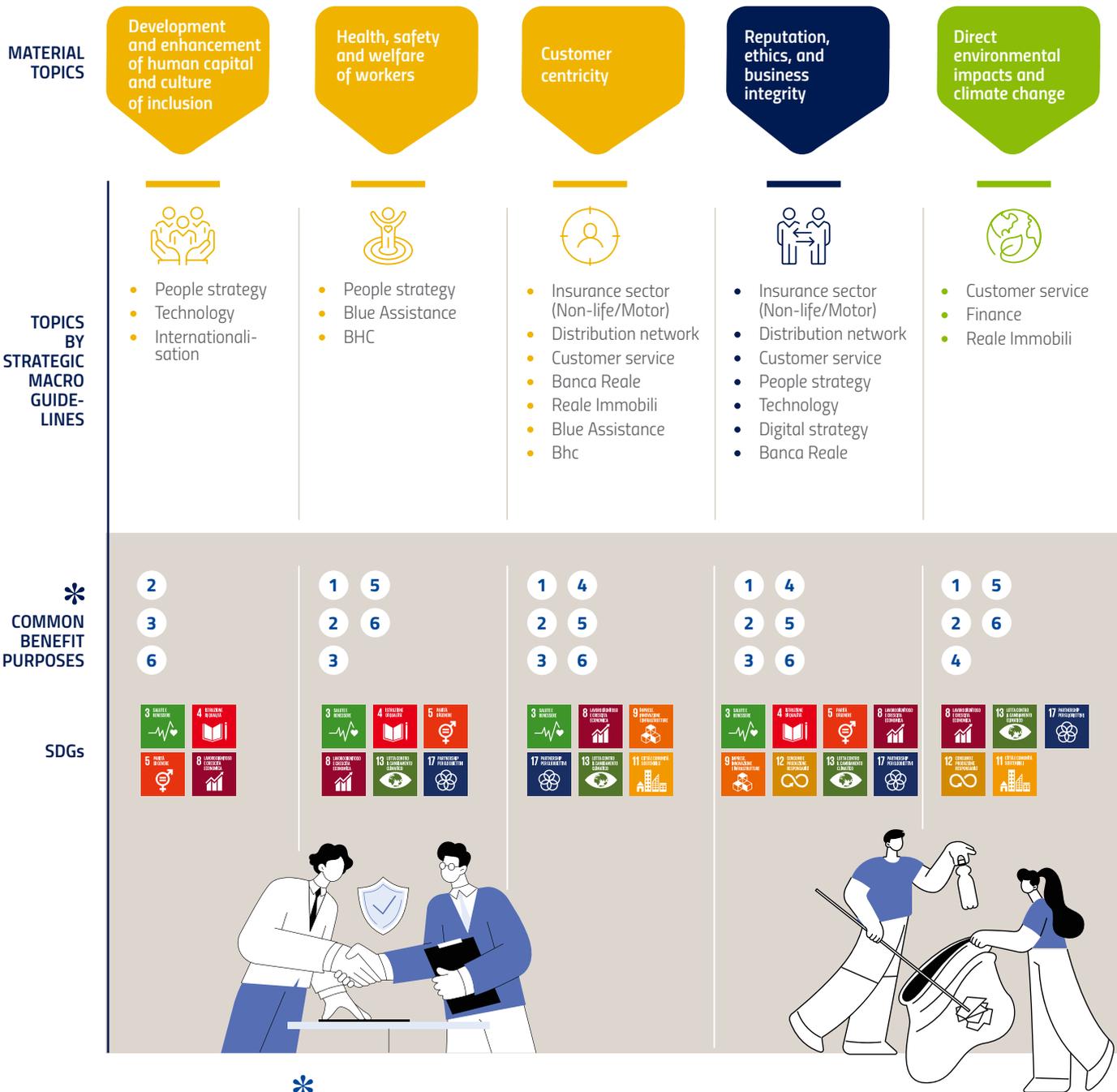
Therefore, some of the KPIs included in the original Plan were maintained as they reflected specific distinctive impacts of our identify as a mutual insurer which cannot be identified under the ESRS. Furthermore, these KPIs enable us to maintain a strong identity with respect to monitoring the outcomes related to our organisation.

In line with the process launched last year, Reale Mutua prepared the impact measurement plan with the support of Triadi, a leader in academic research, in order to guarantee the utmost compliance with regulatory requirements and the highest level of transparency and accountability on these issues.

In addition, pursuant to article 1.380 of Law no. 208/15, impact monitoring activities are supervised by the Impact Manager Virginia Antonini, the Director in charge of the Group's Sustainability Department, who is responsible for the functions and tasks of pursuing the common benefit of the Benefit Corporation.



# ESG integrated analysis and Group's strategic lines



**The 6 Common Benefit Purposes included in Reale Mutua By-laws**

**1. Offer** products and services that constantly improve the relationship with Members/Policyholders that generate economic, social, and environmental value and promote the mutualistic nature of the Company.

**2. Develop** projects and initiatives that promote health, well-being and inclusion.

**3. Support** the personal and professional growth of employees, collaborators and directors, including through training and cultural activities and the development of corporate welfare initiatives.



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Community support and impact philanthropy



- Customer service
- Reale Immobili
- BHC
- Internationalisation

Privacy & Cybersecurity



- Customer service
- Technology
- Digital strategy
- Banca Reale
- Blue Assistance

Importance of distribution channels



- Insurance sector (Non-life/Motor)
- Distribution network

Sustainable products and investments



- Insurance sector (Non-life/Motor)
- Distribution network
- Technology
- Finance
- Reale Immobili
- Banca Reale
- Blue Assistance
- BHC

Innovation and digital transformation



- Customer service
- Technology
- Digital strategy
- Banca Reale
- Blue Assistance
- BHC

Economic performance and creation of sustainable value



- Insurance sector (Non-life/Motor)
- Finance
- Reale Immobili
- International

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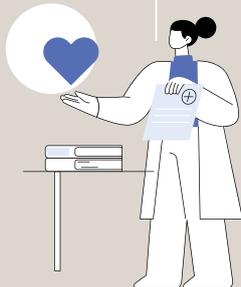
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**4. Mitigate** the environmental impacts of its activities, in order to contribute to protecting the environment and the ecosystem.

**5. Operate** responsibly and transparently vis-à-vis commercial partners and suppliers, by adopting preferential selection criteria for those parties that responsibly manage environmental and social impacts.

**6. Contribute** to implementing public interest projects, including in collaboration with public institutions, local authorities, companies and profit and non-profit parties, to create shared value for the local area and community.

## 4. Common Benefit Purposes - 2023 Results and Performance - 2024 Commitments

During 2021, Reale Mutua launched a path for determining specific “Common Benefit” Purposes that were included in the corporate purpose through a by-law amendment.

“Common Benefit” means the creation of one or more positive effects (or the reduction of negative ones) vis-à-vis individuals, communities and the environment, starting from one of the key principles of Mutuality, i.e., generating positive and measurable impacts vis-à-vis Members/Policyholders, but also all Stakeholders.

These Purposes were identified within the Company through a shared process that led to strategic and operational considerations which underpin the development of the Benefit Plan, and the impact assessment and measurement tool.

The **6 Common Benefit Purposes** included in Reale Mutua By-laws are shown below



### 6 Common Benefit Purposes



Offer

1. Offer products and services that constantly improve the relationship with Members/Policyholders that generate economic, social, and environmental value and promote the mutualistic nature of the Company.



Develop

2. Develop projects and initiatives that promote health, well-being and inclusion.



Support

3. Support the personal and professional growth of employees, collaborators and directors, including through training and cultural activities and the development of corporate welfare initiatives.



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Once again, some of the Company's main departments were involved in the definition of the 2024 Benefit Plan in order to better integrate the sustainability goals linked to the pursuit of the CBPs with the business objectives, considering various factors such as feasibility, estimated potential impact, the economic and human resources available and necessary, and Reale Mutua's business strategy, according to a model based on the continuous improvement of the activities/actions carried out (output KPIs) and impact indicators (outcome KPIs).

**4.** Mitigate the environmental impacts of its activities, in order to contribute to protecting the environment and the ecosystem.

**Mitigate**



**5.** Operate responsibly and transparently vis-à-vis commercial partners and suppliers, by adopting preferential selection criteria for those parties that responsibly manage environmental and social impacts.

**Operate**



**6.** Contribute to implementing public interest projects, including in collaboration with public institutions, local authorities, companies and profit and non-profit parties, to create shared value for the local area and community.

**Contribute**



Specifically, the process to define the 2024 activities was based on a series of specific discussion meetings held at the end of 2023 during the data collection period with the contact persons of the departments involved in order to analyse the commitments/goals, actions/activities and monitoring KPIs for 2024.

The Impact Manager submitted these findings, which are included in this Report, to the Group Sustainability Committee for information and approval.

In view of the significant regulatory change which will affect sustainability reporting and which will apply to our Company as of 1 January 2024 (CSRD), the Company will define the 2025-2026 Plan as follows:

- **collect the findings of the 2024 Double Materiality Analysis**, conducted in synergy with the Risk Assessment activities, in order to identify the materiality level of material topics in accordance with the CSRD;
- analyse the current Benefit Plan in order to consider a possible **reconciliation with the material topics envisaged by the ESRS**;
- **discuss and share the 2025-2026 Benefit Plan** during one of the periodic management meetings and during the meeting for the definition of the Three-Year Strategic Plan;
- **submit and have the 2025-2026 Benefit Plan approved by the Sustainability Committee**;
- **submit the 2025-2026 Benefit Plan to Reale Mutua's Board of Directors for its validation.**

The activities/actions taken by the Company during the year to pursue the six CBPs, the performance and results obtained, and the commitments for the year to come are described below.

