



SUSTAINABILITY REPORT 2011



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2011



PHOTO ILLUSTRATIONS

The traditional use of images relating to the initiatives supported by the Group also continued this year, as a photographic illustration of the Sustainability Report.

For the 2011 edition, the choice fell to initiatives aimed at answering the call for businesses to contribute to achieving the Millennium Development Goals. These are eight goals to be reached by 2015, deriving from the Millennium Declaration signed in September 2000 by the United Nations member states, a global agreement between rich and poor countries to create a world that is safer, more prosperous and fairer for all.

The Generali Group has contributed and continues to contribute to the pursuit of various Millennium Development Goals through a number of projects. For reasons of practicality, in this volume they are presented as four macro areas that sometimes include more than one of the goals; they are referred to as work, education, health and environment, and each is associated with a macro chapter.

The chapter Group is illustrated by photographs relating to Generali Millennium, a wide-scale initiative carried out in India with the aim of eradicating poverty and hunger (1st goal), contributing to development of the Dalits, the most disadvantaged segment of the population. It does so using a revolving fund that finances the start-up of small entrepreneurial projects, such as the canteen built at Loyola College in Vettavalam and the brick-making factory built in the village of Kuppayanallur in Tamil Nadu, offering dignified work to some of the Dalits, largely women. Using specially designed microinsurance products, it also enables poor people who work but have very low income to have access to important services, such as health services in the case of illness or accident, that would be barred to them otherwise.

The photos for the chapter Direct Stakeholders, on the other hand, relate to initiatives in the area of elementary education (2nd goal). Several images refer to projects in China, namely to three schools located in the provinces of Shaanxi, Guandong and Yunnan, and to Shangai Cherished Dream Charity Foundation, for the benefit of which the Group has provided for the purchasing of computers, stationery and books to enable the children of the poorest families to study. Other images relate to India, where Generali has contributed to the completion of an elementary school to be operated by the Don Bosco Foundation; it is for children who live with their families in hovels lacking water, electricity and toilets close to brick-making factories in the

Jhajjar district, in the north of the country. This is a zone characterised by a high concentration of immigrants who find work in the approximately 450 brick-making factories, where even children are often required to work; thanks to support from Generali, now they can obtain an education, and even medical care.

For the chapter Competitive Stakeholders, photographs have been chosen that refer to three projects in Africa aimed at reducing infant mortality and/or improving maternal health, or eliminating serious diseases such as AIDS and malaria, thus covering the three Millennium Development Goals involving the area of health. The first is the DREAM (Drug Resource Enhancement against AIDS and Malnutrition) project of the Community of Sant'Egidio, active in the fight against AIDS with 36 centres in 10 African countries. This initiative is directed, in particular, towards pregnant HIV positive women and it has the dual objective of preventing transmission of the illness and, as well, ensuring the survival of the mother and child. Generali has supported the project for many years and, in particular, contributed to the construction of two centres with molecular biology labs, the most recent inaugurated in July 2011. Other images illustrate the activities of AMREF, the main private non-profit health organisation present in Eastern Africa, which employs more than 800 people, 97% of them Africans, and manages 140 health development projects in 6 countries. In particular, Generali supports the Flying Doctors project, which provides evacuation services - either free of charge or at low cost - in cases of medical emergencies as well as air ambulance transfers between medical facilities throughout Eastern Africa. Lastly, there are photographs of Malaria Day 2011 in Chad, where Generali made a contribution by financing educational meetings for the population concerning malaria and its prevention.

To illustrate the chapter Social-environmental Stakeholders, images were used that relate to two initiatives for environmental sustainability (7th goal), both completed in partnership with local institutions in Hong Kong and in Germany. In these projects, participation by Generali has not been limited to providing funds but also included the active participation of employees in the various activities. In Hong Kong, in particular, a team of employees took part in the Green Power Hike, a walk organised every year by the independent association Green Power through the 5 nature parks of the island. Numerous environmental education programmes have been activated using the funds raised during the walk, devoted to children in nursery, primary and secondary schools. A pilot project has also been started up for creating a network of 'green' schools in Hong Kong. The other images, on the other hand, relate to The Nature: a Matter of the Heart initiative, carried out in cooperation with the German nature parks association, which covers 97 of the 101 nature parks in Germany. With the support of Generali and the active engagement of citizens, among them employees of the Group, in 2011 forty projects were activated with various objectives, including species and habitat preservation, environmental education, and the maintenance of nature trails and hiking paths.

CHAIRMAN'S LETTER



It is a great satisfaction for me to be able to say that, in 2011 as well, although tainted by the international economic crisis and the tensions concerning sovereign debt in some countries in the Eurozone, the Group has succeeded in achieving solid industrial results both in the life and in the non-life segments. The sustained growth in production and technical profitability, among the highest on the European market, has driven a strong increase in non-life operating result. In the life segment, the increase in the technical margin, benefiting from the development of annual premiums, has been achieved thanks to the strength of a distribution network based on proprietary channels. Despite encountering a contraction in savings, this has enabled the negative impact of the markets on the financial component to be partially offset. The results obtained confirm the validity of our strategic choices and of the business model, along with the high levels of operating efficiency achieved.

Our capital structure is solid, the result of an investment policy traditionally based on a prudent allocation of resources, and it has been further confirmed in the first months of 2012.

We are aware that the positive results obtained have been due to the abilities, contributions and high regard of many people, people whom we would like to reward. It is important to us that our employees are satisfied, as well as the other stakeholders who continue to trust us, demonstrating this in their purchasing and investment choices, with a supply of goods and services that maintain the high quality of what we offer to the client and enable us to strengthen

and enhance our reputation, now based on 180 years of history. Therefore, in 2011 as well, we have intended to allow everyone to participate in the value generated by the Group, despite the reduction in the result of the period due to the negative performance of the financial markets. In particular, we have increased the amounts designated for employees and sales networks, as well as the amounts for initiatives benefiting the community, within the context of which there has been growth, above all, in the sums directed toward philanthropic initiatives supporting numerous projects with social purposes, even more necessary now given the context of increasing, widespread poverty.

As reflected by the images that illustrate this volume, we are also trying to do our part to guarantee fundamental rights - to life, health, elementary education, dignified work, etc. - to the most disadvantaged segments of the population in developing countries, working in cooperation to achieve the Millennium Development Goals. We are doing this not only by allocating funds but also by means of microinsurance initiatives, where we put our professional know-how at the service of people who need it most or otherwise lack access to it. Our commitment to fundamental human and labour rights, and to fighting corruption and protecting the environment is part of the commitment that we made several years ago when we decided to join the UN Global Compact initiative, which promotes these principles worldwide. We have included them among the fundamental principles of our Group as set forth in the Ethical Code and it is in light of them that we characterise ourselves and are inspired in our strategies, policies and day-to-day activities.

We are aware of our responsibilities to mankind and particularly our employees, for whom we have adopted policies that have the overriding purpose of maintaining the number of jobs, with employment that is 95.4% permanent, and keeping pay satisfactory. This is a value that we think is very much appreciated by our employees and their families. Furthermore, in a context characterised by growing unemployment, we are offering talented young people the opportunity to enter a dynamic and stimulating work environment with prospects for growth, even through experience at an international level.

Lastly, we believe that we must also develop our role in environmental

protection, as this is such a precious asset that is now threatened by the overuse and, above all, wastefulness of many. In this context, we are seeking, most of all, to limit the impact of our activities by means of a careful and responsible management of natural resources, while we also aim to make people more sensitive to environmental issues and more aware of the importance that everyone should contribute to guaranteeing that our planet has a future. We believe that environmental problems should be handled promptly, intervening before the damage is caused and without limiting oneself to what the law requires.

Our approach to the environment is a broad, serious and determined one, and this reflects our characteristics, our business and everything that we believe in; we are very pleased that our commitment and the results achieved are appreciated and that we are receiving ever better ratings from analysts specialised in social, environmental and governance performance assessment. Last year, in fact, thanks to higher ratings, we were included in important new indices such as Stoxx Sustainability Indices, MSCI ESG Indices, Axia Indices and Ethibel Sustainability Indices.

There is always room for improvement and, in environmental terms in particular, we propose to institute and disseminate a more structured approach within the Group for assessing the risks and opportunities connected with climate change, one of the biggest challenges of our times. In addition, considering the ever closer connection between business development and social-environmental considerations, we are assessing further integration among the various reporting tools.

Above all, in line with the principle of transparency and the purpose of increasing the effectiveness of our activities, in relation to sustainability as a whole, we intend to extend the managerial approach that has already been adopted for environmental aspects to other topics as well. By comparing the ongoing results obtained against the goals established, it will be easier to identify and discuss - in constructive dialogue with the stakeholders engaged - the areas where attention should be focused to achieve a path of sustainability with the aim of continual improvement.

Gabriele Galateri di Genola

METHODOLOGICAL NOTES

The 2011 Sustainability Report (SR) of the Generali Group, its eighth such report, is unchanged in a number of areas and there are also some important news, shedding further light on key issues for the various stakeholders.

Document - Once again this year, the SR is published as a stand-alone document, distinct from the other information provided by the Group. This decision is due above all to the desire to give social and environmental issues a level of attention that they could not be afforded in the financial reports. Nevertheless, the SR is increasingly closely integrated with the Management Report and Annual Consolidated Financial Statements. The former contains in-depth information on sustainability principles, policies and governance, as well as a detailed series of quantitative indicators that, like the technical indicators on the insurance business, measure the results obtained over the year in relation to the social and environmental issues that are most important to the Group.

