



REALE GROUP

2018 ANNUAL REPORT

ITALY SPAIN CHILE

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Mission and objectives

The mutualistic spirit, which has guided **Reale Group's** way of doing business for more than 190 years, led the Group to embark on a process of more systematically structuring its **sustainability** strategy and community engagement activities.

The analysis of stakeholders' expectations and of the **social needs** where the Group operates has highlighted the need for a mechanism dedicated to managing **regional development activities** and able to schedule and plan projects aimed at benefiting the relevant communities.

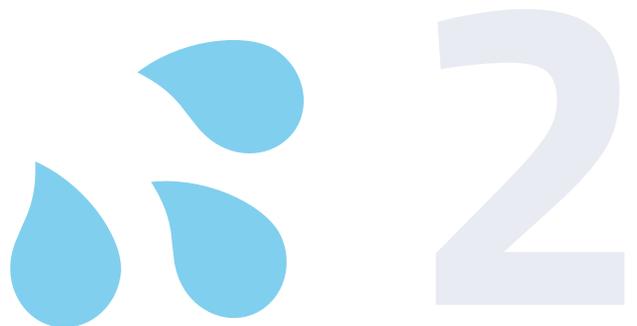
Reale Group has thus created a Group corporate foundation, Reale Foundation (also abbreviated as "Foundation" below). The Foundation draws on the experience of **Fundación Reale**, which was created with the aim of more systematically structuring community engagement activities.





Reale Foundation, established on 24 October 2017, is a cross-company and international mechanism for the Group's businesses. The Foundation will manage the liberal contributions directed to **support initiatives** that benefit the community with an approach based on the direction, coordination, and punctual monitoring of all the donations' destinations.

Through the Foundation, Reale Group also wishes to contribute to achieving the **Sustainable Development Goals (SDGs)** that were agreed upon in the **United Nations'** 2030 Agenda and signed onto by 193 UN member countries at the end of 2015. Thus, the Foundation will respond to the call addressed to the private sector to create the conditions for sustainable economic, inclusive, and enduring economic growth.



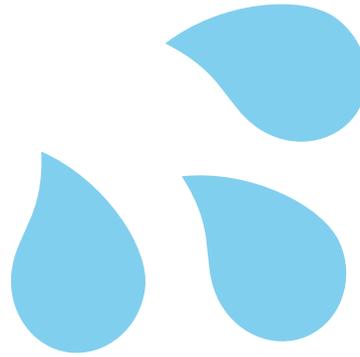
Governance

Reale Foundation established an Operational Committee, composed of representatives of the Group's Businesses, with consultative functions for analysing project proposals and drafting the annual schedule to present to the Patrons Committee.

The procedure adopted by the committee is available on the Foundation's website at the following address: www.realefoundation.org.

In addition, every year the Foundation presents its action plan and a report on its activities to the Spanish Ministry of Education, Culture and Sport, as required by Spanish regulations.

The **Group's Sustainability Division** guarantees the Foundation's operation.



Reale Foundation operates via a **Patrons Committee**, an **Operational Committee**, and an **Arbitration Committee**.

The Patrons Committee evaluates and approves the Reale Foundation's annual programme and is composed of the following Group businesses:

Reale Mutua – Luigi Lana (Chairperson of the Patrons Committee)

Blue Assistance - Dr Luca Filippone (Deputy Chair of the Patrons Committee)

Reale Seguros - Dr Ignacio Mariscal (Patrons Committee Delegate)

Italiana Assicurazioni - Dr Roberto Laganà

Reale Immobili – Alberto Ramella

Banca Reale - Dr Massimo Luvìè

Reale Vida - Dr José Ramon Lopez

The Patrons Committee is joined by an **Arbitration Committee**, the role of which is to ensure alignment between the Foundation's activities and the ethical principles and sustainability objectives that guide **Reale Group**.



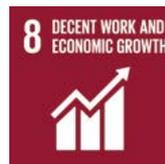
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Areas of intervention

The Foundation receives a contribution from the Group's Businesses, for an amount that is decided upon yearly by each Board of Directors up to a maximum of 1% of the consolidated net profit at Group level.