As required by the Benefit Corporation regulations, the impact assessment area to which each individual Purpose contributes is also stated.



## Common Benefit Purpose

### Sustainable products and investments



Offer products and services aimed at continuously improving the relationship with Members/Policyholders that generate economic, social, and environmental value and promote the mutualistic dimension of the Company

#### Impact area

#### Members/ Policyholders

#### Material topics

- Customer centricity
- Reputation, ethics, and business integrity
- Direct environmental impacts and climate change
- Community support and impact philanthropy
- Privacy & Cybersecurity
- Importance of distribution channels
- Sustainable products and investments
- Innovation and digital transformation
- Economic performance and creation of sustainable value



#### Purpose

With this Purpose, Reale Mutua undertakes to design and develop innovative and accessible impact products and services, to expand the group of potential Members/Policyholders, ensuring them wide accessibility and inclusivity and protecting, with a fully mutual spirit, all categories of policyholders.

ACTIONS	2022 ACTUAL	2023 ACTUAL
Brand Reputation measurement	Brand Reputation index (Reale Group): 69.2 pt	Reale Group: 68.6 pt (-0.6 pt compared to 2022) Reale Mutua: 66.8 pt <sup>3</sup>
Development and promotion of products with sustainability features (in accordance with the "Group Guidelines for the Classifying Sustainable Products")	<p>A round table was launched to define the "Group Guidelines for Classifying Sustainable Products", an internal classification document that will streamline the portfolio and develop new, sustainable products.</p> <p>Two sustainable, multi-class products were launched with a specific environmental and/or social benefit: 1) "Multipower Reale Doppio Vantaggio Sostenibile"; 2) "Multipower Reale ESG". The "Pedala Start&amp;Stop" product was launched. This is the first digital native product designed specifically for bicycles and scooters.</p> <p>Monitoring of the premium income and number of customers who purchase products with sustainability features also began.</p>	<p>In 2023, the "Group Guidelines for Classifying Sustainable Products" was formalised and updated to reflect regulatory changes.</p> <p>During the year, the number of products with a specific environmental or social benefit increased in accordance with the "Group Guidelines for Classifying Sustainable Products".</p> <p>Below are the new products launched in 2023 that comply with these features:</p> <p>"<b>Opportunità Reale Doppia Gestione</b>", an insurance investment solution with two underlying segregated accounts. The product is classified under article 8 of the SFDR.</p> <p>"<b>Straordinaria Reale</b>", a segregated account 50% comprised of a specific pool of assets and 50% related to the "Reale Uno" fund whose components are classified under article 8 of the SFDR.</p>

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<sup>3</sup> The Brand Reputation Index refers to the Parent only. Its measurement began in December 2022.

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ACTIONS	2022 ACTUAL	2023 ACTUAL
<p>&gt;&gt; continued</p> <p><b>Development and promotion of products with sustainability features (in accordance with the "Group Guidelines for the Classifying Sustainable Products")</b></p>	<p>&gt;&gt; continued</p> <p>A round table was launched to define the "Group Guidelines for Classifying Sustainable Products", an internal classification document that will streamline the portfolio and develop new, sustainable products.</p> <p>Two sustainable, multi-class products were launched with a specific environmental and/or social benefit: 1) "Multipower Reale Doppio Vantaggio Sostenibile"; 2) "Multipower Reale ESG". The "Pedala Start&amp;Stop" product was launched. This is the first digital native product designed specifically for bicycles and scooters.</p> <p>Monitoring of the premium income and number of customers who purchase products with sustainability features also began.</p>	<p>"<b>Multipower Reale ESG</b>", a multi-class product 100% classified under article 8 of the SFDR where the underlying, Segregated Accounts and Fund, proactively include ESG criteria in their investments, excluding issuers that are not adequately focused on sustainability factors and privileging issuers that are characterised by their positive standing on ESG issues.</p> <p>"<b>Realmente Sereno</b>", a long-term care whole-life solution that pays a monthly life annuity in the case of loss of self-sufficiency, contributing to preserving an adequate standard of living, both for those who are no longer self-sufficient and their caregivers.</p> <p>"<b>RealmenteInSalute DayByDay</b>", a health insurance policy for those who rely on the National Health Service ("NHS") for hospitalisation. The product supplements the NHS with a daily allowance for hospitalisation and guarantees reimbursement or payment for check-ups and diagnostic tests if carried out at private facilities. It also offers the possibility of accessing specialist video consultations, to manage health issues remotely.</p>
Premium income from products with sustainability features (out of total premium income)	—	€530,940,819.36 (18.8% of total premium income)
No. of customers who purchased products with sustainability features (out of the total number of customers who took out at least one new policy during the year)	—	13,139 customers (5.1% of the total number of customers who took out at least one new policy during the year)
Customer Experience Measurement (Net Promoter Score)	Net Promoter Score (NPS): 54.9 (ranging between +100 - 100)	53.86 (ranging between +100 - 100)
Development of a NPS sub-index to monitor customer satisfaction in relation to the products with sustainability features that were launched during the year.	—	75.3 (ranging between +100 - 100)

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ACTIONS	2022 ACTUAL	2023 ACTUAL
Development and promotion of supplementary welfare products for customers and businesses	Monitoring of the following indicators began: 1) number of agencies that sell welfare products; 2) welfare product premiums collected out of total premium income; 3) total customers who purchase welfare products and total number of customers who took out at least one new policy during the year.	1) <b>372 agencies</b> (out of 389) sell supplementary welfare products.  2) €240,206,577 ( <b>8.5% premiums collected</b> from supplementary welfare products)  3) 26,526 customers ( <b>10.3% of the total number of customers</b> who took out at least one new policy during the year).
Development of specific products to encourage insurance inclusion and access to prevention and increased awareness and training in the adoption of risk-reducing behaviour in health and welfare and conscious risk management by promoting environmentally sustainable behaviour.	As part of the Group's new strategic plan, this activity will be flanked by cross-cutting work groups in order to integrate insurance products and services.  The number of products in portfolio is constantly monitored in accordance with the "Group Guidelines for Classifying Sustainable Products".	Reale Mutua has renewed its Long Term Care offer by redesigning the <b>Realmente Sereno</b> product, a whole-life solution that pays a monthly life annuity in the case of loss of self-sufficiency. The product contributes to preserving an adequate standard of living, both for those who are no longer self-sufficient and their caregivers.

## Commitments 2024



- Increase the number of products with sustainability features.**
- Increase premium income from products with sustainability features** out of total premium.
- Increase the number of customers** who purchased products with sustainability features.
- Gradual increase in customer satisfaction** for products with sustainability features.
- Increase the number of agencies that sell supplementary welfare products.**
- Increase supplementary welfare product premiums collected** (out of total premium income).
- Increase the number of customers** who purchase supplementary welfare products (out of total customers in the portfolio).
- Launch projects to design non-life products** in line with the **Green Taxonomy** (Reg. 852/2020).
- Increase the number of ESG banking products** in the list available to Banca Reale branches and Reale Mutua and Italiana Assicurazioni agencies.
- Increase Banca Reale commitments to goals** linked to environmental sustainability **and social issues.**
- Increase the number of female customers** of Reale Mutua and Italiana Assicurazioni who purchased banking and financial products and services from Banca Reale.

## Common Benefit Purpose



Develop projects and initiatives aimed at promoting health, well-being, and inclusion

### Impact area Employees

#### Material topics

- Development and enhancement of human capital and culture of inclusion
- Health, safety and welfare of workers
- Customer centricity
- Reputation, ethics, and business integrity
- Direct environmental impacts and climate change
- Community support and impact philanthropy
- Privacy & Cybersecurity
- Importance of distribution channels
- Sustainable products and investments
- Innovation and digital transformation
- Economic performance and creation of sustainable value



#### Purpose

With this Purpose, Reale Mutua undertakes to protect and enhance the diversity of its Employees and Collaborators, encouraging their self-expression in a work environment respectful of the characteristics and specificities of the individual; the Company recognises and responds to the needs of the "Other", expressing their vocation as a dynamic organisation that protects the mental and physical well-being and the health of its People.

ACTIONS	2022 ACTUAL	2023 ACTUAL
Increase in hiring under 30s	35 new hires under 30, or 37.6% of the total new hires (+16.9% compared to 2021).	22 new hires under 30s, or <b>45.8%</b> of the total new hires (+8.2% compared to 2022).
Determination of the staff selection process in terms of gender equity and balance.	55 women hired, or 59.1% of the total of new hires (+47.4% compared to 2021).	25 women hired, or <b>52.1%</b> of the total of new employees, (-7% compared to 2022).
Implementation of middle manager and manager promotion policies based on merit that ensure gender equity aimed at reducing disparity in men's and women's career progression.	57.9% women promoted to middle management positions out of total promotions in this bracket. 33.3% women promoted to management positions out of total promotions to management positions in this bracket.	<b>46.2% women promoted to middle management</b> positions out of total promotions.  During the year, in Reale Mutua, one woman was promoted to a management position.  The percentage of women holding middle management positions rose to 29.1%, compared to 27.4% in the previous year (+1.7%).  <b>The percentage of women holding management positions rose to 18.3%</b> , compared to 16.9% in the previous year (+1.4%).