Reporting standards - The drafting, structure and content of the SR follow version 3.1 of the Sustainability Reporting Guidelines and the Financial Services Sector Supplement of the Global Reporting Initiative (GRI). Meanwhile, the AccountAbility1000 standards are used for the information-gathering process.

SR area: countries - It includes the main countries in which the Group operates (Italy, Austria, the Czech Republic, France, Germany, Israel, Spain and Switzerland), representing 71.8% of the Group's workforce and 87.1% of its gross direct premiums. Regarding the Czech Republic, quantitative data is provided for all chapters, while qualitative information is limited to employees, sales networks, contractual partners, the community and environmental initiatives. As in previous years, some information on Israel is not available due to confidentiality requirements or because their inclusion could put the company at a competitive disadvantage, as our competitors do not publish such information. The data for France include information relating to Europ Assistance France in the chapters on employees and contractual partners only. Lastly, the quantitative data in the chapter Environment refer exclusively to countries included in the Environmental

Management System of the Group, so that significant comparisons can be made against the Group's targets for the System.

SR area: business sectors - The focus is once again on the insurance and banking business, including related service activities. Moreover, for the first time the Report also covers the Group's real estate companies, providing greater detail on this sector.

Structure and content - This year for the first time an initial abstract has been added to give an overview of the key contents of the document. The information in this document is organised according to the stakeholders, retaining the usual three categories: direct stakeholders (employees, sales force and shareholders), competitive stakeholders (clients, contractual partners and issuing companies), and social and environmental stakeholders (community and environment). In the chapters dedicated to each of the categories, the data refer to the SR area unless otherwise stated, while the chapter Group brings together the important data available for the whole of Generali Group.

The sections containing information that is less significant or available from other Group sources have been further rationalised whereas the parts that are most important for stakeholders have been expanded.

To this end, the chapter Issuing companies features new information on the socially responsible investment policy and the chapter Environment includes some new graphics in an effort to provide increasingly transparent information on the Group's environmental impact.

The GRI Content Index can be found at the end of the document and is prepared in accordance with the guidelines of version 3.1 of the GRI and the 10 principles of the Global Compact. It is also noted that the process for defining Report content is based on the principles of materiality, stakeholder inclusiveness, sustainability context and completeness, and the process for defining Report quality is based on the principles of balance, comparability, accuracy, timeliness, clarity and reliability set forth by the GRI.

In order to ensure that the information herein is reliable, directly measurable indicators are used, avoiding the use of estimates as much as possible.

Figures are rounded to the first decimal place, unless otherwise indicated, meaning that the sum of the rounded figures may not be exactly the same as the rounded total.

Time period - As usual, the data refer to two years, given the difficulty of recalculating previous comparable data for a longer period. The chapter Shareholders is the only exception, where the amount of information available makes it possible to present data for a four-year period. In relation to the chapter Environment, only the data for the last two years are published because the scope of the Environmental Management System constantly evolves. However, for the purposes of evaluating the results already achieved in relation to the environmental targets that the Group set in 2009, the relevant indicators show the changes 2011/2009 on like-for-like basis. The 2010 figure may differ from the previously published data since, in order to allow for undistorted comparison, it is recalculated using identical criteria to those used in 2011, where any change was made.

Assurance - Once again, the Group decided not to ask for an external assurance for the Report. This choice is based on the Group's desire to focus its available resources on improving its social and environmental performance and maintaining an effective reporting system in order to provide extensive, high-quality information and meet stakeholders' needs.

ITALY

Alleanza Toro S.p.A.
 Assicurazioni Generali S.p.A.
 CESTAR – Centro Studi Auto Riparazioni S.c.r.l.
 D.A.S. - Difesa Automobilistica Sinistri S.p.A.
 Europ Assistance Italia S.p.A.
 Europ Assistance Service S.p.A.
 Europ Assistance Vai S.p.A.
 Fata Assicurazioni Danni S.p.A
 Fata Vita S.p.A.
 Generali Business Solutions S.c.p.a.
 Generali Immobiliare Italia SGR S.p.A.
 Generali International Business Solutions - S.c.a.r.l.
 Generali Investments Italy SGR S.p.A.
 Generali Investments S.p.A.
 Generali Properties S.p.A.
 Generali Real Estate S.p.A.
 Genertel S.p.A.
 Generali Thalia Investments Italy SGR S.p.A.
 Genertellife S.p.A.
 Gruppo Banca Generali
 INA Assitalia S.p.A.
 SIMGENIA S.p.A.

AUSTRIA

Allgemeine Immobilienverwaltung GmbH
 BAWAG P.S.K. Versicherung AG
 Care Consult Versicherungsmakler GmbH
 Europ Assistance GmbH
 Europäische Reiseversicherung AG
 Generali Bank AG
 Generali Capital Management GmbH
 Generali FinanzService GmbH
 Generali Holding Vienna AG
 Generali Immobilien AG
 Generali IT-Solutions GmbH
 Generali Leasing GmbH
 Generali Sales Promotion GmbH
 Generali Telefon- und Auftragservice GmbH
 Generali Versicherung AG
 Generali VIS Informatik GmbH
 Risk-Aktiv Versicherungsservice GmbH

CZECH REPUBLIC

Ceská Pojišťovna a.s.
 Europ Assistance s.r.o.
 Generali Pojišťovna a.s.
 Generali PPF Holding B.V.

FRANCE

E-Cie Vie S.A.
 Europ Assistance France S.A.
 Generali France Immobilier S.A.
 Generali France S.A.
 Generali IARD S.A.
 Generali Investments France S.A.
 Generali Vie S.A.
 L'Equité S.A. Cie d'Assurances et Réass.contre les risques de toute nature

GERMANY

AachenMünchener Lebensversicherung AG
 AachenMünchener Versicherung AG
 Advocard Rechtsschutzversicherung AG
 AM Gesellschaft betriebliche Altersversorgung mbH
 AM Vertriebsservice-Gesellschaft Personenversicherungen mbH
 AM Vertriebsservice-Gesellschaft Sachversicherungen mbH
 ATLAS Dienstleistungen für Vermögensberatung GmbH
 Central Krankenversicherung AG
 Cosmos Lebensversicherungs-AG
 Cosmos Versicherung AG
 Deutsche Bausparkasse Badenia AG
 Dialog Lebensversicherungs-AG
 ENVIVAS Krankenversicherung AG
 Europ Assistance Services GmbH
 Europ Assistance Versicherung AG
 Generali Beteiligungs GmbH
 Generali Deutschland Holding AG
 Generali Deutschland Immobilien GmbH
 Generali Deutschland Informatik Services GmbH
 Generali Deutschland Pensionskasse AG
 Generali Deutschland Pensor Pensionsfonds AG
 Generali Deutschland Schadenmanagement GmbH
 Generali Deutschland Services GmbH
 Generali Deutschland SicherungsManagement GmbH
 Generali Investments Deutschland GmbH
 Generali Lebensversicherung AG
 Generali Private Equity Investments GmbH
 Generali Vermögensverwaltungs GmbH & Co. KG

Generali Versicherung AG
 Schloss Bensberg Management GmbH
 Volksfürsorge AG Vertriebsgesellschaft für Vorsorge-und Finanzprodukte

ISRAEL

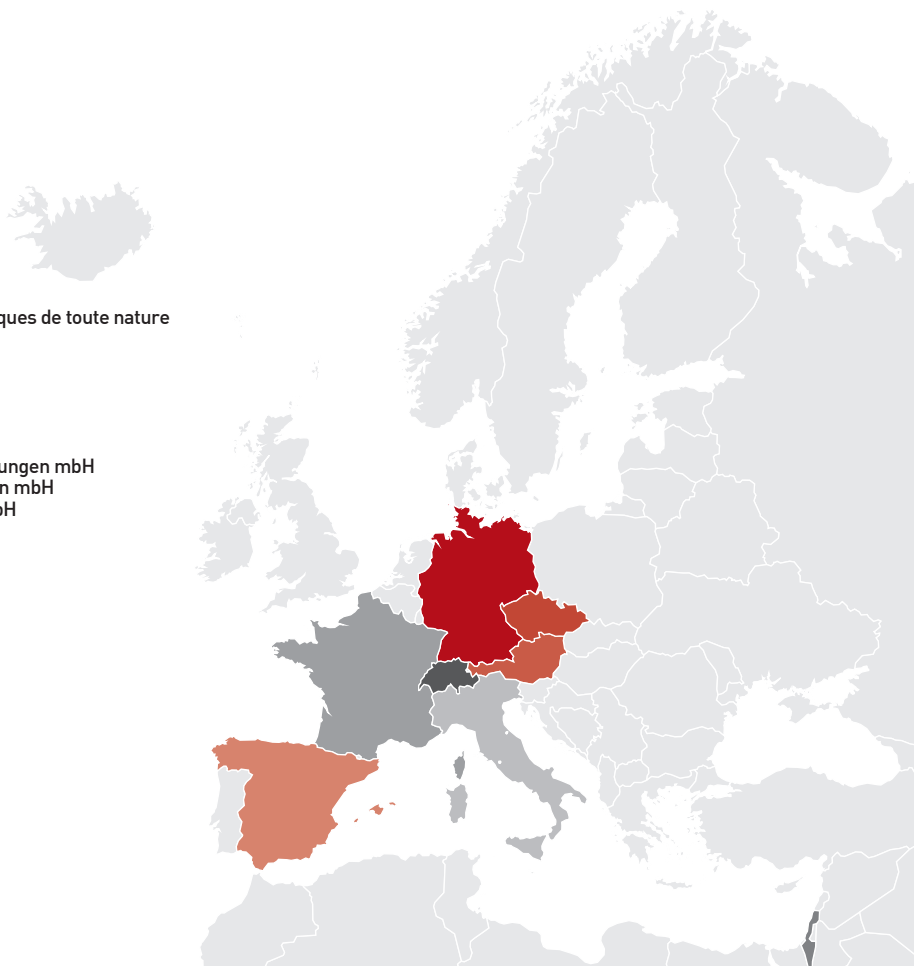
Migdal Insurance Company Ltd

SPAIN

Cajamar Seguros Generales, S.A. de Seguros y Reaseguros
 Cajamar Vida S.A. de Seguros y Reaseguros
 Coris Gestión de Riesgos, S.L.
 Europ Assistance España S.A. de Seguros y Reaseguros
 Europ Assistance Servicios Integrales de Gestion, S.A.
 Generali España, S.A. de Seguros y Reaseguros
 Generali España Holding de Entidades de Seguros S.A.
 Gensegur Agencia de Seguros S.A.
 Grupo Generali España Agrupación de Interés Económico
 Hermes Sociedad Limitada de Servicios Inmobiliarios y Generales
 Vitalicio Torre Cerdà S.L.