Reale Foundation prioritises supporting initiatives in **Italy, Spain** and **Chile** that assist communities in which Reale Group has an operational presence.

Allocated resources are directed towards initiatives that pursue aims in the three main areas of intervention, in alignment with the **United Nations' Sustainable Development Goals**: 1 - No Poverty; 3 - Health and Well-being; 8 - Decent work and economic growth; 11 - Sustainable Cities and Communities; and 17 - Global Partnerships.







Health and Welfare



Reale Foundation aims to make its contribution to an area of growing social need, acting in line with Reale Group's values and experience. For this reason, the Foundation supports initiatives for:

- combating the outbreak of chronic illnesses by encouraging prevention activities. To this end, Reale Foundation prioritises its support for initiatives that work towards reducing risk factors associated with the spread of common chronic illnesses, such as cardiovascular and respiratory illnesses, diabetes, and cancer;
- supporting initiatives aimed at improving the well-being of patients affected by chronic illness, facilitating access to treatment and the care of vulnerable individuals, and improving the physical, psychological and social aspects of their quality of life.

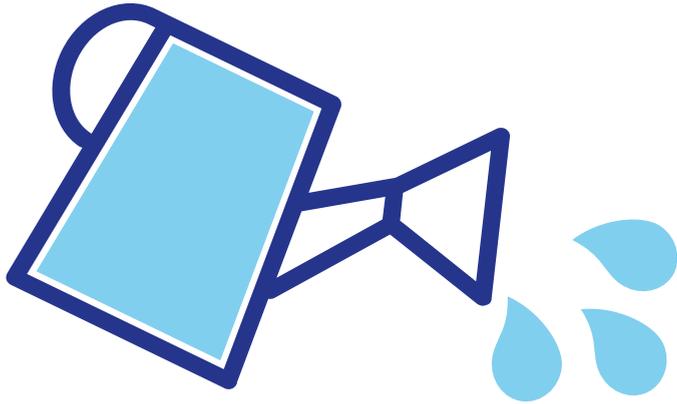


Nuova apparecchiatura per la cura delle mamme

A new generation technological tool will help take
better care of mothers



Sant'Anna project



Contribution to Sant'Anna Hospital of Turin for new intensive care monitoring equipment.

Project objective

Intensive care monitoring is a tool that allows real-time evaluation of the parameters necessary for the implementation, alteration and continuation of treatment. The technological advance will allow, in a second phase, the adoption of an electronic clinical file that represents greater security for the patient, as well as alignment with international guidelines.

Beneficiaries

Around 350 patients are hospitalised in the intensive care department of Sant'Anna Hospital every year. Of these, 60% are obstetric patients with conditions that pre-exist their pregnancy (congenital and non-congenital heart disease, kidney failure, transplant patients, tumours, infectious diseases, etc.) or with conditions related to their pregnancy (most commonly preeclampsia, eclampsia, placental diseases, diabetes etc.).



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Inclusion and Socio-Economic Development



Reale Foundation promotes the inclusion and socio-economic development of young people by supporting initiatives that aim to:

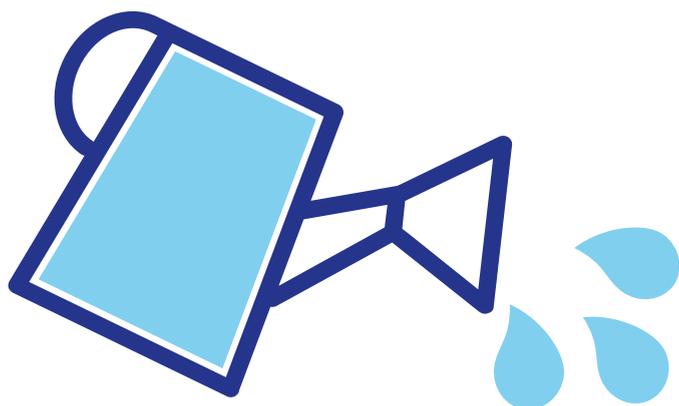
- promote the inclusion of young people by improving their financial competence, which is defined as the combination of knowledge, skills, attitudes and behaviours;
- improve the employability and encourage the integration of young people, supporting those in disadvantaged situations to grow their skills and prepare them for the working world.