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ACTIONS	2022 ACTUAL	2023 ACTUAL
Adoption of measures aimed at pay equity between men and women.	Monitoring of Gender Pay Equity began <sup>4</sup> .	% gender Pay Equity: -24.1 <sup>5</sup>
Identification of women with great potential to guide towards a career path.	Development paths addressing women with high potential were launched <sup>6</sup> .	HiPo paths were set up for all high-potential women, with a total of <b>38 paths launched</b> during the year. <b>91% of the succession plans</b> for key senior management roles included at least one woman.
Measurement of employees' sense of well-being and belonging.	The "Great Place To Work® Italia 2022" certification was obtained. The "Trust" indicator <sup>7</sup> stands at 66 (stable compared to 2021). The "Respect" indicator <sup>8</sup> stands at 69 (+1 compared to 2021).	The " <b>Great Place To Work® Italia 2023</b> " certification was awarded (survey participation showed an 84% response rate). <b>Trust Index:</b> 65 (-1 pt compared to the previous year). <b>"Respect" indicator: 68</b> (-1 pt compared to the previous year).
Measurement of employees' perception of inclusion.	Monitoring of the "Inclusion impact index" began <sup>9</sup> .	<b>"Inclusion Impact Index": 52.6</b> (+0.4 pt compared to the previous year).
Monitoring the abandonment rate of women coming back from maternity leave.	A monitoring system for the abandonment rate of women coming back from maternity leave was introduced.  There are no cases of dismissals/firings of employees coming back from maternity leave during the year to be reported.	There are no cases of dismissals/firings of employees coming back from maternity leave during the year to be reported.
Setting up of a "Diversity&Inclusion" Committee.	The "Reale Equality" Community was set up.  A Group Policy dedicated to diversity issues was prepared.  The Equality Transformation Group was set up.	<b>The Equality Transformation Group (ETG)</b> operates within the Gender Equality Project launched in 2022. Its aim is to make the organisation more equitable, open and inclusive, using the gender mix as a competitive factor.  Among the main actions carried out in 2023, the ETG drafted and oversaw the Annual Action Plan, monitoring the implementation phases and designing and implementing the first internal communication campaigns.  In addition, the ETG launched the Inclusion Impact Index Plus Survey, which maps and measures Diversity, Equity and Inclusion policies, as well as the process for Gender Equality Certification, in accordance with the UNI 125:2022 standard.

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- <sup>4</sup> The RAL (gross annual salary) pay gap by gender was calculated as the difference between the average RAL of women and the average RAL of men, compared to the average RAL of men.
- <sup>5</sup> This indicator shows the calculation of the overall pay gap without considering the differences in terms of role and experience. In practice, a "pyramid pay" is in place that favours men holding positions of greater responsibility. A comparison of men and women pay on a like-for-like basis, such as employment level and seniority, would reveal a marginal gap.
- <sup>6</sup> The Hi-Po Program identifies people with great potential not yet fully realised and assists the development of a policy that is more sensitive to diversity and inclusion in people management.
- <sup>7</sup> Great Place to Work survey indicator that measures the corporate climate and index of trust in the company
- <sup>8</sup> Great Place to Work survey indicator that measures the focus on professional development, involvement, and care for Employees.
- <sup>9</sup> Index developed by Valore D that provides a complete framework of Diversity, Equity, and Inclusion (DEI) policies in the company.

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ACTIONS	2022 ACTUAL	2023 ACTUAL
<p>&gt;&gt; continued</p> <p><b>Setting up of a "Diversity&amp;Inclusion" Committee.</b></p>	<p>&gt;&gt; continued</p> <p>The "Reale Equality" Community was set up.</p> <p>A Group Policy dedicated to diversity issues was prepared.</p> <p>The Equality Transformation Group was set up.</p>	<p>Furthermore, the <b>gender equality certification</b> entails the development of a Policy that reflects Reale Mutua's strategic focus in this area.</p> <p>Finally, the <b>"Reale Equality"</b> initiatives were monitored to entrust the task of prompting cultural change on inclusion and diversity to an online community, focusing, in particular, on gender-related issues.</p>

## Goals 2024



1. **Start the process to obtain the Certification of Gender Equality** with the publication and dissemination of a gender equity policy, including through the Community Reale Equality tool which will be used to further disseminate the policy and engage people.
2. **Review the Gender Equality Steering Committee** prior to obtaining the relevant Certification.
3. **Maintain the Great Place to Work certification.**
4. **Ensure equality in the career progression of men and women** through regular data monitoring in order to assess progress and identify areas for improvement, and committing to constantly improve the number of women holding middle management and management position.
5. **Launch the new portal for the promotion of Well-being services.**
6. **Implement the Health Prevention Programme.**
7. **Launch the Nutritional Education Programme.**
8. **Launch the pilot project offering tampon kits** in company toilets.
9. **Replicate the flu vaccine** campaign.
10. **Maintain a high level of attention on occupational safety and work-related stress.**



## Common Benefit Purpose



Support the personal and professional growth of employees, collaborators and directors, including through training and cultural activities and the development of corporate welfare initiatives

### Impact area Employees

#### Material topics

- Development and enhancement of human capital and culture of inclusion
- Health, safety and welfare of workers
- Customer centricity
- Reputation, ethics, and business integrity
- Community support and impact philanthropy
- Privacy & Cybersecurity
- Sustainable products and investments
- Innovation and digital transformation
- Economic performance and creation of sustainable value



#### Purpose

With the third Common Benefit Purpose, Reale Mutua undertakes to strengthen and promote the professionalism of its people through continuous training, with the goal of developing new knowledge and encouraging innovative and efficient working methods. The Company is developing a corporate culture based on enhancing the professionalism and talents of each individual, with a view to creating a pleasant and stimulating, collaborative and flexible work environment in relation to the needs, inclinations, and personal and professional development goals of its Employees and Collaborators.

ACTIONS	2022 ACTUAL	2023 ACTUAL
Involvement of Employees in extracurricular activities with general/social purposes.	<p>29 Employees joined corporate volunteering schemes (-51% compared to the previous year).</p> <p>436 hours donated (-65%).</p> <p><i>This significant decrease is due to the exceptional commitment offered by volunteer employees in the Reale Hub CV-19 during 2021 (9,580 hours donated by more than 200 volunteers).</i></p> <p>1,002 Ordinary members enrolled in the Company Recreational Centre (CRAL) (+5% compared to 2021) and 1,115 family members (+10.8% compared to 2021).</p>	<p>13 Employees joined corporate volunteering schemes (-41.4% compared to the previous year)</p> <p>159.5 hours donated (-63.4% compared to the previous year).</p> <p><i>The reasons for the decrease are twofold: on the one hand, a reorganisation of the offer and the availability of host associations, which underwent significant organisational changes following the new post-Covid protocols; On the other, the expansion of the scope of the corporate volunteering scheme, which will be extended to the whole country.</i></p> <p><b>1,021 Ordinary members enrolled in the Company Recreational Centre (CRAL) (+1.9% compared to 2022) and 1,205 family members (+8% compared to 2022).</b></p>
	<p>1,080 Employees subscribing to the "Company Solidarity" fund<sup>10</sup> (91% of total Employees)</p>	<p><b>1,093 Employees subscribing to the "Company Solidarity" fund (+1% compared to 2022)</b></p>

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<sup>10</sup> This mechanism ("mutual in the mutual") financially assists colleagues who, having exceeded the contractually-agreed terms for absence due to sickness or injury, lost their right to remuneration.

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ACTIONS	2022 ACTUAL	2023 ACTUAL
<p>Delivery of training on issues impacting the environment and society via courses/workshops/meetings.</p>	<p>443 training courses delivered by the Group Academy Training School for Employees, <b>31 of which covered ESG issues</b> (+1.7% compared to 2021).</p> <p><b>3,631 hours</b> of courses on ESG issues (-5% compared to the previous year).</p> <p><b>2,589 participants</b> (+6.5% compared to 2021).</p> <p><b>557 Employees</b> participating in courses on Well-being issues (+2.2% compared to 2021).</p> <p><b>2,869 hours of courses on Well-being issues</b> (+5% compared to 2021).</p> <p>Overall approval rating of the courses delivered by the Academy: 81 points (out of 100).</p>	<p>520 training courses delivered by the Academy, of which: <b>56 covering ESG issues</b> (+12.5% compared to 2022).</p> <p>655 hours of training on ESG issues (+83.3%)</p> <p><b>3,695 participants</b> (+42.7% compared to the previous year)</p> <p><b>2,193 Employees</b> participating in courses on Well-being issues (+394% compared to 2022).</p> <p><b>3,882 hours of training on Well-being issues</b> (+35% compared to 2022)</p> <p><b>Overall approval rating 81.8%</b> (+0.8% compared to the previous year)</p>
<p>Delivery of training courses to support new Leadership, with goals for developing behavioural skills that encourage collaborative and inclusive leadership throughout all levels of the organisation.</p>	<p>The following training courses for the Corporate Bodies and Senior Management were delivered:</p> <ul style="list-style-type: none"> <li>● "IFRS Project: 2022-2024 Reale Group Plan and development of performance indicators";</li> <li>● "The evolution of the development processes for the insurance offering in light of the implementation of the POG regulations and Value for Money of products".</li> <li>● "Sustainability Seminar" (seminar also extended to Delegates).</li> </ul> <p><b>309 people</b> including Employees (and Managers), Temporary workers, and Interns were involved in training courses for "a new Leadership", for a total of <b>3,119 training hours</b>.</p> <p>Increase from 71% to <b>94%</b> of Managers trained.</p> <p>The "Digital Breakfast" Project was launched, with regular digital events for dialogue with Management on change management issues.</p> <p>The "Mindfulness in Action" Project continued: thematic paths open to all Employees to practise the benefits of Mindfulness.</p>	<p>The following training courses for the Corporate Bodies and Senior Management were delivered:</p> <ul style="list-style-type: none"> <li>● "General macroeconomic scenario: inflation, interest rates and Reale Group's strategy" (2h, 79% redemption rate)</li> <li>● "Artificial Intelligence" (AI) (2h, 60%)</li> <li>● "Phase 2 internal model and pre-application" (workshop for the Corporate Bodies of the Group's Italian insurance companies) (1.20h, 97%)</li> <li>● "Ambition Letter and Budget Letter: Reale Group strategies, priorities and objectives" (4h, 80%)</li> <li>● "The new sustainability challenges and strategies of Reale Group" (2.20h, 63%)</li> <li>● "The Agency of the future: how the Agency architecture is changing" (2h, 63%)</li> <li>● "Explore AI - Artificial Intelligence and Cybersecurity" (webinar also extended to Delegates) (1.5h, 65%)</li> <li>● "Catastrophe and climate risks: new challenges in relation to climate change" (2h, 65%)</li> <li>● "Health" (workshop also extended to Delegates) (2h, 64%)</li> </ul> <p>The training offer to support new leadership has been expanded with new courses that help middle management to make decisions in the midst of complexity, adopt a relational approach facilitating team creation and consolidation, and enhance their well-being skills by taking care of themselves and the team.</p> <p><b>416 people</b> (+34.6% compared to the previous year) including Employees (and Managers), Temporary workers, and Interns were involved in training courses for "a new Leadership", for a total of <b>3,669 hours</b> of training (+17.6% compared to the previous year).</p> <p><b>99,2% Managers trained</b> (+5.2% compared to 2022).</p>