SWITZERLAND

BSI S.A.
 Europ Assistance (Suisse) Assurances S.A.
 Europ Assistance (Suisse) Holding S.A.
 Europ Assistance (Suisse) S.A.
 Fortuna Investment AG
 Fortuna Investment AG, Vaduz
 Fortuna Lebens-Versicherung AG, Vaduz
 Fortuna Rechtsschutz-Versicherung-Gesellschaft AG
 Generali (Schweiz) Holding AG
 Generali Assurances Générales
 Generali Personenversicherungen AG



- ↘ Global Added Value equal to 12,737.2 million euros (-6.6%)
- ↘ 81,997 employees worldwide (-3.9%)
- ↘ 65 million of clients
- ↘ 107.8 million of policies

For the Generali Group, being sustainable means measuring its ethical commitment in the changing scope of its business, on a daily basis.

Sustainability governance - Responsibility for sustainability at Group level lies with the General Manager and CFO, who implements the strategies defined by the Board of Directors of the Parent Company, Assicurazioni Generali S.p.A., laying down the basic guidelines. On this subject, in 2011 the Board of Directors instituted the Social and Environmental Sustainability Committee responsible for performing consultative activities. The General Manager and CFO also chairs the Sustainability Committee, established in 2007, the body which, at Group level, defines social and environmental policies, establishes the objectives and results to achieve and also assesses the opportunities, risks and areas for improvement related to the sustainability of the Group. Responsibility for achieving the Group environmental objectives is entrusted to the Environmental Management System Committee. Lastly, operational governing bodies known as CSR Committees are active at national level to improve the organisation and coordination of social and environmental activities.

Voluntary codes - The Ethical Code of the Generali Group, revised in May 2010, contains the fundamental principles which have always typified the Group's ethics, namely transparency, correctness and impartiality, and it invokes the fundamental human and labour rights, which the Group is committed to guarantee and promote in all its spheres of influence. This document also contains the guidelines for the Group's relationships with its different categories of stakeholders that must be followed by everyone working for the Group.

There are also other documents which, in compliance with the regulations, practices and culture of each country, regulate the relations between Group companies and their main interlocutors in more detail.

The European Social Charter stands for the recognition of the minimum basic rights of workers and has the development of the promotion of corporate dialogue, the search for the best strategies in managing, protecting and enhancing employees and respect for basic social rights and the right of workers to be represented as its goals.

The Ethical Code for suppliers of the Generali Group cites the general principles which should underpin successful relations with contractual partners.

The Environmental Policy contains the guiding principles which the Group complies with in the management of all significant environmental aspects to guarantee compatibility between business development and environmental protection. The document also defines the objectives which Generali pursues and the commitments it undertakes to make a positive contribution to sustainable development by steering management choices towards a smaller direct and indirect environmental impact of its business.

As far as the fight against corruption is concerned, the adoption of the Organisation and Management Model is of note, which contains measures designed to prevent crimes such as misappropriation of funds, fraud against a public body, concussion and corruption, etc., to avoid the administrative liability of companies for crimes committed by their senior executives or subordinates in the interest or to the benefit of the companies. Another tool designed to discourage and combat any type of fraudulent behaviour conducted by staff members to the detriment of the Group is the Internal Fraud policy. Lastly, the Parent Group has drafted a soon to be

issued Group Anti-money Laundering policy aimed at preventing the involvement of companies in money laundering and financing international terrorism.

Performance - In 2011, Global Added Value decreased by 6.6% as a consequence of the fall in the result of the period, which suffered from the negative performance of financial markets; as a result, allocations to shareholders, the State and the Group fell, while allocations to employees, agents and financial advisers, and the community increased.

The 3.9% reduction in the workforce was mainly caused by the sale of two companies in Mexico and Ukraine, and by the sale of the majority interest in a company in Switzerland, thus becoming excluded from the consolidation scope.

The figure of 65 million clients breaks down into 81.2% in Europe, 13.7% in the Americas and 5.1% in the rest of the world.

Some environmental performance has also been recorded at Group level; specifically, in 2011, Generali used a total of approximately 232 million kWh of electricity, approximately 849,000 m³ of water and 87,800 quintals of paper at a world level.

During the year, the Group joined new ethical indices and is now part of the ASPI Eurozone, the ECPI Indices, the FTSE ECPI Italia SRI Index Series, the FTSE4Good, the Stoxx Sustainability Indices, the MSCI ESG Indices, the Axia Indices and the Ethibel Sustainability Indices. The Group is also in 30th place out of 100 and is the third company in the insurance and reinsurance sector in the Green Ranking 2011 published by Newsweek.

- ↳ 58,999 employees (-0,1%), of which 46.5% are women
- ↳ 95.4% of employees taken on with permanent contracts
- ↳ 33% of positions of responsibility held by women
- ↳ 61% of employees are under 45 years old
- ↳ average training per capita is 40.1 hours
- ↳ 82.9% of employees and sales force trained

Employee policies - They feature:

- attention to employees and commitment to offering opportunities for personal growth and professional development, valuing skills and know-how and developing potential;
- faith in open-minded young people keen to prove themselves, who are given positions of increasing responsibility;
- complying with values and protecting rights.

The fundamental rights of workers are guaranteed by the **Ethical Code of the Generali Group** and the **European Social Charter**. Personnel are taken on with regular employment contracts, since irregular employment, exploitation, compulsory labour, forced labour or child labour are not tolerated in any form.

The **selection** process follows the rules of correctness and impartiality: candidates' professional profiles are evaluated purely for the purpose of the company's interests. The Group has developed over time an integrated **talent management** system (selection, training and development) based on the promotion of merit and development of know-how and skills. By defining and monitoring personalised development plans, which use different tools (strategic training programmes, including international programmes, national and international internal mobility, coaching programmes and participation in strategic projects), the Group aims to provide opportunities for professional development, guarantee motivation and commitment and support managerial continuity in the long-term.

Remuneration for the majority of employees is linked to national collective bargaining agreements and any supplementary contracts in force in the various countries. The Group remuneration package includes: a supplementary pension scheme, health care, benefits and perks for employees and their families.

Size and characteristics - In 2011, in the area covered by the Sustainability Report, the total workforce remained basically unchanged, with a slight increase in female employees (46.5% compared to 46.2% in 2010).

95.4% of the workforce are on permanent contracts. Only 11.4% of the workforce are on part-time contracts; the percentage of women is 87.1%.

The largest age bracket is that of workers between the ages of 35 and 44 (31.7%) with 61% of employees under the age of 45 (62.1% in 2010). The percentage of women in the total decreases as age increases: it goes from 48.7% in the age bracket up to 34 to 32.3% for those in the age bracket of 55 upwards.

The overall turnover rate, calculated as (hires in the year + terminations in the year)/ [(workforce at start of year + workforce at end of year)/2], is equal to 25.1%, with the involvement of women slightly higher than men, both for hires and terminations.

As for **equal opportunities**, the majority of women continue to be employed at the level of office workers, even though the presence of women in positions of responsibility (managers and middle managers) is growing and reached 33% (32.8% in 2010). The percentage of women in Executive/Top Management positions is 8.7% (8.5% in 2010).

At all levels within the company, women receive gross annual remuneration that is, on average, lower than men. This can, however, to a large extent, be explained

by the fact that, as well as having less seniority, the majority of female employees opt for parental leave and part-time employment contracts, which are associated with lower remuneration, but which enable them to balance their family and work commitments.

In 2011, investment in **training** stood at 78.8 million euros in total (-0.8% compared to 2010). Approximately 190,000 Group employees and sales force, equivalent to 82.9% of the total (+12.1% compared to 2010) took part in at least one training programme. The average number of training hours per capita was equal to 40.1 hours (41.1 in 2010).

Social dialogue manifests itself in the comparison with the European Works Council, which represents 62,735 Group employees (76.5% of the Group total workforce).

The annual cost for the **health** and **safety** of employees for the Group stands at 255.5 million euros (192.5 in 2010). There were 719 accidents in 2011, a fall of 4% compared to 2010.

Human rights - Respecting human rights is at the core of the Group's strategy and finds expression in the Ethical Code of the Generali Group, the European Social Charter, the Ethical Code for suppliers of the Generali Group and the Group's participation in the Global Compact initiative.

Spreading awareness of fundamental human rights is pursued by educating personnel; an e-learning programme is underway which, by 2013, will include all Group employees.