Recuperar los derechos, la libertad y la dignidad

Eradicate sexual exploitation and the slave trade





Contribution to APRAMP (Association for the Prevention, Reintegration and Care of Women Forced into Prostitution), for the financing of training seminars and the reintegration of women into the working world.

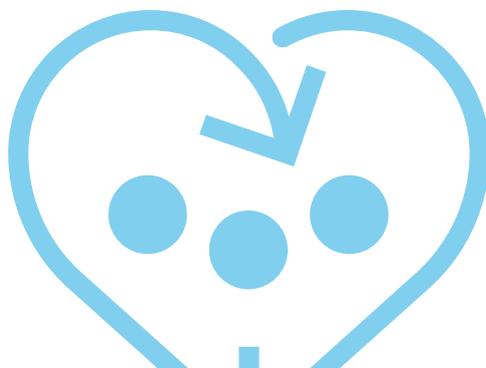
Project objective

To combat the sexual exploitation and trafficking of human beings from a human rights and women's rights standpoint, helping victims of this abuse to regain their freedom and dignity, their own rights and independence.

APRAMP offers practical help in supporting people to take back their lives through training courses and finding a job that will help them through a difficult recovery.

Beneficiaries

Women victims of sexual exploitation and their families.



Volver a casa project

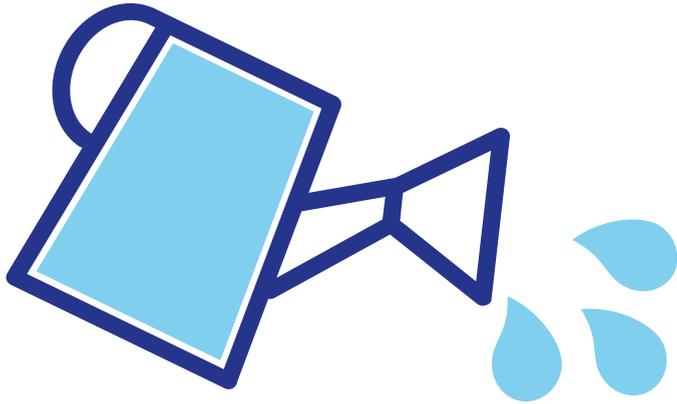


Volver a casa

A professional figure to help families of children who are guests of the Casa Sagrada Familia Foundation



Casa Sagrada Familia Foundation



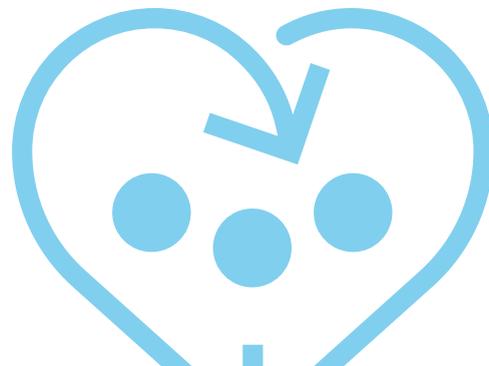
Contribution to the Casa Sagrada Familia Foundation, established to host and help child cancer patients who receive oncological treatment at the Luis Calvo Mackenn Children's Hospital and who come from regions throughout Chile.

Project objective

To provide a professional figure who can mediate between the Institutions and the families of children who are guests at the facility, finding appropriate accommodation for those children receiving oncological treatment.

Beneficiaries

Of the 24 families present at the beginning of the collaboration with Casa Sagrada Familia, and over the course of a year since the beginning of the project, 12 families have received a new house or have had their own houses restored, allowing them to return to their city of origin.