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ACTIONS	2022 ACTUAL	2023 ACTUAL
<p>&gt;&gt; continued</p> <p><b>Delivery of training courses to support new Leadership, with goals for developing behavioural skills that encourage collaborative and inclusive leadership throughout all levels of the organisation.</b></p>	<p>&gt;&gt; continued</p> <p>The following training courses for the Corporate Bodies and Senior Management were delivered:</p> <ul style="list-style-type: none"> <li>● "IFRS Project: 2022-2024 Reale Group Plan and development of performance indicators";</li> <li>● "The evolution of the development processes for the insurance offering in light of the implementation of the POG regulations and Value for Money of products";</li> <li>● "Sustainability Seminar" (seminar also extended to Delegates).</li> </ul> <p><b>309 people</b> including Employees (and Managers), Temporary workers, and Interns were involved in training courses for "a new Leadership", for a total of <b>3,119 training hours</b>.</p> <p>Increase from 71% to <b>94%</b> of Managers trained.</p> <p>The "Digital Breakfast" Project was launched, with regular digital events for dialogue with Management on change management issues.</p> <p>The "Mindfulness in Action" Project continued: thematic paths open to all Employees to practise the benefits of Mindfulness.</p>	<p>The "<b>Innovation Bites</b>" meetings on the culture of innovation, held entirely in streaming, continued; this year's topic was "<b>data culture</b>", which is central for a company that plans to become a Data Driven Company.</p> <p>The "<b>Digital Breakfast</b>" project continued with digital meetings with management to discuss change-related issues (e.g., generative Artificial Intelligence).</p> <p>The "<b>Mindfulness in Action</b>" Project continued: theme-based paths open to all Employees to practise the benefits of Mindfulness.</p>
<p><b>Communication and engagement to increase awareness on sustainability issues and, in general, the exchange of good practices with a cross-fertilisation approach among the different business areas.</b></p>	<p>—</p>	<p>Great Place to Work survey Pride Dimension indicator (compared to the previous year): 67 pt (-2 pt compared to 2022)</p>

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ACTIONS	2022 ACTUAL	2023 ACTUAL
<p>Launch cross-business training laboratories and exchange of good practices with a cross-fertilisation approach among the different business areas.</p>	<p>—</p>	<p>During the year, the changes that affected the employment market and our sector made it necessary to revise the focus on the strategic guidelines that qualify the Group's "People strategy 2023", to the extent of the "New ways of working" topic.</p> <p>Three main streams were developed in terms of <b>cross fertilisation</b>:</p> <ol style="list-style-type: none"> <li>1. The progressive dissemination of the <b>Agile methodology</b>, business improvement projects with a matrix-based working scheme and, finally, the intergenerational comparison.</li> </ol> <p>The Agile methodology transforms the business and IT sectors into Agile teams that develop solutions in accordance with the Agile/Scrum methodology, using working schemes based on greater autonomy, widespread responsibility and sharing.</p> <ol style="list-style-type: none"> <li>2. The <b>matrix-based work</b> is a model developed as part of the Group Transformation Programme, in which four vertical thematic streams (Motor, Non-Motor, Life and Welfare) relate and co-generate transformation files by closely cooperating with eight other cross-departmental functions, such as Networks, Payments, Customer centricity, Data driven, Digital transformation, etc.</li> <li>3. The <b>intergenerational comparison</b>: this activity was carried out thanks to Generational tandem, a side-by-side pathway, whereby senior and junior tutors exchange points of view, value differences in age and experience and develop skills with a cross-cutting vision. The aim of the project was to foster the inclusion of new generations, enhancing the communication skills and technological know-how of senior tutors, expanding the personal network and thinking about the development of junior tutors, in addition to transmitting commitment and values. Around 60 colleagues from all over the Group met in classrooms for three-day face-to-face training.</li> </ol>
<p>Valuing, promoting, and developing a culture of well-being for Employees</p>	<p>A Well-being department was set up in order to promote an internal context that improves the well-being of people, their participation in company development processes, and their engagement.</p> <p>During the year, the department analysed the benefits and services currently offered to the Group's employees in order to plan a first-prevention service and take care of health holistically, with a set of initiatives aimed at promoting behaviours in order to stay healthy.</p>	<p>The implementation of a <b>monitoring system aimed at listening to and identifying the needs of colleagues</b> is one of the strategic assets of the <b>Corporate Well-being</b> department which was set up in the second half of 2022.</p> <p>During the year, the pillars of the department were defined, namely its strategic vision, the work model, the survey of the many well-being institutions that, for years, have characterised the welfare offer within the Reale Group ecosystem.</p> <p>The focus of the model's creation phase was on the legal entities of the Italian Group with a view to customisation based on the peculiarity of infrastructures, contract specifications and the needs of individual countries.</p> <p>During the start-up phase, after creating a specific storytelling area in Reale, a technological platform was identified in order to develop a better employee experience with respect to the use of services and benefits. Furthermore, awareness-raising campaigns and systematic listening schemes were carried out via the instant pooling function, a listening method that will be flanked by the results of specific surveys and focus groups for in-depth checks.</p> <p>The platform, which is currently being fine-tuned, will be deployed in the first half of 2024.</p> <p>At the same time, several initiatives were carried out, focused, in particular, on health.</p> <p>This includes, for example, the anti-flu campaign which, in October, delivered approximately 1,300 vaccines to employees and their families, in the Group's main offices in Italy. This was followed by the launch of the "Virtual Hospital" in November, which provides a series of health-related services.</p>

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Letter from the Impact Manager

Methodological notes

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ACTIONS	2022 ACTUAL	2023 ACTUAL
Increase in the measures which help employees to obtain high-end training certificates and develop professional skills (for example, degrees and master's degrees).	—	The higher education initiatives and schemes offered to colleagues were based on the company-level employees' agreements which provide for study support measures. These include, in particular, examination leave and leave to attend universities or master's degree courses. The renewal of contracts in 2022 confirmed all the existing study support measures already in place for 2023.  Furthermore, the Corporate University Academy offer was integrated, including in its course catalogue various high-end training courses organised in collaboration with several leading local institutes, in order to improve both the technical and managerial skills of colleagues.
Communication and engagement to increase awareness of sustainability issues.	Reale Foundation Employees Contest "OurPeople4People 2022": 25 candidate projects, 175 voting Employees, 11,859 votes.	Reale Foundation Employees Contest "OurPeople4People 2023": 16 candidate projects, 12,272 voting Employees, €40,000 disbursed.

## Objectives 2024



- Facilitate the entry of new employees** through onboarding schemes and encourage exchange and sharing between generations.
- Promote job rotation** and increase the number of international experiences.
- Foster the development of an international culture** and the dissemination of information on all countries in which the Group operates to raise awareness of the different conditions.
- Assist those involved in the Strategic ESG Project** through change management initiatives.
- Raise awareness of the emerging topic of artificial intelligence** and its responsible and ethical use.
- Launch the Caregiving service** and engage the corporate population.
- Create individual development plans** with colleagues and line managers, based on their key strengths and development areas.
- Continue the GOAT Project for the under 35.**

## Common Benefit Purpose



Mitigate the environmental impacts of activities in order to contribute to protecting the environment and ecosystem

### Impact area Environment

#### Material topics

- Customer centricity
- Reputation, ethics, and business integrity
- Direct environmental impacts and climate change
- Community support and impact philanthropy
- Privacy & Cybersecurity
- Sustainable products and investments
- Innovation and digital transformation
- Economic performance and creation of sustainable value



#### Purpose

The issues of caring for and respecting the environment are focused on reducing the environmental impact of Company activities through measures that integrate sustainability components into the processes, products, and investments in order to disseminate and support ethical and resilient behaviours.