Annual monitoring takes place to check that the core international standards of the International Labour Organisation are complied with. In 2011, it covered 99.2% of Group staff with the following results:

- **child labour**: none of the Group's workers is under 16 years old;
- **forced labour**: there are no cases of forced labour, compulsory labour or anything irregular;
- **non-discrimination**: no cases of discrimination of any sort were reported regarding selection, management and remuneration of personnel;
- **freedom of association and collective bargaining**: 85.9% of employees work in Group companies where there are worker representatives; 77% of Group employees are covered by collective bargaining agreements.

- ↘ 9,105 agencies (9,262 in 2010)
- ↘ sales force in agencies of 93,961 people (90,369 in 2010)
- ↘ 27,237 agents, of which 21,320 are one-firm agents

In the Generali Group **agencies** are the main channel for the distribution of products. In 2011, the number of agencies fell by 157 units, with a reduction in the smallest agencies, in particular in those with revenues of less than 1 million euros; the number of larger agencies, on the other hand, increased as a result of rationalisation of the Group's presence in the area. In spite of all this, 62.9% of the network comprises agencies with revenues of less than 1 million euros.

One-firm agents account for the largest number, in other words agents which only sell Group company products (78.3% of the total), even though the number of multi-firm agents, which operate mainly in Germany and Israel, increased by 6.4%. Overall, 71.9% of agents were appointed less than 10 years ago, while in France and in Italy over 50% of agents have been working with the Group for more than 10 years.

Group companies continue to invest in the development of **multichannel** distribution, not only to meet the demands of clients, but also to anticipate them, if possible.

Channels used by the Group include:

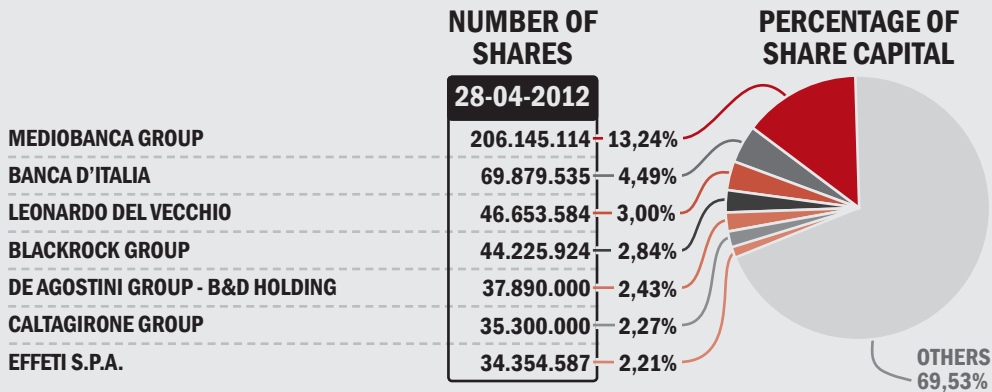
- nearly 49,000 financial advisors, of which 37,000 are in Germany;
- almost 30,000 brokers, with more than 14,000 of them in Germany;
- 7,082 bank branches, of which 4,605 are in Italy;
- more than 22,000 points of sale, comprising travel agencies, tour operators, hotels, airline companies, car showrooms, car hire companies, body shops, with whom companies have signed partnership agreements for the distribution of specific products, especially in the breakdown assistance line of business. In Austria and in the Czech Republic, Group products are also sold through post offices.

With a view to innovation and the diversification of the distribution model, the Group has expanded and upgraded the use of innovative sales channels, such as call centres, the internet and new applications that can be accessed using mobile phones, the result of technological innovation that responds to the changing buying habits of some clients.

- ▾ 282,000 shareholders, of whom 7 have a stake of more than 2%
- ▾ 1.9% of the share capital held by socially responsible investors
- ▾ 268 meetings with analysts and institutional investors (206 in 2010)

Size and characteristics - As at 31 December 2011, the share capital of the Parent Company, Assicurazioni Generali S.p.A., amounted to 1,556,873,283 euros, divided into the same number of ordinary shares with a nominal value of 1 euro.

Major shareholders



Of the Parent Company's approximately 282,000 shareholders – 70.8% of which are Italian – only seven have a direct or indirect (held through a third party, trustees or subsidiaries) stake of more than 2%. Known as the major shareholders, they hold a combined 30.47% interest in the share capital. With regard to the other categories of shareholders, other institutional shareholders hold 37.87% and private shareholders 31.66%.

Among the shareholders of the Company, there are also investors who adopt ethical investment criteria. The main one is the Norwegian Government Pension Fund, which alone holds 1.79% of the share capital of Assicurazioni Generali with 27,913,335 shares. Also other investors (pension funds and mutual funds) oriented toward a socially responsible investment policy invest in Generali shares; they are based in Canada, France, Sweden and the United States and hold a combined stake of about 0.1%.

Dialogue - The Generali Group believes maximum transparency is crucial to its relationship with the shareholders and the financial community. Contact with analysts and institutional investors takes the form of group and individual meetings, roadshows and industry conferences organised in the major international financial centres mainly upon major issues of financial reports and extraordinary transactions, with an increasing involvement of Top Management.

Moreover, also in 2011 the Company received requests from environmental, social and governance (ESG) analysts with a view to obtaining more details on the Group's social and environmental commitment and performance.

Premiums from:

- ↳ products with particular social value for 1,128 million euros (+14.4%)
- ↳ products with particular environmental value for 370 million euros (+20%)

The Generali Group is also committed to raising awareness of responsible social and environmental practices among consumers. To this end, the Group companies have developed products that have a particular focus on these areas. The significant increase in premiums achieved in 2011 is due partly to rising client demand and partly to the refinement of the reporting systems. Specifically, on like-for-like basis, premiums from products with particular social value and those from products with particular environmental value increased by 14.4% and 20%, respectively.

In order to contribute to the economic development of the poorest members of society and to provide those who would otherwise be excluded from the traditional market with insurance products, the Generali Group has developed **microinsurance** programmes in China, Colombia, Guatemala, Indonesia and India. Looking in particular at India, the Generali Millennium project has been put in place to support the UN Millennium Development Goals initiative and to free the most disadvantaged sections of the population from poverty, including through support for entrepreneurial activities.

The Group remains committed to improving the quality of its services and places particular emphasis on dialogue with clients and analysing the results of the numerous surveys it conducts on a regular basis. Findings regarding brand perception and customer satisfaction with Generali products and services, as well as surveys on client/consumer expectations and the reasons behind their decisions are the starting point for developing and adding to the product range, internal organisational processes and communication.

Insurance business:

- ↳ 43.4 million clients (+0.2%)
- ↳ 79.5 million policies (+0.4%)
- ↳ 11.8 billion euros paid out on non-life claims (-3%)
- ↳ 14.3 billion euros paid out on life claims and expiring policies (-3.8%)

The number of Group **insurance clients** has remained at 2010 levels. As a result of the strategic move to focus its insurance business on individuals and small to medium enterprises, only 3.3% of the Group's insurance clients are medium to large enterprises.

The Group's client distribution reveals a concentration of clients aged between 41 and 60 (45% of the total). The 41-50 age range is the most populous in absolute terms at 25.2%, while just 14% of clients are under 30 years old.

The number of policies has increased most significantly in other non-life lines of business (+1.3%) and motor line of business (+0.8%). On average, each client has 1.8 policies.

In 2011, 9.8 million advices of **non-life claims** were received, a fall of 1.9% compared to 2010. More than 9.1 million claims were paid out (+0.6%), partly referring to advices received in previous years, for a total of 11.8 billion euros.

In the non-life insurance segment, customer service quality is mainly measured at the claim settlement stage. The Group has shared facilities in all countries to optimise claim management procedures and to facilitate the settlement of claims.

In terms of the various phases of the claim management process, the majority of the Group companies have developed services that are targeted to meet client needs. Agreements and conventions with healthcare facilities, doctors, roadside-assistance providers, body shops, car hire firms, etc. are in place to facilitate client access to the services provided.

Payments on life insurance policies to policyholders/beneficiaries totalled 14.3 billion euros (-3.8% compared to 2010) as a result of 1.4 million expiring policies and claims. The majority of payments related to matured savings policies, totalling 11.4 billion euros (of which 86.4% lump sums), while payouts for claims totalled 2.9 billion euros.

The insurance companies received 150,163 complaints in 2011, an increase of 20.6% compared to the previous year, of which slightly over half (50.2%) were deemed to be justified. The increase in complaints should not be put down to clients being less satisfied, but rather to companies being more willing to listen and sort out the problems and inefficiencies identified by clients. To promote dialogue, the Group insurance companies have set up multiple channels for forwarding complaints: letter, fax, telephone, email or by filling out the relevant form in the 'contact us' section of the website of certain companies.

Banking business:

↘ 1,578,000 bank clients (1,591,000 in 2010)

↘ 9,698 complaints received (9,475 in 2010)

The number of bank clients has fallen slightly over the past year (-0.8%).

The Group banks are organised in different ways as far as the complaint-handling process is concerned, due in part to legislation in the various countries. All banks have various methods by which clients may lodge a complaint, such as: letter, fax, telephone, email, and a department which is responsible for handling and analysing complaints and monitoring activities for the identification of possible improvement measures.

The number of bank complaints received increased by 2.4% in 2011 compared to the previous year, but only 26.2% (28.4% in 2010) of complaints received were deemed to be justified.

Real estate business:

↘ 13,850 clients

The Generali Group considers the real estate sector to be a part of its core business. From 1 July 2012, Generali's real estate activities at an international level will converge into Generali Real Estate.

More than half of the Group's real estate clients are concentrated in Austria (52.7%). The enterprises account for 14.7% of the Group's clients. Real estate activity is focused on this kind of client in Italy above all, where the enterprises account for 61.4% of all clients.