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Environment and Sustainable Communities



Reale Foundation supports initiatives for:

- increasing resilience to natural disasters. Supporting, in particular, initiatives directed at managing the emergency and post-emergency phases in order to assist affected Communities;
- educating the risk exposure and vulnerability of communities that are subject to earthquakes and floods;

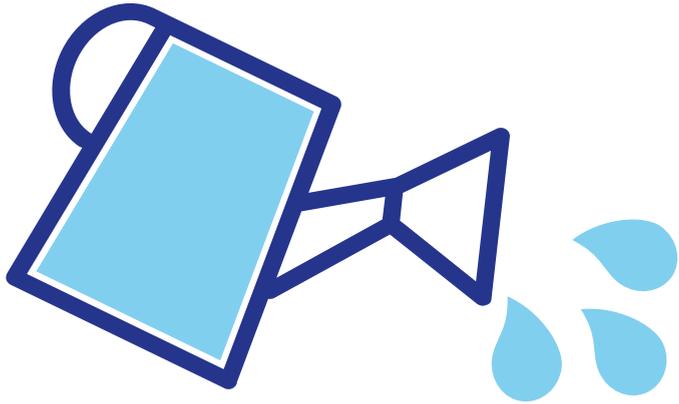
This intervention area also includes supporting development planning and regional artistic and cultural enhancement - a field that has always been of great interest to Reale Group - as well as initiatives that promote sustainable mobility.



Una palestra per dare speranza ai ragazzi di Arquata

A new public meeting place dedicated to school and extra-curricular sports activities





Contribution to La Stampa Foundation - Specchio dei Tempi Onlus for the construction of the gym to complete the Arquata del Tronto school facilities.

On 24 August 2016, the town of Arquata del Tronto (AP) was violently struck by an earthquake: 50 people died in this tragedy and the majority of the buildings either collapsed or were heavily damaged.

Project objective

The construction of a facility dedicated to sports activities in the town of Arquata del Tronto, both to allow students to enjoy all the benefits school should afford, and to provide the local population with a place for meeting up and being sociable.

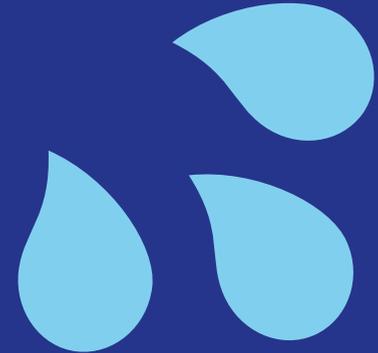
Beneficiaries

Children and young people of Arquata who attend the kindergarten, primary, and junior high schools.



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Branch Contest



In April 2018, the entire **Branch Network** of **Reale Group, Italiana Assicurazioni** and **ex-Uniqa** was involved in the identification of regional projects to support via Reale Foundation in order to encourage the proposal of initiatives to support communities where Reale Group operates.

Throughout the initiative, 25 projects were presented (13 by the Reale Mutua Branch Network, 10 by Italiana's, and 2 by ex-Uniqa's), 2 of which related to the "Environment and Sustainable Communities" intervention area, 14 to the "Social" area, and 9 to the "Health and Well-being" area.

The Foundation decided to support four of the projects presented by distributing a total amount of €60,000 (€15,000 per project).

Piccolo Cosmo

To allow individuals and family relatives, with financial difficulties, to benefit from the proximity of hospital facilities during extended stays, by placing their own guest facilities at their disposal free of charge.

William Raffaelli - ISAL Foundation

To support the ISAL Foundation in its research into chronic pain, through diagnosis, analysis and personalised care and prevention-rehabilitation programmes.

Amiche per la Pelle [Friends for Life] Association

To conduct campaigns to prevent breast cancer through the Mammografia Solidale [Mammography Support] project.

GEN Italy

To adopt and use the GIP (Global Innovation Platform) to find innovative solutions to assist in the development of areas struck by natural disasters.



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Values

The **values** and behaviour **principles** that inspire the Foundation in its operation are those included within **Reale Group's Code of Ethics**, which link values to our everyday life.