ACTIONS	2022 ACTUAL	2023 ACTUAL
Increase in the allocation of financial resources in accordance with art. 9 of the SFDR (Sustainable Finance Disclosure Directive) regulations.	Total value of investments in EU financial products under art. 9 pursuant to the SFDR Regulation out of the Entire Portfolio of Reale Mutua: €49,573,691.11 (0.5% out of the total portfolio).	<p>In 2023, both the implementation of the SFDR (Sustainable Financial Disclosure Regulation) Level 2 regulatory technical standards and the regulatory clarifications on the investments underlying art. 9 products led management companies to reclassify their funds, including downgrading their dark green products to light green, hence from art. 9 funds under the SFDR to art. 8 funds.</p> <p>This reclassification led to a reduction in the number of art. 9 instruments in our portfolios which, at the end of December 2023, numbered 24,849,429.60 (or 0.2% of the total portfolio).</p> <p>However, in order to contribute positively to the environmental impact generated by our portfolio, the percentage invested in green bonds was increased as part of the impact investing strategy envisaged in Reale Group's Sustainable Securities Investment Policy.</p> <p>The <b>green bond</b> in portfolio rose from €511 million at the end of 2022 to €635 million at 31 December 2023, up by <b>approximately 24%</b>.</p> <p>The increase on the total securities portfolio was equal to approximately 2%.</p>
Reduction in CO <sub>2</sub> emissions	1,695.09 tonnes of direct (Scope 1) and indirect (Scope 2) emissions of GHG (- 7.8% compared to 2021). 757 tonnes of indirect emissions (Scope 3) estimated on the share of business travel and home-work trips of RMA estimated workforce.	<p><b>1,600.49 tonnes of direct</b> (Scope 1) and indirect (Scope 2) emissions of GHG (-5.9% compared to 2022)<sup>11</sup>.</p> <p><b>1,035 tonnes of indirect emissions</b> (Scope 3) estimated on the share of business travel and home-work trips of RMA estimated workforce (+37% compared to 2022).</p>

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<sup>11</sup> Scope 1 includes thermal consumption and the use of Reale Mutua car fleet.



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ACTIONS	2022 ACTUAL	2023 ACTUAL
<b>Gradual replacement of the corporate fleet with hybrid vehicles</b>	59.2% of RMA car fleet is composed of low-impact cars (electric, mild hybrid, full hybrid, and plug-in).	<b>73.6% of RMA car fleet</b> is composed of low-impact cars (+14,4% compared to the previous year).
<b>Actions for rationalising consumption in RMA headquarters</b>	<p>Starting in July 2022, various activities were launched in order to reduce consumption and the environmental impact of the office headquarters in Turin, Milan, and Udine:</p> <ul style="list-style-type: none"> <li>● Technical actions (regulation of the setting up of systems, closure of one of the two headquarters in Turin on Fridays, and switching-off the building signs starting from 11:30 p.m.);</li> <li>● “Beelly” communication campaign that promotes a balanced use of resources and a culture focused on reducing waste.</li> </ul> <p>The partial closure of the headquarters from 21 October to 31 December 2022 led to savings of approximately 59 thousand Kilowatt and of 30,000 m3.</p>	<p>As part of the Reale Immobili Facility Office scheme, the following actions were implemented in order to reduce the environmental impact of RMA main Italian offices:</p> <ul style="list-style-type: none"> <li>● geothermal energy</li> <li>● increase in wall box systems</li> <li>● strengthening the BMS management system</li> <li>● office renovation for NewNow</li> <li>● relamping CRAL football pitch</li> <li>● expand the surface area of photovoltaic panels at CRAL to increase the quantity of self-produced energy</li> </ul>
<b>Application of the GRESB Rating to the real estate portfolio of Reale Immobili.</b>	Reale Immobili has carried out a <i>Gresb (Global Real Estate Sustainability Benchmark) pre-assessment</i> in order to understand its positioning in terms of ESG performance in the international market scenario.	<p>Gresb 2023 official score ratings</p> <ul style="list-style-type: none"> <li>● <b>total PERFORMANCE score (69/100)</b> (Gresb average 75/100)</li> <li>● <b>total DEVELOPMENT score (84/100)</b> (Gresb average 83/100)</li> </ul>
<b>Mitigation of the depletion of natural resources.</b>	<p>Monitoring of electricity and water consumption and of waste produced (paper and toners) began.</p> <p>The commuting policy was updated, including incentives to use public transport.</p>	<p>The ‘Nando’ the smart bin pilot project was launched, developed by the Re Learn start-up which, by exploiting artificial intelligence and robotics, is able to identify and facilitate the sorting of the waste placed in it, in order to contribute to improving separate waste collection.</p> <p>Launch of the “<b>Re-Cig</b>” pilot project for the recycling of cigarette butts, in order to recover and reuse the plastic included therein.</p>

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ACTIONS	2022 ACTUAL	2023 ACTUAL
Business trips	<p>Monitoring of km travelled for business trips began:</p> <ul style="list-style-type: none"> <li>● 3.3 million km travelled by plane for business trips (1 million in 2021);</li> <li>● 5.5 million km by train (3 million in 2021);</li> <li>● 3.2 million km by car (data not measured in 2021);</li> <li>● 12 million total km travelled for business trips.</li> </ul> <p><i>The increase in km travelled for trips in 2022 was due to the recovery of travel after the mobility restrictions during the COVID-19 pandemic.</i></p>	<p>Km travelled for business trips are as follows:</p> <ul style="list-style-type: none"> <li>● 3.9 million km travelled by plane for business trips (+18%);</li> <li>● 5.7 million km travelled by train (+4%);</li> <li>● 3.6 million km travelled by car (+12%);</li> <li>● 13.2 million total km travelled for business trips.</li> </ul>
Training and awareness-raising schemes aimed at changing Employees' mobility attitudes.	<p>In 2022, the home-work questionnaire was distributed to Employees. 1,169 Employees filled in the questionnaire; of these, 735 declared using sustainable means of transport</p>	<p>In 2023, the home-work questionnaire was distributed to 1,207 Employees; of these, 738 declared using sustainable means of transport, in line with the previous year</p>

## Goals 2024



- 1. In 2024, we will continue to focus on the increase in impact investing securities**, possibly considering, in addition to the environmental aspect, social and sustainability bonds, in order to anticipate the market trends that could result from the publication of the Social Taxonomy
- 2. Launch a pilot project for energy transition services** for Reale Mutua and Italiana customers, specifically SMEs and multi-apartments buildings
- 3. Test a digital platform to streamline the management of multi-apartments buildings** in terms of consumption, spaces and community engagement
- 4. Confirm the gradual consumption efficiency** at RMA offices
- 5. Confirm the gradual replacement of the company fleet** with low-impact vehicles
- 6. Ongoing monitoring of consumption with a view to optimisation and reduction** via targeted actions (systems, architecture and behaviour) for RMA offices, in order to improve on 2023 figures
- 7. Ongoing monitoring of waste** with a view to optimisation and reduction compared to 2023 figures
- 8. Improve the Gresb rating** by pursuing real estate portfolio actions (green certifications, Net Zero Carbon Policy, physical risk monitoring, improvement of relationships with stakeholders)



## Common Benefit Purpose



**Operate in a responsible and transparent way vis-à-vis commercial partners and suppliers, adopting preferential selection criteria for parties that responsibly manage environmental and social impacts**

### Impact area Supply chain

#### Material topics

- Health, safety and welfare of workers Customer centricity
- Reputation, ethics, and business integrity
- Direct environmental impacts and climate change
- Community support and impact philanthropy
- Privacy & Cybersecurity
- Importance of distribution channels
- Sustainable products and investments
- Innovation and digital transformation
- Economic performance and creation of sustainable value



#### Purpose

With the fifth Common Benefit Purpose, Reale Mutua undertakes to ensure sustainable management of its supply chain and all the procurement, production, and distribution processes directly driven by the company or attributable to it through its Suppliers and network of commercial and operational partners.

ACTIONS	2022 ACTUAL	2023 ACTUAL
Assessment of the social and environmental impact of suppliers.	<p>An ESG assessment of 123 active suppliers registered with the Suppliers Register, selected according to the principle of Purchase Orders (&gt; 50k for the Group and &gt; 10k for Reale Immobili) began, in collaboration with Consorzio ABC - Procurement &amp; Cost Management.</p> <p>Results of the ESG rating conducted in 2022:</p> <ul style="list-style-type: none"> <li>• 49 Suppliers out of 123 are ESG+++ (40%);</li> <li>• 29 Suppliers ESG++ (24%);</li> <li>• 25 Suppliers ESG+ (20%);</li> <li>• 20 Suppliers ESG 0 (16%).</li> </ul>	<p>The ESG assessment carried out in 2023 by Consorzio ABC was extended, covering 206 Suppliers (15% Active Suppliers in 2023). ESG Rating:</p> <ul style="list-style-type: none"> <li>• 88 Suppliers out of 206 are ESG+++ (43%)</li> <li>• 50 Suppliers out of 206 are ESG++ (24%)</li> <li>• 39 Suppliers out of 206 are ESG+ (19%)</li> <li>• 29 Suppliers out of 206 are ESG 0 (14%)</li> </ul> <p>At the same time, in collaboration with the Group Risk Governance and Group Sustainability departments, the need to develop a sustainable purchasing strategy was identified, starting from the integration of ESG principles in procurement decisions and processes and reducing exposure to possible reputational and compliance risks. Therefore, a market survey was launched to identify an "ESG rating provider", specialised in the ESG assessment of the supply chain, in order to perform a more extensive and representative assessment of Italian and foreign Suppliers.</p>

### Goals 2024

- Select one or more Providers** and launch an ESG rating of Suppliers.
- Increase the % of suppliers subject to ESG rating** compared to the total supplier base.
- Integrate the sustainability principles into the Group Procurement Policy**, to the extent of the scope managed directly by Group Procurement, in order to ensure that the supplier vetting process for contract awarding is in line with the Group's principles.
- Progressive inclusion of the relevant social and environmental clauses** (new contracts and/or renewals) in contractual documentation.
- Include the UNI ISO 20121 certification as a preferential parameter** for Suppliers, during the tender/negotiation/contract awarding stage.
- Define actions, targets and improvement plans** to be implemented as of 2025 following the beginning of the collaboration with the Partner identified in 2024 and the related assessment.