↘ 188,369 suppliers (+9.9%)

↘ 2.3 billion euros of supplies expenses (+19.3%), of which 89.6% at local operators

Policies - In 2011, the Generali Group adopted the **Ethical Code for suppliers**. This document, which in detail regulates relations with this category of stakeholders, was drafted by a working group made up of experts from the Corporate Centre which, during the process of defining the document, verified its compatibility with any existing regulations and local voluntary codes as well as related practices. This team is currently preparing operational guidelines to be used throughout the Group for the purpose of implementing the contents of the Code, for a shared approach to the various important aspects. These specifically include the introduction of adequate monitoring procedures for suppliers to check compliance with the requested requirements, which should also take into account the risk profiles of the various categories and the preparation of corrective actions and sanctions for cases of non-compliance. With regard to this, it is noted that the Generali Group proceeds to ask contractual partners which do not comply with the general principles to justify their behaviour. Through dialogue, it then encourages ethical conduct and, only in cases where there is no reform and the unacceptable behaviour continues, it applies sanctions, which can even result in contract cancellation.

The Group requires its suppliers to adopt responsible behaviour in the social field, specifically as regards respect for human and labour rights, and in the environmental area. Preference is given to local operators, which has a positive effect on the socio-economic fabric of local communities, creating employment and promoting development whilst paying attention to the environment.

Size and characteristics - The number of suppliers is high through the presence of several Europ Assistance group companies, whose suppliers account for 75.9% of the total. The specific activity undertaken by them, which envisages the provision of various types of services, requires the availability of suppliers (car hire companies, roadside assistance providers, plumbers, smiths, electricians, clinics, hospitals, diagnostic centres, ambulances, doctors, nurses, etc.) throughout the country.

- ▾ 6.3 billion euros managed by the Group in SRI funds
- ▾ 40 million euros invested in renewable energy

Group investment policy is dictated above all by the **safety and reliability** of the issuer, using cautious strategies and seeking a correct balance between risk and medium-long term returns. Speculative investments are refused and great care is taken to avoid investments with a high risk of any type.

Moreover, the Group bases its investment decisions on environmental, social and corporate governance aspects, in addition to the usual economic and financial assessments. In this way, it has been possible to enhance investment safety and protect against the harmful effects - on its reputation and on the relationship of trust that has been built over the years with its stakeholders - that could arise from involvement, through investment, in activities contrary to the principles of the Group. Hence, Generali gives an ethical dimension to its investment policies without neglecting profitability, thereby cementing its place among ethical investors in financial markets.

In making its investment choices, the Group considers the companies' compliance with its own Ethical Guidelines, which it put together in 2010 to provide a full overview of its position on a number of essential conditions that investments must fulfil. Specifically, the Group's Ethical Guidelines - applying to all investments except third-party assets - forbid investment in financial instruments issued by companies that, directly or through subsidiaries:

- produce weapons that violate fundamental humanitarian principles through their normal use;
- sell weapons or military materials to countries deemed to be at risk;
- are involved in serious or systematic violations of human rights, serious environmental damage, serious instances of corruption, or other particularly serious violations of fundamental ethical standards.

In order to ensure impartiality during assessment and exclusion procedures, the Group has set up the Council on Ethics for Investments, a consultative body comprising the Group-wide heads of the departments most involved in investments and corporate social responsibility, plus two external members with an academic background.

The Committee is charged with examining the issues relating to the companies whose actions do not meet the minimum requirements set out in the Guidelines, assessing any justifications given by the companies and, where such justifications are non-existent or unsatisfactory, drawing up reasoned proposals to exclude companies that violate the Group's ethical criteria. Said proposals are sent to the General Manager of the Corporate Centre and CFO, who is responsible for the decision to exclude companies.

In the same way, if the reasons for exclusion no longer apply, the Council on Ethics for Investments may suggest the readmission of companies to the Group's investment universe.

So far, by using an analysis based on environmental, social and governance (ESG) criteria that applies an ethical filter to all companies in the investment universe, around 30 companies have been identified that do not meet the minimum requirements established.

The analysis method used for negative screening of issuing companies is derived from the approach developed in recent years for selecting socially responsible investments, by virtue of which the Group can select best in class companies in terms of corporate social responsibility and sustainable development policies.

Generali's current range of socially responsible investments comprises a number of funds totalling **6.3 billion euros**, which are managed by Group companies in France, Italy, Austria and Switzerland.

In the context of socially responsible investments and in line with the commitments undertaken to protect the environment, the Generali Group also supports several companies operating in the renewable energy sector through private equity initiatives.

As of the end of 2011, the Group is directly committed to two initiatives for the production of energy from renewable sources in Italy with an overall investment estimated at 40 million euros and a total installed capacity of about 28 MW to be reached within the next three years, 49% of which solar energy, 24% wind energy and 27% biomass.

49.1 million euros destined for the community, of which:

↳ **15.8 million euros in donations (+16.9%)**

↳ **33.2 million euros in commercial initiatives (+4%)**

Policies - The Group has grown in new areas by developing local capabilities; as a result Generali's expansion and achievements throughout the world has always represented a factor for the development of economies in the countries where it has a presence. The Group, broadly speaking, also acknowledges its moral responsibility towards making a contribution to improving the communities in which it operates. In countries where its presence is by now well-established, the Generali Group constitutes an important reference for cultural, environmental, sporting and voluntary associations, supporting them with funds or in other ways. The Group also works actively with public institutions, both national and local, on individual projects, particularly in the field of road safety education, but also in promoting social commitment by citizens and helping young people into work.

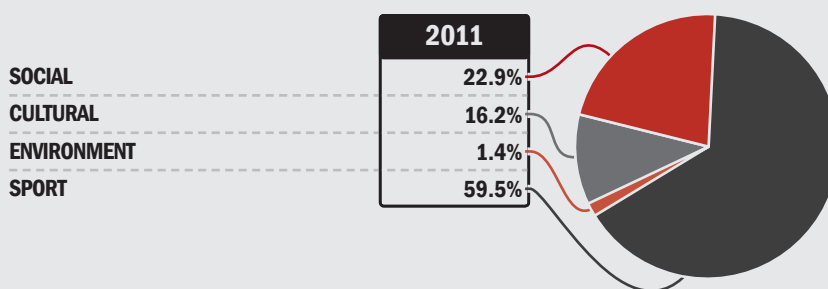
In emergencies, such as catastrophes like floods and earthquakes, the Group is active in the communities where it has a presence, providing first aid and/or helping with reconstruction, especially with the building of social infrastructures such as schools, hospitals and nursing homes.

In choosing initiatives to which to lend its support, the criteria used take into account priority intervention areas (of which there are four: social, cultural, environmental and sporting), the social worth of the proposed initiative and the reliability of the organisations promoting it. There is a retrospective check on the effective and correct allocation of funds supplied.

Priority is given to initiatives directed at children and young people, who represent the future of society; considering the changes that are taking place in society, projects involving the elderly are also on the increase.

The Group prefers initiatives where the use of resources devoted to the concrete and direct benefit of the communities in which they are implemented is maximised.

Allocation to the community by area



Size and characteristics - The majority of funds is concentrated in the area of sport, where many commercial events are held and which develop, over a period of time, according to logics related to business requirements. The Group's policy of involvement in the community, on the other hand, exemplifies the donation component, which, in 2011, was equal to 32.3% of the total amount designated for initiatives in favour of the community, an increase of 29.8% compared to 2010. This reflects the Group's support for the neediest, which is greatest in periods of crisis such as the current one. In 2011, donations accounted for 1.8% of consolidated result of the period after taxes.

As well as the assignment of funds, other types of measures to help communities are being promoted, often achieved with the direct involvement of staff members who collect money, give goods in kind or render their services to those who are less fortunate. In some cases, these involve spontaneous initiatives; in others it is the company that fosters them.

- ↘ Per capita electricity consumption equal to 4,830.7 kWh (-7%)
- ↘ Paper consumption equal to 71,313.8 q (unchanged compared to 2010)
- ↘ Per capita water consumption 18.8 m³ (-8.7%)
- ↘ Greenhouse gas emissions equal to 92,273.3 t of CO₂e (-5.6%)

In recent years, the Generali Group has begun a process of strengthening its interest in various areas of social responsibility with a strong commitment to the environment as well. As proof of this, the **Environmental Policy of the Generali Group** was defined, a document approved by the Parent Company's Board of Directors, which establishes the objectives which Generali intends to pursue and the commitments undertaken to guarantee the protection of the environment and the prevention of pollution and to make a contribution to sustainable development. The objectives and commitments outlined refer to both direct environmental impacts, resulting from the Group's insurance and financial activities, and to indirect impacts, related to procurement activities, the planning and distribution of insurance and financial products and to institutional investment activities.

To implement the contents of the Policy, the Group has decided to implement an **Environmental Management System (EMS)**. An internal reporting system has been created under its scope, which includes various procedures, reports and documents. One of the most important is the Group's Objectives and Targets for Environmental Improvement document, in which each objective established in the Policy is associated with a specific target (or more than one), which the countries involved in the EMS are committed to attaining within a three-year period. The initial values to which the targets set refer are those announced on 31 December 2009.