In fact, sustainable behaviour and growth also result from working in a constructive and respectful way with the people we meet and from talking with them. We are responsible towards everyone who belongs to the environment in which we operate.

- **Integrity**
- **Centrality of Individuals**
- **Responsibility**
- **Cohesion**
- **Innovation**



Stakeholders

Taking into account the type of activity that the Foundation undertakes and the intervention areas in which it operates and is engaged, the Foundation's main stakeholders are: The Recipients of contributions, the Beneficiaries of interventions, the Foundation's Governing Bodies, the Commercial Network, and Employees.

The Foundation's relationships with its stakeholders are managed through different tools and activities, that are directed towards achieving four macro-objectives:

- **Guaranteeing** the transparency of the activities the Foundation undertakes.
- **Spreading** the word on the Foundation's initiatives to allow the greatest possible number of people access to these.
- **To encourage** dialogue between the Foundation and its stakeholders, in a way that stimulates and gathers opinions and proposals to be considered during the identification of intervention strategies and the carrying out of initiatives.
- **To contribute** to defining the Foundation's identity, clarifying its mission and its social role in relation to internal and external stakeholders.

The distribution process

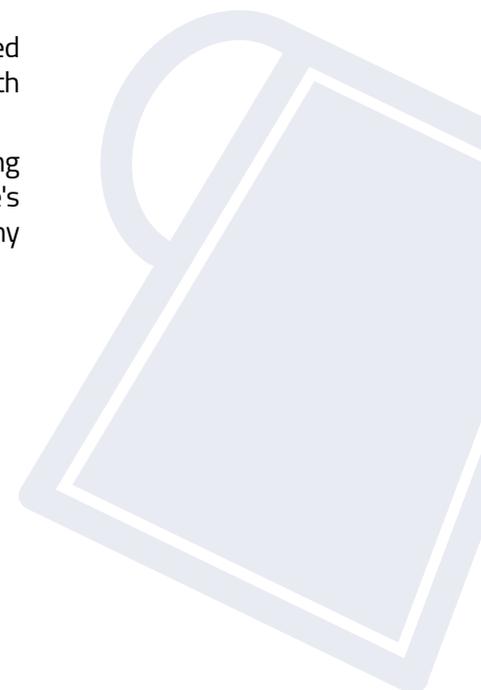
Over the course of 2018, an evaluation of the **internal monitoring system's design** was carried out to defend against risks the Foundation's activities could be exposed to.

This process was undertaken to protect all the Foundation's stakeholders with respect to **maintaining strict ethical and behavioural principles**.

To this end, the risk management culture and the performance of monitoring was promoted by the whole organization and by the people who work for the Foundation in order to guarantee the adoption of an internal monitoring system that ensures the effective and efficient use of the resources generated, the accuracy of the information communicated to the public, and compliance with current laws and regulations.

In more detail, the following checks were identified and are being put in place in the distribution process area:

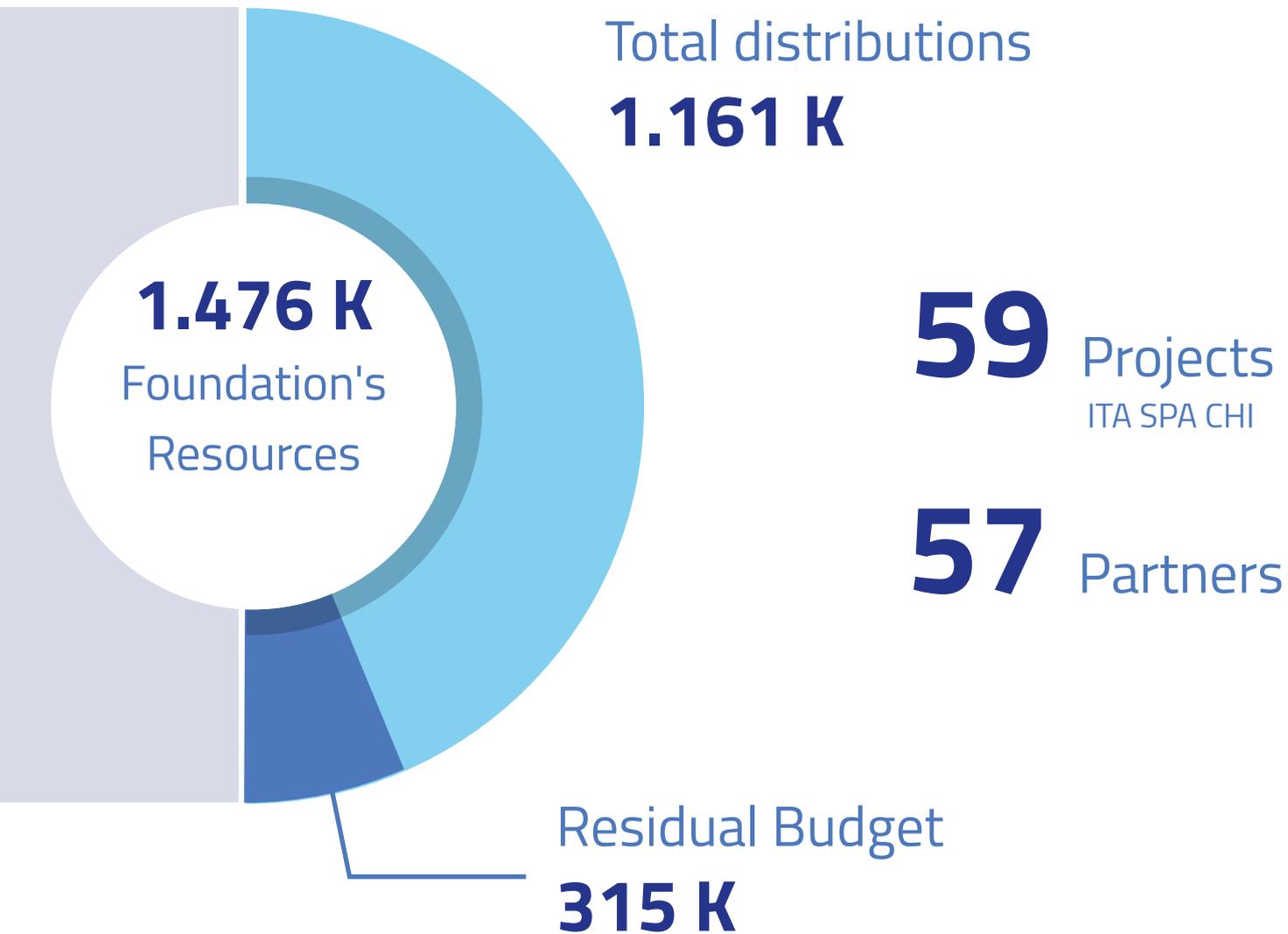
- the Patrons Committee's analysis and approval of the selected intervention areas, of the projects to support, and of the partners with whom to launch collaborations;
- the Arbitration Committee's ensuring that the selected areas and planning cohere with the Statute, the Code of Ethics, and the programme's guidelines, as well as its alerting the Operating Committee to any