## Common Benefit Purpose



Contribute to implementing collective-interest projects, including in collaboration with public institutions, local authorities, companies and profit and non-profit parties, in order to create shared value for the local area and the community

### Impact area Local area and community

### Material topics

- Development and enhancement of human capital and culture of inclusion
- Health, safety and welfare of workers
- Customer centricity
- Reputation, ethics, and business integrity
- Direct environmental impacts and climate change
- Community support and impact philanthropy
- Privacy & Cybersecurity
- Sustainable products and investments
- Innovation and digital transformation
- Economic performance and creation of sustainable value



### Purpose

Reale Mutua stimulates dialogue with companies, public bodies, civil society, and institutions, constructs and maintains continuous, proactive, and transparent relationships with the community, actively supporting and collaborating in the co-creation of projects and initiatives with great social and cultural value, spreading the culture of sustainability within the areas where the Company operates.

ACTIONS	2022 ACTUAL	2023 ACTUAL
Promotion and support in the development of events/programmes concerning issues of sustainability, mutuality, inclusion, and social diversity, climate change, and environmental protection addressing young people and schools in particular.	<p>The Reale Mutua History Museum set up some teaching projects for schools to promote sustainability issues:</p> <ul style="list-style-type: none"> <li>• “Agenda 2030: a Reale goal!”;</li> <li>• “Sostenibilità – Lab”: a workshop for high school students. Educational events were promoted on the issues of mutuality, sustainability, and inclusion;</li> <li>• “The Mutuality Way”: a debate organised and hosted by RMA as part of the Festival of Economics on the issue of mutuality, Benefit Corporations, and impact economics;</li> <li>• F@MU Days – Families at the Museum on the issue of “Different but Equal”.</li> </ul> <p>A visitor’s path for the Museum for refugees was also launched.</p>	<p>The Reale Mutua History Museum launched some educational projects with a social purpose:</p> <ul style="list-style-type: none"> <li>• PCTO for a young student with multiple disabilities (8 hours of training divided into a customised visit to the Museum and laboratory activities)</li> </ul> <p>Educational events were promoted on the issues of mutuality, sustainability, and inclusion:</p> <ul style="list-style-type: none"> <li>• “A Night at the Museum” - concert of “Il duo Alternò – Arie di Danza”, in collaboration with Centro Bisacco of Turin, for adults with cognitive disabilities.</li> <li>• F@MU days - Famiglie al Museo – “Apriti Museo” via the Digitally Excluded website of the ETF and ITC-LILO to experiment with the topic of (in-) accessibility.</li> <li>• FORMA: “Santa Clause bike ride” and exhibition of 80 drawings by schools in favour of children hospitalised at the Regina Margherita Children’s Hospital.</li> </ul>
External perception of the commitment of the Company (“Citizenship”) in relation to society and the region.	<p>“Citizenship - Positive influence on society” Indicator<sup>12</sup>: 68.2 (68.4 in 2021).</p>	65.4 pt (-2.8 pt compared to 2022)

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<sup>12</sup> The “Citizenship” indicator is one of the dimensions composing the Group’s Brand Reputation index. It summarises the analysis of the Italian public opinion given by the average of 3 underlying factors: Reale Group is a business that acts responsibly to protect the environment; Reale Group is active in supporting just causes in society; Reale Group has a positive impact on society.



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ACTIONS	2022 ACTUAL	2023 ACTUAL
Collaboration with public and private bodies in the region to support initiatives in favour of environmental and social regeneration.	Reale Foundation contributed to the environmental upgrade of the tree-lined avenue of Piazza Arbarello in Turin that restored new shared green spaces to the citizens.	Reale Foundation, in partnership with the Turin Council, financed the <b>redevelopment of the public green area of Via Mascagni in Turin</b> , donating sports equipment and a new sports-social aggregation centre to the community of the Aurora district, a peripheral area of the city.  Furthermore, again in collaboration with the Municipality of Turin, Reale Foundation financed the <b>redevelopment of Corso Siccardi in Turin</b> .
Collaboration with cultural and training bodies in the region to develop a professional training path by developing teaching projects or dissertations	—	Reale Foundation made a donation to the <b>De Sono Foundation</b> Associazione per la Musica, in order to offer scholarships for young talents at the Turin Conservatory.
Development of projects aimed at the socio-economic and cultural integration for people from disadvantaged groups.	During the year, Reale Mutua contributed <b>€816,000</b> to Reale Foundation to develop impact philanthropy projects in the following areas:  <ul style="list-style-type: none"> <li>● <b>Health and Welfare:</b> chronic disease prevention;</li> <li>● <b>Social:</b> inclusion and socio-economic development of young people;</li> <li>● <b>Environment and Sustainable Communities:</b> resilience to natural disasters;</li> <li>● <b>Enhancement and preservation of cultural assets.</b></li> </ul> <p>The projects aimed at the socio-economic and cultural integration of people from disadvantaged groups include: ° School of languages and integration of mothers (Associazione Sudanese Torino); ° Refugee students - a path for the future (Mosaico - Actions for Refugees); ° Welcome. Working for Refugee Integration (UNHCR).</p>	During the year, Reale Mutua contributed <b>€ 816,000</b> to Reale Foundation to develop impact philanthropy projects in the following areas:  <ul style="list-style-type: none"> <li>● <b>Health and Welfare:</b> chronic disease prevention;</li> <li>● <b>Social:</b> inclusion and socio-economic development of young people. In this respect, in 2023, the Foundation promoted the socio-economic and cultural inclusion of people from disadvantaged groups via many projects, including "Audiovisual napolihub" which targeted young NEETs from the suburbs of Naples and ATT impresa sociale, which works to provide employment to autistic children in the school catering sector.</li> <li>● <b>Environment and Sustainable Communities:</b> resilience to natural disasters. In this respect, Reale Foundation financed a series of projects, including, inter alia: the <b>Forest Summer School</b> organised by the <b>Giant Trees Foundation</b>, with the aim of recovering the Alpine ecosystem by protecting the communities that live there (10 thousand direct and indirect beneficiaries estimated); the "<b>FAI per essere</b>" project of the Italian Environment Fund (FAI) aimed at boosting young people's engagement through actions that protect culture and landscape; <b>BEZOOM</b>, a project by the <b>Parco Zoom Foundation</b> which focuses on environmental bio-monitoring through bees.</li> </ul> <p>In collaboration with Senior L'Età della Saggezza ONLUS, Reale Foundation supported "<b>Coltiviamo Agricoltura Sociale</b>", a call for tenders that rewards social projects within agricultural businesses that managed to combine the slow rhythms of nature with reintegration into work, restoring dignity to thousands of people.</p> <ul style="list-style-type: none"> <li>● <b>Enhancement and preservation of cultural assets.</b> Support to the communities of Emilia-Romagna and Tuscany, heavily affected by the flood.</li> </ul>
Development of projects promoting history and culture of insurance through the activities of the Reale Mutua History Museum.	"Realmente Protetti al Museo" ("Genuinely Protected at the Museum"): citizenship education course for students.	The " <b>Genuinely Protected at the Museum</b> " citizenship education courses continued, involving 235 students from 11 lower and upper secondary classes (10% of loyal teachers).

## Goals 2024



**1. Increase the number of multi-stakeholder projects** with a positive social impact.

**2. Enhance the activities currently in place to strengthen the social impact**, through the ever-increasing involvement of the younger generations, with a view to cultural and intergenerational exchange.

**3. Renovate the exhibition spaces of Reale Mutua History Museum** with a view to public participation in the exhibition concept.

**4. Enhance workshops and courses on sustainability** for secondary schools.

**5. Extend the scope of the Stakeholders covered by the Materiality Analysis.**

In addition to the indicators covered by the infrastructure for measuring the above impact and impact areas, during the year, the Company also monitored the progress of a series of indicators relating to **corporate governance**, as set forth by Annex 5 of Law no. 208/15. This was done to assess the degree of transparency and responsibility of the Company in pursuing the CBPs, focusing, in particular, on the purpose of the Company, the level of stakeholder engagement and the degree of transparency of internal policies and practices.

The positioning of the Company on nine good governance indicators is included below.