Group Objectives and Targets for Environmental Improvement

Direct environmental aspects	Objective/target 2009-2012	Achievement of objective/target in 2011
Energy	5% reduction of per capita electricity consumption	-4.1%
	Introduction of electricity from renewable sources	69% compared to 35.7% in 2009
Paper	5% reduction of total paper consumption	-6.7%
	10% increase in the amount of ecological paper	65.8% compared to 34.1% in 2009
Water	5% reduction of per capita water consumption	-0,1%
Greenhouse gas emissions	10% reduction of emissions from Scope1 (heating fuels and kilometres travelled by company fleet) and Scope2 (electricity and district heating)	-14,5%
Waste	10% increase in separate waste collection	75.4% compared to 69.6% in 2009

Indirect environmental aspects	Objective/target 2009-2012	Achievement of objective/target in 2011
Procurement ecology	Introduction of environmental aspects in suppliers' assessment	860 suppliers with environmental policies and/or environmental certifications compared to 777 in 2009
Product ecology	Development and enhancement of the range of 'green' insurance and financial products/services	Premiums for insurance products with a particular environmental value amounting to 351.7 million euros compared to 203.8 million euros in 2009
Investment ecology	Exclusion of non eco-sustainable investments according to the Ethical Guidelines of the Group	No exposure since 2009

The activities which are most affected by the environmental policies are the management of buildings, purchasing, information technology and, as far as mobility is concerned, the management of human resources; projects, interventions and actions of various types will be implemented under this scope aimed at contributing to reaching the targets set. The correct implementation of the EMS and the specific achievement of the targets are guaranteed by **regular monitoring** and the **management review** by Top Management.

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PROFILE OF THE GENERALI GROUP

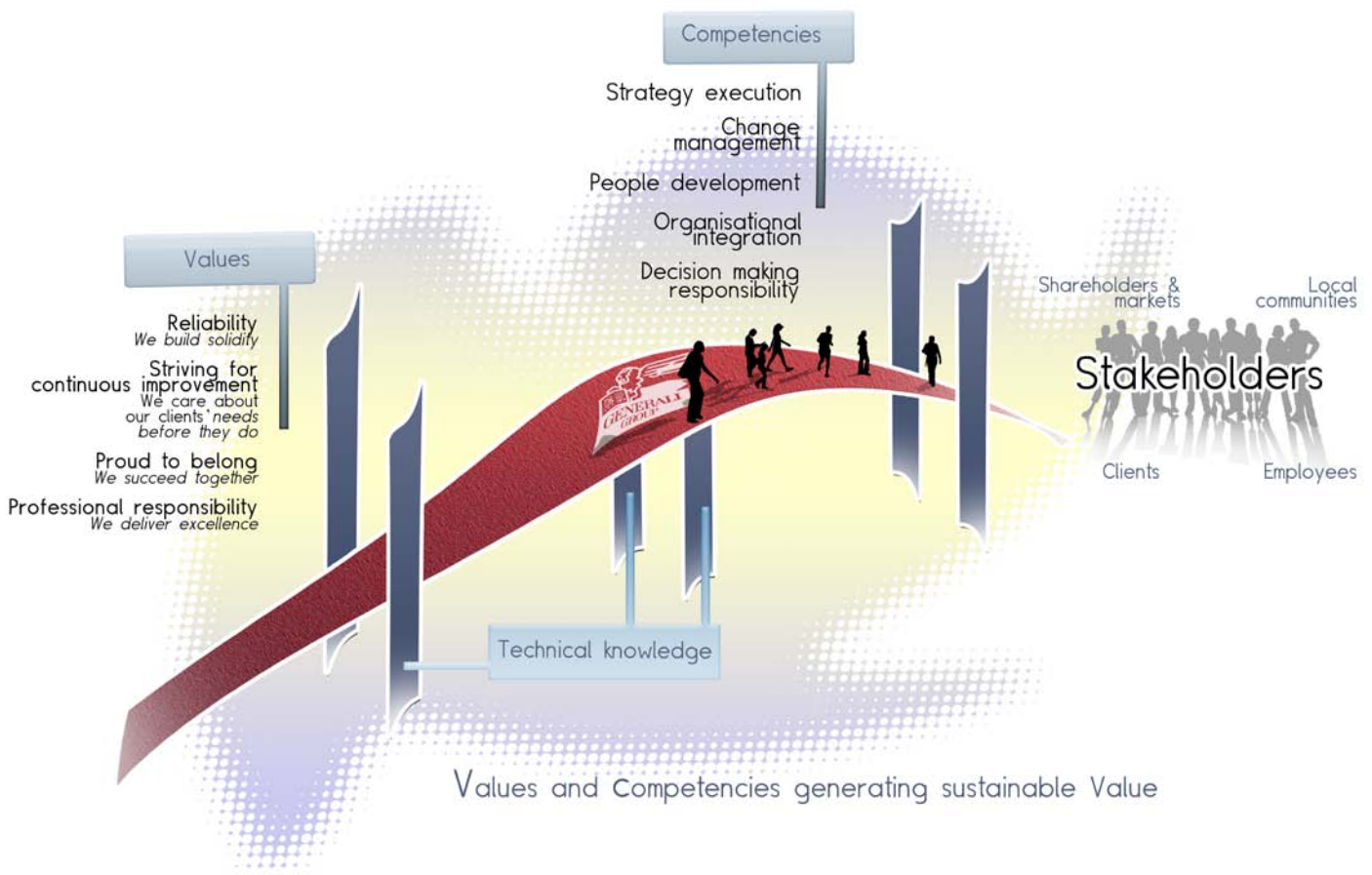
Identity

Vision, values, competencies and mission

The Generali Group **vision** can be best expressed as follows:

- we are committed to being a leading international team that produces consistent, excellent results for our stakeholders in the short and long-term;
- we believe in the value of our people and we build our competitive advantage through the commitment of every individual. We will therefore seek to produce and to leverage constantly a pioneering spirit, innovation and excellence;
- we are committed to becoming the most attractive company for the best performing people;
- we will work constantly to enhance our Group identity, proud of our history and of the richness of our diversities;
- we are committed to promoting mutual respect and social responsibility.

Developed through the involvement of HR experts and line managers from different countries, the Group values and competencies model defines the Generali style.



The image of a bridge, symbolising the link between the various cultures and contexts of the Generali Group, was chosen to represent the model.

The bridge also represents a route to the future, a call to business and growth. The pillars on which it rests represent the Group's **values** that are expressed through the slogans and graphically identified by symbols:

**PROFESSIONAL
RESPONSIBILITY**

We deliver excellence

**STRIVING FOR CONTINUOUS
IMPROVEMENT**

We care about our clients' needs before they do

**PROUD TO
BELONG**

We succeed together



RELIABILITY

We build solidity

The graphic representation of Group values is an initiative developed during 2011 to best ensure that they are understood. As one can see, each of the 4 values corresponds to a part of the lion in the Generali Group logo, becoming a metaphor for the significance of each individual value. Reliability, Commitment to Constant Improvement, Pride of Belonging and Professional Responsibility are identified, respectively, with the paws, symbol of practicality and solidity, the wings, symbolising action and dynamism toward constant growth, the book, representing common rules of the Group, its history and tradition, and the head, symbolizing awareness and decision-making ability. The symbols noted are used to demonstrate the value that is alive and embodied within the initiatives directed toward employees. In 2011, Group values were also the subject of a video, *Our Culture*, which has been translated into five languages and disseminated in Italy and abroad with the objective of ensuring a common, shared culture. The key symbol in the video is a lion that is figuratively linked, as if on a long journey, to the distinctive lions of other countries where the Group does business, thus recounting the Generali universe. The video is available on the Group website www.general.com.

The Group's **competencies** are identified in the model as:

- **Strategy execution** - To effectively communicate the Company's objectives and decisions to facilitate a common vision of the strategy. To define plans coherently, to assign goals and responsibility and to monitor performance against expected results.
- **Change management** - To understand and to respond to the internal and external needs of change. To foster innovation of processes, procedures and products/services to anticipate and promote change. To manage the uncertainty and to support people in the change process.
- **People development** - To ensure the professional development of people to sustain top performances, by encouraging and leading them in their achievement. To facilitate and to promote knowledge sharing and competency development to guarantee business continuity.
- **Organisational integration** - To understand and to balance the needs and goals of the role with those of other functions or of the Company. To develop effective relationship with different people and groups, by cooperating in the common interest.
- **Decision-making responsibility** - To deal with issues/situations in relation to the role. To make decisions and to take responsibility for the consequences over the future. To promote cohesion on decisions.

The values and competencies are functional to the creation of sustainable value for all the stakeholders.