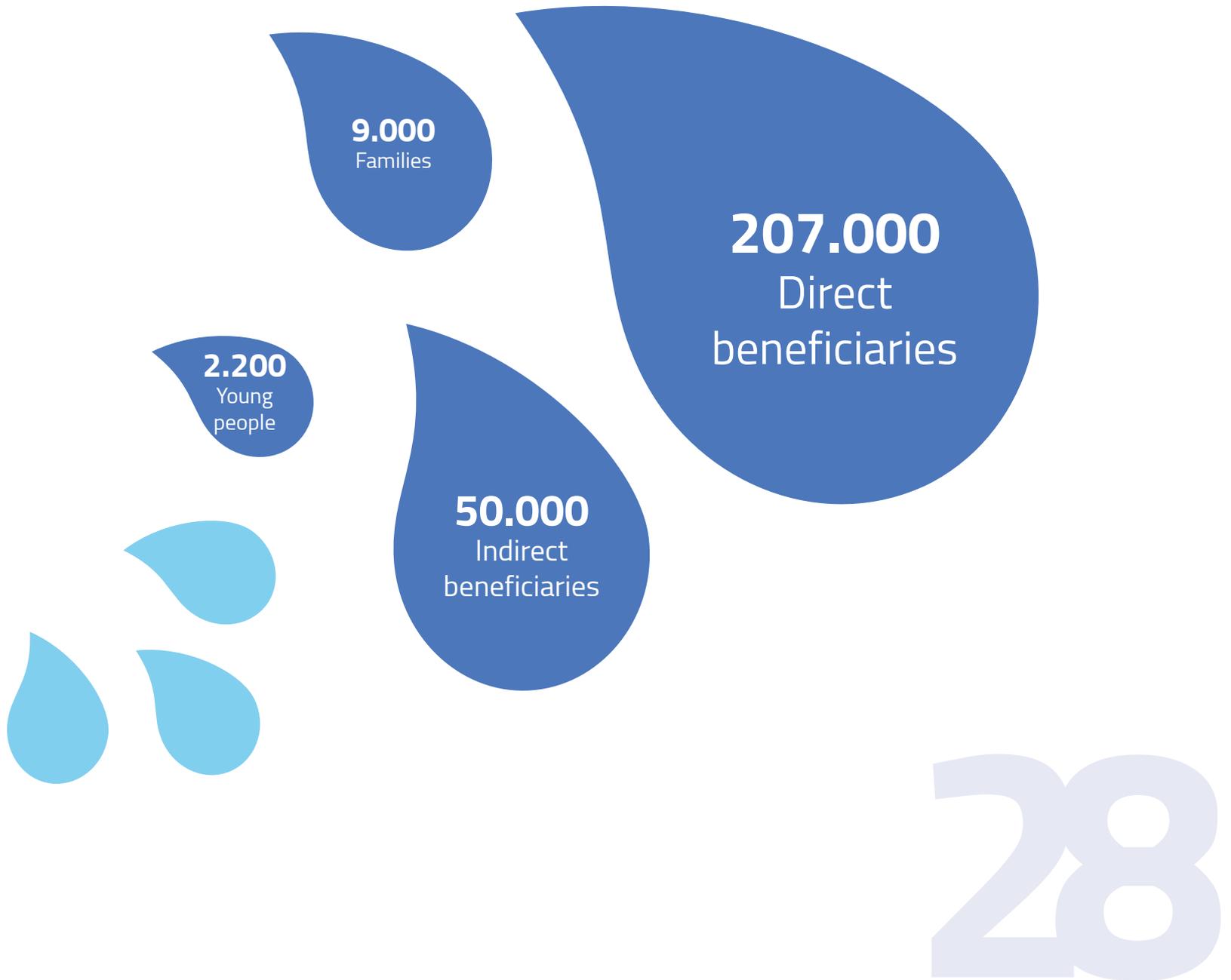
incoherencies/anomalies so as to take steps to correct/adapt the choices made or to provide useful information to support the selected proposals;

- traceability via an appropriate model for the data provided in potential beneficiaries' contribution applications and for the supporting documentation submitted in order to allow the objective checking of the admissibility, effective planning, strategic and values alignment, as well as the sustainability of the project, both in the immediate term and in cases where the Foundation's support ends;
- preparation of specific reports that detail all the projects for which a contribution request has been submitted or that have been selected for support;
- the Patrons Committee's analysis and approval of projects included in the implementation plan, previously identified by the Operating Committee based on information included in the reports indicated above;
- monitoring and evaluation of projects carried out via the analysis of information included in the projects' progress reports, which are filled out by the beneficiary organizations, of the supporting documentation that is obtained (e.g., photographic material, videos or direct evidence of the plans developed), and of the coherence of the same with the project's predetermined objectives;
- periodic reporting to the Patrons Committee on the state of the projects' progress up until the relevant term;
- coherence between the amounts to be paid and how much was supposed to be distributed according to the relevant authorisation.