GOVERNANCE INDICATORS	2023 RESULTS AND PERFORMANCE
<b>Manager with business responsibilities linked to the mission</b>	All managers of the Company operate in accordance with the Purpose, Vision and Mission of the Company, guaranteeing quality and reliable services for Members/Policyholders and Customers and sound and prudent economic management that generates value and positive impacts for society and the environment.
<b>Managers with incentives for sustainability performance</b>	<p>The Group's remuneration policy provides for the application of performance indicators linked to ESG factors, which guarantee the integration of sustainability risks into incentive systems. Specifically, sustainability goals were introduced which impact the annual variable component of Top Management, aimed at improving Reale Mutua reputation and sustainability performance by adopting a percentage approach to grant the related bonus upon achieving specific goals.</p> <p>The introduction of sustainability indices is in line with the Group's strategy and confirms the growing awareness of the strategic role of sustainability in all business decisions.</p> <p>All Senior Managers benefit from 30% of performance incentives linked to Stakeholder satisfaction and sustainability (10% Net Promoter Score (NPS), 10% Trust Index, 10% Citizenship).</p>
<b>Gender diversity among the governance members (women sitting in the Board of Directors)</b>	In 2023, the percentage of female members of the Board of Directors stood at 13.3%, up on 2022 (12.5%).
<b>Age diversity among governance members (people between 30 and 45 years sitting in the Board of Directors)</b>	At present, no member of the Board of Directors in office is under 45 years.
<b>The company has a written statement or formal policy covering the disclosure of its managers' remuneration.</b>	At present, the Company does not have a document that specifically covers this aspect. This does not configure a regulatory requirement.
<b>Whistleblowing practices</b>	In order to comply with regulatory changes (Legislative decree no. 24/2023), during the year, a new Whistleblowing Procedure was adopted. However, this does not affect the possibility for Employees, Collaborators, Suppliers and Intermediaries of all Group Companies to report any "breaches" they may become aware of through an IT platform (the "Whistleblowing Platform") in which users can file reports in writing or with voice recording. The platform may be accessed from Really, the Company's digital workplace, and from the websites of each Company.
<b>Confirmed incidents of corruption</b>	During the year, there were no confirmed incidents of corruption.
<b>Members of the Board who received specific communications on internal anti-corruption practices and policies</b>	No member of the Board received specific communications on internal anti-corruption practices and policies. However, the process to review the Group's anti-corruption policy is underway in order to increase its alignment with ESG regulations and policies.
<b>Extension of the Code of Ethics to all Group Companies</b>	The Code of Ethics is an integral part of the Organisation and Control Model of all Group Companies.



## 5. Assessment of the performance on Common Benefit Purposes<sup>13</sup>

### Construction of the impact measurement infrastructure: indicators, metrics, and methods

Downstream of the activities referred to above, we developed Reale Mutua's impact measurement and management infrastructure aimed at capturing the measurable aspects of the value dimensions identified in the TOC.

Specifically, the infrastructure made it possible to separate the individual output and outcome value dimensions of Reale Mutua's TOC into a set of impact performance indicators (Key Performance Indicators - KPIs), for which the following were specified:

- the CBPs to which the indicators are linked;
- the SDGs and the related reference targets to which they refer;
- Reale Mutua's impacted and concerned Stakeholders for data collection;
- the reference source (e.g., whether the indicator is an international standard or is independent);
- the relevant ESRS topic and metrics;
- the reference metrics;
- the risks associated with each indicator in terms of whether it can be measured, significance, costs and benefits;
- frequency (e.g. half-yearly, annually) and measurement year (e.g., 2022, 2023).

To define and develop the indicators and metrics, reference was made to some international standards (see the Table below). Where necessary, some indicators were adapted and created *ad-hoc* to respond to the specific measurement needs of Reale Mutua's activities.

<sup>13</sup> Section prepared by Triadi.

In order to identify and qualify risks, the Impact Management Project (IMP) was used, as described in the Table below.

<b>DATABASES</b>	
<b>GRI</b>	<p>The Global Reporting Initiative (GRI) offers guidelines to direct companies in preparing the sustainability financial statements.</p> <p>In this sense, the GRI sets forth various sets of indicators that enable companies to measure their economic, environmental, and social impacts. The GRI, in its latest version adopted in 2021 and in force since 2023, provides for a “general disclosure” part that covers the minimum information to be provided by each organisation, specific guidelines for analysing the material issues of the business sector (currently only available for some sectors, excluding the insurance sector) and three series with indication of the significant economic, environmental, and social issues.</p> <p>This infrastructure takes into consideration some indicators of the 300 series (environmental issues) and the 400 series (social issues).</p>
<b>FAMILY AUDIT</b>	<p>Family Audit is a management tool available to organisations that intend to certify their commitment to adopting measures aimed at encouraging work-life balance.</p> <p>The main aim of the Family Audit is to promote and support the corporate climate and well-being of workers with the introduction of measures in line with the needs of reconciling work and private life, balancing them with the interests of the organisation. In this case, some actions, and the related indicators, which aim to promote the work-life balance within the company and the organisation or balanced work, were taken into consideration.</p>
<b>IMP</b>	<p>The Impact Management Project (IMP) is a management tool provided to organisations that plan to undertake a strategic path towards standardising the impact assessment.</p> <p>The IMP combines the Theory of Change and the idea that impact must be intentional, additional, and measurable. In Reale Mutua, the IMP was used to develop risk scenarios in terms of due diligence/double materiality in line with the Group Integrated Financial statements and the materiality topics relevant to the business.</p> <p>The identification of risk scenarios through the IMP has the ultimate goal of preparing the Company to best manage its impacts by maintaining a balance between economic profitability and the impact-generating potential of the CBPs and the actions identified in the measurement infrastructure.</p>

**COMPLIANCE WITH THE CSRD**

As mentioned earlier, following the publication of *the delegated act* on the first set of European Sustainability Reporting Standards (ESRS) by the European Financial Reporting Advisory (EFRAG), each KPI defined in the impact measurement infrastructure was linked to a ESRS topic and a specific metric.

The adoption of ESRS through delegated acts is envisaged by the co-legislators in the Corporate Sustainability Reporting Directive (CSRD - Directive (EU) 2022/2464) adopted in December 2022.

The Delegated Act and the annexes thereto were published in the Official Journal on 22 December 2023.

At present, the impact measurement infrastructure has been aligned, as far as possible, with the European ESRS sustainability reporting standards.

The goal for 2024 is to further refine the infrastructure and align it as much as possible with the new standards.



## PREPARATION AND CALCULATION OF THE PERFORMANCE INDEX

An organisation's impact generation is identified in the adoption and integration of the principles of intentionality, measurability, additionality into corporate processes, practices and strategies. The methods whereby the three components are divided and developed depend on the organisational specificities and speed of implementation of new practices and processes.

The Reale Mutua path towards generating a social and environmental impact began in 2021 and was formalised with the official acquisition of the status of Benefit Corporation. Following this voluntary decision, the Company adopted a business model aimed at generating an impact that entailed the prior definition of intentional impact goals which comprise the six CBSs included in the By-laws.

Impact **intentionality** is the cornerstone of Reale Mutua's CBPs, which implements a cultural change marked by the generation of value based on genuine sustainability and integrated into the way of doing business.

In 2022 and 2023, the Company was assisted by Triadi, a Politecnico di Milano spin-off, in defining the impact measurement infrastructure linked to each CBPs, in order to monitor Reale Mutua's path towards this purpose.

The **measurability** of qualitative and quantitative aspects guarantees the authentic nature of Reale Mutua's operations as a Benefit Corporation. **Additionality**, which translates into the proactive search for and investment in businesses that pursue the generation of social and environmental value as their goal, will involve gradually including specific KPIs into the infrastructure in order to measure the progress towards transforming the insurance business, by adopting sustainable products and services.

Therefore, during the year, the Company undertook to disseminate the impact measuring infrastructure among the various corporate departments, continuing a cultural change path within the organisation that, traditionally, involved an ex-post measurement of aspects linked to sustainability.

The adoption of this model, which involves measuring every single KPI functional to organisational conduct with the ex-ante intention of generating social and environmental impact, will drive the creation, in the medium term, of new shared value for all Stakeholders.

To this end, a **performance index** was defined, based on two essential criteria:

1. the implementation of measuring the KPIs in the plan;
2. the measurement of the trend of KPIs in the plan compared to the previous year, where possible.

The impact index was designed to enhance the ability and speed of implementing new performance indicators linked to achieving the CBPs, as well as improving the positive performance in output KPIs.

## 6

### Common Benefit Purposes

provide the *ex ante* definition of impact goals:

- intentional
- measurable
- additional

**PERFORMANCE INDEX**

The performance index is a value expressed in a range between -100% and 100% and weighs the shift of the KPIs with the capacity to measure the infrastructure as a whole.

If we manage to measure all the KPIs and these have a **positive** shift, the index may achieve a value equal to +100. If we do not manage to measure all the KPIs and these have a **negative** shift, the index may achieve a value equal to -100. The lack of a KPI measurement generates a **neutral** value of 0.

By way of example, if the plan provided for 5 KPIs for the Common Benefit Purpose #X, and the measurement was successful for 3 of 5, including 2 with a positive shift compared to the previous year and 1 with no change, every 1/5 with a positive shift obtains a "full" score of 20%, while the score with no change obtains half points, thus 10%. The non-calculation of two KPIs does not enter the equation, while a negative shift may lead to a "full" score with an opposite sign. Therefore, the total impact index for that common benefit purpose for 2022 is 50% (20+20+10).

The following table indicates the value of the performance index for each CBPs relating to 2023. Purposes 4 and 6 showed the strongest performance. Specifically, with respect to purpose 4, 9 of the KPIs envisaged for 2022-2023 were measured and 8 KPIs improved compared to the previous year, while for purpose 6, the measurement of the 3 KPIs envisaged for 2022-2023 indicated the need for improvement for all of them.

Purposes 1, 2 and 5 also showed a significant improvement in indices compared to the previous year.

Purpose 3 still shows room for improvement with two KPIs worsening compared to the 6 KPIs measured.