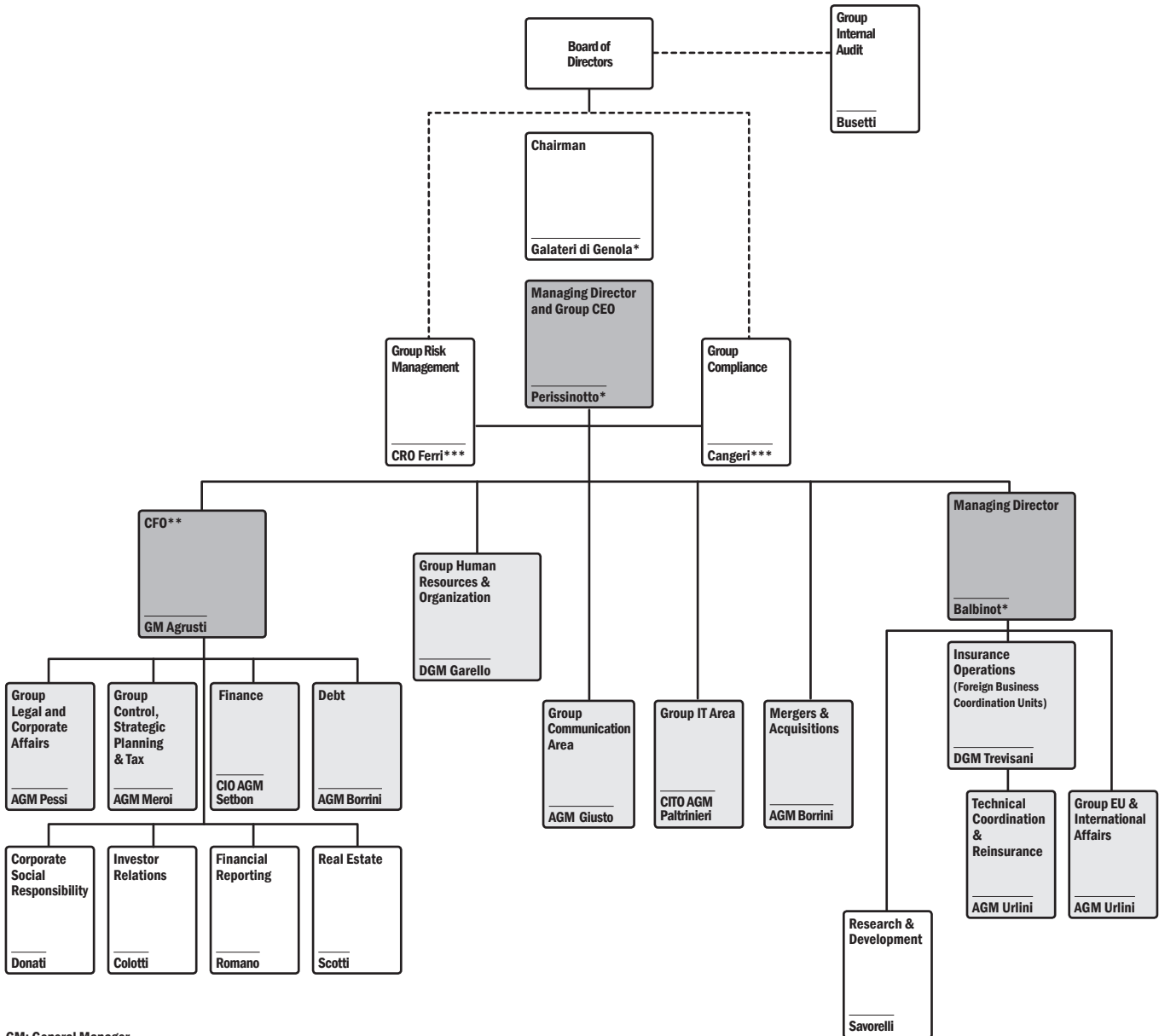
The **mission** of the Generali Group intends to consolidate a leadership position on its key markets, to achieve a key position on markets with growth potential, to establish itself as leader in profitability, by promoting a culture of sustainability and contributing concretely to high quality economic and social development.

Governance

Corporate bodies

The Generali Group takes a decentralised approach using multiple brands, assigning significant responsibilities to the management of the various territories in which it operates and preferring strategies most in line with the characteristics of the individual countries.

The role of guidance, coordination and control of activities organised by the countries lies with the Corporate Centre, which acts in support of the Group CEO and the Managing Director in relation to the respective powers assigned. The current Corporate Centre structure is shown in the chart below.



GM: General Manager
 DGM: Deputy General Manager
 AGM: Assistant General Manager
 CFO: Chief Financial Officer
 CRO: Chief Risk Officer
 CIO: Chief Investment Officer
 CITO: Chief Information Technology Officer
 (*) Are also members of the Board of Directors
 (**) Manager in charge ex lege 262/05
 (***) Report functionally to the Board of Directors

Information on the new Corporate Centre structure, which makes the governance of the Parent Company and the Group even more efficient and effective, is provided in the Corporate Governance and Share Ownership Report and on the Group website www.generali.com.

The Corporate Centre governance system is hinged on a few cornerstones, namely the central role assigned to the Board of Directors, the correct management of situations of conflict of interests, transparency in communicating corporate governance choices and the efficiency of the Internal Control System.

As a joint-stock company under Italian law, and by virtue of its adhesion to the Self-regulatory Code of Listed Companies, the corporate governance system is closely linked to the compulsory and voluntary rules of reference, which translate into the business carried out by the main corporate bodies specified below.

The Board of Directors enjoys the broadest powers of management for the pursuit of the company objective. Elected every three years by the Shareholders' Meeting on a list basis, the Board has two executive directors and fifteen non-executive ones, nine of whom are independent. The Chairman of the Board of Directors is a non-executive and non-independent director. The concepts of (non) executive and independence are based on the specific provisions of the Self-regulatory Code and are discussed in full in the Corporate Governance and Share Ownership Report.

The Shareholders' Meeting held on 28 April 2012 approved some amendments to Articles of Association on age limits for assuming corporate office and the issue of gender diversity. More specifically, in the light of international practices, age limits of 70 and 65 have been respectively introduced for appointment to the office of Chairman of the Board of Directors and for that of Managing Director with the aim of potentially raising the turnover of the Board, thus increasing the effectiveness of its role. Moreover, the Law No.120 of 12 July 2011 introduced the gender quotas for the composition of the boards of directors and boards of auditors of listed companies in Italy, as they have been in other European legal systems. With an eye to substantive equality, it aims at promoting both a balance between the genders and the access of the less represented gender to corporate positions. This quota in the Board of Directors of the Parent Company will therefore be at least a fifth of the members as from its next appointment. At present, the Board consists of 12 directors aged over 50 years old (70.6%) and 5 aged between 30 and 50 years old (29.4%). It has just one woman (accounting for 5.9% of the total Board members), who is member of the Risk and Control Committee and the Committee for the Evaluation of Related Party Transactions. Three members of the Board of Directors (17.6%) are of foreign nationality. The Board has its own Operating Regulation, which complies not only with the provisions of the Code, but also with the relevant international best practices.

As for the requisites for office, directors must be chosen according to criteria of professionalism and competence from people who have accrued overall experience of at least three years in the exercise of qualified professional activity.

They must also meet specific requirements of honour and independence. They must accept the appointment by specific declaration, having first ensured that they are able to devote the time effectively necessary to the diligent fulfilment of the tasks and consequent responsibilities assigned them. This shall consider, amongst other matters, the number of offices as director and/or auditor they may hold in other companies listed on regulated Italian or foreign markets, in financial enterprises, banks, insurance companies or companies of significant size, as well as other professional activities carried out by the parties concerned.

The Parent Company has its own related party transaction procedures and a regulation on internal dealing. For a thorough examination of them consult the Corporate Governance and Share Ownership Report. Both documents are available on the Group website.

Elected by the Board of Directors from the candidates meeting specific professional requirements, the Chairman shall legally represent the Company .

In addition to the functions assigned to him by law, the Chairman chairs the Shareholders' Meeting, in compliance with the provisions of the specific By-laws; convenes and presides over the General Council, the Board of Directors and the Executive Committee; sets the agenda, directs, coordinates and moderates the proceedings; announces the results of their resolutions and ensures that adequate information about the items on the agenda of each meeting is given to all directors with suitable notice.

Elected by the Board of Directors, the three Vice-Chairmen, of whom one shall have the office of Acting Deputy Chairman, shall have the task of acting in the Chairman's stead in the event of his absence or impediment. They hold the office of member of the Executive Committee by right, in accordance with the Articles of Association.

The Group CEO and the Managing Director shall have the powers detailed in full in the Corporate Governance and Share Ownership Report. Acting in their support are: the Group Investment Committee, which shall validate the hypothesis of financial scenarios proposed by the dedicated structures, support Top Management in defining Group

investment policies, monitor the effective implementation of the identified investment policies and define corrective strategies; the Group Risk Committee, which supports Top Management in defining proposed target risk profiles for the Group and related economic capital levels, monitors the Group risk profiles and defines any corrective strategies as may be required; and the Company Risk Committee, which focuses its work on risks concerning the core insurance business of the Parent Company. In order to further strengthen the integrated management of Group activities, the Group Management Committee also began operating at the start of 2011.

The Executive Committee is a body appointed to fulfill important management tasks of the Parent Company and Group. It consists of the Chairman of the Board of Directors, the three Vice-Chairmen, the Managing Directors and two non-executive and independent directors.

The members of the Committee must meet the same requirements of professionalism and competence required for the office of Chairman.

Other Committees are envisaged in a merely advisory and consulting role: the Remuneration Committee, the Risk and Control Committee, the Appointments and Corporate Governance Committee, the Investment Committee, the Committee for the Evaluation of Related Party Transactions and the Social and Environmental Sustainability Committee.

The Remuneration Committee, consisting of three non-executive directors, two of whom are independent, to expresses its opinion and makes non-binding proposals to the Board of Directors on remuneration policies and the determination of the remuneration payable to the Chairman of the Board of Directors, Managing Directors and General Manager. It is also the body called to rule on related party transactions involving directors, permanent statutory auditors and senior executives of the Company, at least on a standing of the Central Director, if determining their remuneration.

The Risk and Control Committee, consisting of five non-executive, independent directors, mainly assists the Board of Directors in the duties assigned to it by the Self-regulatory Code with respect to the Internal Control and Risk Management System, as well as further duties.

The Appointments and Corporate Governance Committee, consisting of five non-executive directors, three of whom are independent, performs consultative, recommendatory and preparatory activities for the Board of Directors on subjects relating to the appointment of directors and the corporate governance rules of the Company and the Group.

The Investment Committee, instituted by a Board resolution in 2010, regularly analyses the Group investment policies, the main operational guidelines and the related results, as well as the most important, in quantitative terms, investment and divestment transactions ahead of their implementation. The Committee numbers an executive director, three non-executive directors, of which one independent, and the General Manager and CFO.

The Committee for Evaluation of Related Party Transactions, instituted by a Board resolution in 2010, has the task of providing an opinion on related party transactions submitted for the attention of the Committee by the Board of Directors or appointed bodies, in compliance with the procedures on related party transactions and without prejudice to the fact that transactions concerning the remuneration of directors, permanent statutory auditors and senior executives of the Company, at least on a standing of the Assistant General Manager, are carried out by the Remuneration Committee.