Total distributions 2018



Results for the Communities



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Strategic focus of projects



Italy



447K

23 Projects

92k

147k

208k



Spain

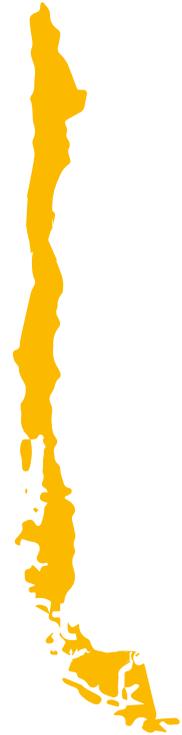
Chile

18k

20k

38K

3 Projects



Resource management details

Inclusion and Socio-Economic Development

ORGANIZATION NAME	AMOUNT DISTRIBUTED
Asili Notturmi Umberto I	5.000
Banco Alimentare Onlus	5.000
Murialdo For Onlus - progetto A150	10.000
Gruppo Abele Onlus	5.000
FISIP	15.000
Scuola per l'infanzia "Vittorio Emanuele II" Ordine di Malta	1.000
Piccolo Cosmo	15.000
Dynamo Camp	15.000
FAI	30.000
Casa OZ	6.000
Mus-E	20.000
Unesco	5.000
Aldeas Infantiles	10.000
Apramp	15.000
Cáritas	39.021
Casa Caridad	20.000
Cear	15.000
Fundacion Dasyc - Proyecto Juega Con Nosotros	10.000
Asoc. Manos de Ayuda Social	10.000
Nil Comunicación . Proy. Expositivo Artenbloc	18.150
Fundacion Fda - Despertando Tus Sentidos	10.000

Health and Welfare

ORGANIZATION NAME	AMOUNT DISTRIBUTED
CAI Torino - la montagna che aiuta	1.500
Fondazione Theodora Onlus	10.000
Opera San Giobbe Onlus	5.000
Associazione Bartolomeo & C. Onlus	5.000
Opera Cardinal Ferrari Onlus	5.000
Amiche per la Pelle Associazione Onlus	15.000
Fondazione ISAL	15.000
Fondazione Forma Regina Margherita	136.000
Fondazione Forma Sant'anna	105.000

Sermig	5.000
Lega Filo d'Oro Onlus	5.000
Airc	20.000
Tourdefork	20.000
Ciemme Esse	8.000
Ires	10.000
Slow Food	14.000
Amigos de los Mayores	20.000
Asi3n (Asociaci3n Infantil Oncol3gica)	25.000
Musica en vena	15.000
Fundacion Investigacion Biomedica Hospital U.la Paz	31.800
Sagrada familia	11.961
Maria Auxiliadora	8.038

Environment and Sustainable Communities

ORGANIZATION NAME	AMOUNT DISTRIBUTED
De Sono Ass.ne per la musica	15.000
Fondazione Museo della Ceramica Mondovì	5.000
Specchio dei tempi - Palestra di Arquata	120.000
gen.it	15.000
Fundacion Mujeres	25.000
Festival de Mérida	45.042,76
Certamen de Belenes	26.172,55
wwf / Adena	6.400
Fundacion Abadia de Montserrat	15.000
Asociacion Creadores de Moda de España	15.000
Imr Instituto Municipal de Reus- Feria del Circo	25.000
Ciudades Sostenibles	25.000
Grazbee - P Australes SpA	18.400

Emergency Protocol

ORGANIZATION NAME	AMOUNT DISTRIBUTED
Spain	25.000
Italy	10.500

Reale Foundation's future commitments and objectives

To become increasingly international, supporting the Group's cross-company projects at an international level.

To launch new partnerships and to consolidate existing ones.

To strengthen "Togetherness" through specific initiatives (e.g. Employees Contest, Branch Contest, etc.)

To encourage the simplicity and communication of the Foundation's processes.

Road to Social Business.



REALE
FOUNDATION



REALE GROUP

www.realefoundation.org

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