Year 2023	KPIs expected	KPIs measured	KPIs improved	KPIs (unchanged)	KPIs deteriorated	Index for improved KPIs	Index for unchanged KPIs	Index for deteriorated KPIs	Index
Purpose 1	2	1	1	0	0	0.50	0.00	0.00	0.50
Purpose 2	9	6	4	1	1	0.44	0.08	-0.11	0.42
Purpose 3	8	6	3	1	2	0.38	0.08	-0.25	0.21
Purpose 4	11	9	8	1	0	0.73	0.06	0.00	0.78
Purpose 5	4	3	2	1	0	0.50	0.17	0.00	0.67
Purpose 6	4	3	3	0	0	0.75	0.00	0.00	0.75

The value of the index average for the CBPs is +0.55 (on a scale of -100 to +100), whose normalised value on a percentage scale is 50.28 (+0.5%).

**This indicates the considerable consolidation of the index's performance compared to 2022.**

This figure is accompanied by the positive performance of Purpose 4, which increased by 0.23 pt compared to 2022. No data worsened. The KPIs whose performance worsened (3) decreased compared to 2022 (7): this figure is significant considering the increase in the KPIs measured in 2023 compared to 2022 (+6). Overall, the performance index consolidated the 2022 value, showing stability against the increased measurement effort



## OUTCOME DIMENSIONS

The impact measurement infrastructure for 2023 included the quantification of nine outcome dimensions (effects and changes generated on Stakeholders), namely:

- **Well-being perceived and customer satisfaction with policies**, linked to purpose 1
- **Fair treatment perceived by employees**, linked to purpose 2
- **Increase in the perceived productivity of employees**, linked to purpose 2
- **Degree of awareness of employee sustainability issues**, linked to the purpose 3
- **Increased sense of belonging to Reale Mutua**, linked to purpose 3
- **Change in employee mobility habits**, linked to purpose 4
- **Increase in awareness of social and environmental sustainability issues and skills necessary to assess the impact generated via supplier activities**, linked to purpose 5
- **Increase in awareness of social inclusion issues**, linked to purposes 6
- **Increase in the quality of life in communities where the relevant actions are implemented**, linked to purpose 6



**Outcome** measured based on **9** dimensions

Indicators were defined for each outcome and, based on the data collected in Reale Mutua Group, proxies were identified in order to quantify them.

The goal for 2023, the first year of data collection for these outcomes, was to define the baseline value.

Over the next few years, it will include understanding the increases (or decreases) in these dimensions. Consequently, the baseline values of five outcomes were identified: the increase in the equality of treatment perceived by employees, the increase in employees' sense of belonging to Reale Mutua, the change in employees' mobility habits, the increase in awareness of social and environmental sustainability issues and the skills necessary to evaluate the impact generated by suppliers through their activities as well as the increase in the quality of life in the communities where interventions are carried out.

With respect to the first two dimensions - equality of treatment perceived by employees and sense of belonging to Reale Mutua - the Trust Index of the Great Place To Work® and the "Pride" dimension underlying the Trust Index were used as proxies.

The composite index of the Trust index is indeed the average value of five dimensions (credibility, respect, equality, pride and cohesion) which are assessed by the organisation's employees through a survey comprised of 60 items covering the five dimensions.



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## **SROI** Impact measurement methodology of Reale Foundation

According to the survey, 67% of employees are proud to work in the Reale Mutua Group and the Trust Index is equal to 65%. Both values, which were already measured in 2022, recorded a 1% decrease. Similarly to 2022, Reale Mutua obtained the Great Place To Work® certification and the goal for 2024 is to maintain it, while further improving the value of the indices thanks to a series of internal initiatives aimed at employee well-being.

In order to quantify the outcome relating to the change in employee mobility habits, a home-work questionnaire was distributed to a sample of employees in 2023. 69.7% of the respondents stated that they used sustainable means of transport (compared to 67.7% in 2022). Furthermore, 44% of the respondents would be willing to change their habits and use sustainable means of transport. This percentage will be monitored over the next few years to check changes in the mobility habits of employees. At present, a 2% increase was identified.

In order to understand the current level of awareness and compliance of Reale Mutua's supply chain, Consorzio ABC conducted an ESG assessment over 206 Suppliers (15% of Active Suppliers in 2023). According to the results, 43% of Suppliers obtained a ESG+++ rating, 24% a ESG++ rating, 19% a ESG + rating and, finally, 14% ESG 0 ratings. At the same time, in collaboration with the Group Risk Governance and Group Sustainability departments, the need to develop a sustainable purchasing strategy was identified, starting from the integration of CSR principles in procurement decisions and processes and reducing exposure to possible reputational and compliance risks. In addition to selecting one or more Providers and launch the ESG rating of Suppliers and increasing the percentage of suppliers subject to ESG rating out of the total balance, the goal for 2024 is to increase the number of suppliers with ESG+++ and ESG++ ratings. According to the 2022 results, which covered 123 suppliers, suppliers with ESG+++ and ESG++ ratings increased from 64% to 67% (+3%).

Finally, with respect to the community outcome, i.e., the increase in the quality of life, at present, the selected proxy reflects the SROI assessment carried out on the "Powercoders" project, supported by Reale Foundation in 2022.

Based on the analysis conducted, the SROI indicator is close to €5. This means that for every euro invested in the project, the social return on the concerned Stakeholders was more than quadrupled. The proxy of this outcome will be reviewed against the other impact assessments that will be carried out in 2024 on the various projects that the Group supports in the local areas and communities.

For 2024, the goals with respect to outcome dimensions are as follows:

- continuous monitoring of proxy values and actions to counteract potential negative deviations;
- with respect to the outcomes that could not be measured in 2023 through a proxy, define a specific data collection system.



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## 6. Conclusions

The preparation of the second Impact Report as a Benefit Corporation has enabled Reale Mutua to transparently communicate the pursuit of the common benefit while maintaining its accountability commitments vis-à-vis all its Stakeholders, and to measure the results achieved in terms of positive impact on society and the environment compared to the commitments made in the previous year.

The analysis of the impact generated by the actions/activities implemented during the year was a valuable opportunity to look back to our past actions and to define even more ambitious impact goals to pursue the six Common Benefit Purposes set out in the By-laws.

Reale Mutua plans to become a key player in building a sustainable economy and, to this end, it has launched a strategic Group project, "ESG in Corporate Strategy", with the aim of achieving the full integration of ESG goals into the Group strategy.





## 7. Sustainability Committee Report

In March 2022, the Sustainability Committee was set up in Reale Mutua. This is an operating body within Reale Group with the function of advising, informing, and making proposals regarding sustainability and to support the Board, including in terms of the obligations involved in obtaining the status of Benefit Corporation.

The Committee is a corporate body composed of 7 directors of the main Group companies, as identified by the Reale Mutua Board, including the Chairperson, who ensure broad representation.

During the year, the Committee analysed the sustainability profiles and alignment with the sustainability strategy of the Group and the activities aimed at achieving the Common Benefit Purposes of the Benefit Corporation. It analysed and approved the Benefit Plan, the methodology adopted and used to measure and monitor the goals to be achieved.

The Committee was also updated at every meeting by the Impact Manager about the actions identified through dialogue with the corporate departments and their progress.

This Report was submitted and approved by the Sustainability Committee at the meeting of 15 March 2024 and subsequently submitted and validated by the Board of Directors of Reale Mutua on 22 March 2024.

**Carlo Pavesio**  
Chairperson of the Sustainability Committee

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## 8. Glossary

A

### **Additionality**

feature of investments with a social or environmental impact, which are made in under-capitalised areas, or in those activities that would, otherwise, be disregarded by any other investor.

C

### **Common benefit**

the pursuit, in conducting Benefit Corporation business activities, of one or more positive effects, or the reduction of negative effects.

### **Corporate Sustainability Reporting Directive (CSRD)**

the CSRD is a EU regulation which came into force on 5 January 2023, and that requires EU companies - including the EU branches qualifying as non-EU branches - to report on the environmental and social impact of their operations and the impact of their efforts and environmental, social and governance (ESG) actions on the company.

D

### **Double Materiality**

the materiality analysis is part of a broader process aimed at integrating sustainability into strategic decisions, while considering Stakeholders' expectations. In sustainability reporting, it is the principle that determines the material topics to be reported as: a) they considerably influence the perception of Stakeholders, and/or b) they reflect the significant impacts of the company on people and the environment.

E

### **European Financial Reporting Advisory Group (EFRAG)**

the advisory body of the European Commission on corporate reporting responsible for accounting standards internationally.

### **European Sustainability Reporting Standard (ESRS)**

a set of new standards and indicators whose objective is to standardise non-financial reporting. They will come into force on 1 January 2024 and apply to reports covering the periods beginning on or after 1 January 2024.

Sustainability reporting principles ensure the quality of the information disclosed, which must be understandable, relevant, verifiable, comparable and fairly represented.



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**Glossary**

### **Impact**

the result of the actions of Benefit Corporations, which, by including common benefit purposes in their corporate By-laws, undertake to create value not just for themselves, i.e., profits, but for all stakeholders (customers, employees, the community), society, and the environment.



### **Impact Manager**

the Impact Manager is a professional who supervises and directs the corporate paths aimed at achieving common benefits, standing with the administrative body of the Benefit Corporations and supporting it with the necessary skills (of an economic-corporate, legal, or technical nature) to assess the impact of the activities on the community or environment.

### **Intentionality**

feature of an impact goal, which is intentionally stated (prior declaration) and openly pursued through activities and investments that have the purpose of generating a positive result for the community or environment.

### **Measurability**

feature of an impact goal, which, in addition to being established in advance, is defined so as to be able to be measured, to check whether the expected impacts were actually and effectively achieved.





**Impact Report 2023 prepared by the**  
Group Sustainability & Institutional Communication ▪  
Group Sustainability Office ▪

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