The Committee consists of five non-executive, independent directors.

The **Social and Environmental Sustainability Committee**, instituted by a Board resolution in 2011, is responsible for performing consultative, recommendatory and preparatory activities for the Board of Directors on environmental and social matters involving the Company and the Group. It is composed of three non-executive directors, two of whom independent, and the General Manager and CFO in view of his key responsibilities for sustainability at corporate level.

The Shareholders' Meeting is the body that expresses the desires of the shareholders through resolutions on matters exclusively stated on the agenda. Any shareholders who, jointly or individually, represent at least one fortieth of the share capital may ask, within five days of publication of the notice calling the Meeting, that the agenda to be discussed be supplemented, specifying the further items they wish to include. All those holding ordinary shares in the Parent Company, including employees, may exercise their rights to vote and attend the Meeting, as long as they can prove their lawful title in accordance with the law and the communication is received in due time.

It is of importance in this context to report that Legislative Decree No.27/2010, which implements Shareholders' Rights Directive 2007/36/EC, introduced some major innovations regarding the operation of General Meetings which are designed to strengthen the rights of shareholders and facilitate their participation in the corporate life of listed companies. The Parent Company has amended the Articles of Association to incorporate such innovations. Specifically, it has introduced the possibility, submitted to the Board of Directors, when drafting the notice of call, of using telecommunication systems to speak at the General Meeting and electronic systems to cast the vote and of holding General Meetings in one call.

The Board of Statutory Auditors is a body that audits compliance with the law and the Articles of Association as well as carrying out management audits. It has no statutory auditing functions, which are ascribed to an external chartered auditing firm.

The Supervision and Control Committee is a collective body that reports to the Board of Directors, to which tasks and powers relating to the drafting, development and promotion of constant updates to the Organisation and Management Model are attributed.

Updates and further information on the corporate bodies are available in the Corporate governance and share ownership report and on the Governance section of the Group website www.general.com.

The Remuneration Report was presented and approved by the Shareholders' Meeting on 28 April 2012. The document is also available on the stated Group website and compliant with some new provisions of ISVAP Regulation No. 39/2011, Self-regulatory Code of listed companies that was updated in December 2010 and CONSOB Resolution No. 18049/2011. Other requirements are in the process of being met or will be shortly met.

The report defines the remuneration policy for the members of the corporate bodies, general managers and deputy general managers, assistant general managers, the heads of compliance, internal audit and risk management units, as well as the managers of these departments.

Specifically, the Group CEO and the Managing Director, general managers and management personnel with strategic responsibilities receive a fixed remuneration for the role and in particular for the responsibilities assigned to it taking into account experience, quality of the contribution to the achievement of business objectives and excellence shown in the conduct of the assigned functions, and a variable remuneration that rewards results achieved in the short and the medium to long-term, i.e. it is based on the achievement of annual targets allocated through the balanced scorecard and of three-yearly targets allocated through the long-term incentive plan. The targets assigned are both quantitative and qualitative, and allow many aspects of corporate performance to be monitored. The remuneration package also includes benefits, mainly the supplementary pension and health care plans. The latter benefit is for their families, too. The remuneration structure for Managing Directors, general managers and management personnel with strategic responsibilities is based on the sound and prudent risk management, as well as on the need to guarantee profitability and stability in the long-term. On the whole, it is therefore compliant with the principles inspiring the regulations and with the provisions governing the remuneration structure.

The members of the Board of Directors shall be due a fixed component with a 50% increase for those who are members of the Executive Committee, and a variable component equal, in total, to 0.01% of consolidated result of the period, up to a maximum limit of € 300,000 to be distributed equally among the members of the Board. In addition to the abovementioned remuneration, an attendance fee is paid for each meeting of the Board of Directors and the Executive Committee as well as payment of documented out-of-pocket expenses incurred for attending meetings. The variable component represents an insignificant part of total remuneration. Directors who are also members of other Committees are paid additional fees.

The remuneration policy for the Chairman provides for the abovementioned remuneration as a member of the Board of Directors and the Executive Committee, and a fixed annual remuneration determined on the basis of comparative analysis with similar national and international positions. As far as variable remuneration is concerned, the Chairman - like all the directors without executive powers - is not part of the short and medium to long-term incentive plans. The policy for this position also includes several non-monetary benefits, such as insurance cover against professional accident and illness and health care plans, limited to the duration of the office.

No specific agreement has been currently reached over the payment of sums by way of termination indemnity or payment for early termination of office for any directors.

Remuneration paid to members of the management and control bodies, general managers and management personnel with strategic responsibilities is detailed in the Remuneration Report.

Sustainability development bodies

To ensure that in addition to economic considerations, social and environmental matters linked with the business are also taken into account, specific bodies and departments have been established within the Group Corporate Centre.

The responsibility on a Group level with regards to sustainability lies with the General Manager and CFO, who implements the strategies defined by the Board of Directors of the Parent Company, establishing the basic guidelines. On this subject, in 2011 the Board of Directors instituted the Social and Environmental Sustainability Committee responsible for performing consultative activities. The General Manager and CFO also chairs the Sustainability Committee and the CSR (Corporate Social Responsibility) Committee for Italy, as described below.

The **Sustainability Committee** is the decision-making body competent on a Group level on all matters concerning sustainability. This Committee shall define social and environmental policies, establish objectives and results to be achieved and assess opportunities, risks and areas for improvement in relation to Group sustainability. It consists of the managers on a Group level of the company departments most involved in implementing social and environmental policies, representatives of transnational departments (finance, real estate and IT) and representatives of countries or area (Central-Eastern Europe, Asia and South America). The Committee meets twice a year to analyse the results published in the Sustainability Report and to compare notes on the level of achievement of the established objectives, the difficulties encountered and any unresolved problems.

In order to improve the organization and coordination of work in the social and environmental field, on a national level, operational governance bodies are established referred to as **CSR Committees**. These Committees interface, on the one hand, with the Sustainability Committee, in order to ensure coordination of initiatives and to encourage the transfer of local best practices to an international level and, on the other, with the local Group companies, with a view to implementing the decisions taken by the Corporate Centre and duly implement them. The CSR Committees are chaired by a member of the local Top Management and involve the Corporate Social Responsibility manager and the managers of the company departments most involved in the implementation of social and environmental policies. They meet at least twice a year to assess the social and environmental performance indicators chosen on a national level, to verify the results achieved and to seek solutions to any problems or critical issues that may have arisen.

The **Environmental Management System Committee (EMS)** is the operational body assigned the responsibility for achieving the Group's environmental objectives. It consists of the representative of the Group EMS and representatives of the EMS of the individual countries involved in the project. It aims to implement a Management System in the Group for the most important environmental aspects linked to the business. More information is provided on this Committee in the chapter Social-environmental Stakeholders - Environment.

The coordination of all activities concerning sustainability, both within the Group and with regards to the market, lies with the **Group Corporate Social Responsibility department**, consisting of seven people reporting directly to the General Manager and CFO. The unit also helps promote the adoption of ethical conduct by the various Group stakeholders and, more generally, to spread awareness of sustainability. Finally, it is also responsible for reporting on social and environmental aspects: to this end, it collects data and drafts and publishes the Sustainability Report, which is included under the scope of Financial Reporting.

Internal Control and Risk Management System

Mainly inspired by Italian regulations, the principles and characteristics underlying the Internal Control and Risk Management System have been defined. The Board of Directors of the Parent Company has approved a specific document, The Internal Control and Risk Management System, which provides a detailed description of the purposes, principles, structure, roles, responsibilities and regulatory principles, and has ruled that it be adopted by its subsidiaries, considering the specific legislations of the individual countries in which the Group operates. Following the publication of Directive 2009/138/EC on the taking-up and pursuit of the business of insurance and reinsurance, commonly referred to as the European Solvency Directive II, the Group has reviewed the organisational structure of its Internal Control and Risk Management System, with a view to stimulating the continuous creation of value, acting on the business culture and values.

The Internal Control and Risk Management System assigns the Board of Directors, under the scope of its tasks and responsibilities, the ultimate responsibility for defining strategies and guidelines on risk management and internal

control and for guaranteeing their adequacy over time, in terms of being complete, functional and effective, in accordance with the size and operative specificities of the company and the Group and with the nature and intensity of the Group risks, also with reference to outsourced corporate departments. Top Management (namely the Managing Directors, general managers and all managers with strategic responsibilities) is responsible for the implementation, maintenance and monitoring of the Internal Control and Risk Management System on a different level, in compliance with the directives of the Board of Directors. The Internal Control and Risk Management System attributes to all the corporate departments an adequate position in a system with two organizational levels, i.e. the operational level, whose main organizational interface is the Top Management and which includes controls focusing on the functionality of specific risk management and control areas, and the control level, which has a high degree of organizational independence, and is responsible for assessing the success of the system in terms of controls and risk management. These organizational levels are divided into three lines of defence for risk management and control purposes: operational departments (risk owner), the Risk Management department and Compliance department, and the Internal Audit department.

Under the scope of the first line of defence, the operational department managers are directly responsible for assuming and managing risks, and for implementing due control activities. To this end, also thanks to the support from the Risk Management department and Compliance department, they provide Top Management with all elements necessary to define the policies, methods and management and risk control tools of their competence, both on a Group and Company level, coordinating their implementation and guaranteeing their adequacy over time. They also ensure compliance with the objectives and policies by the operational units for which they are responsible, and identify and implement corrective actions under the scope of their independence, whilst above this, they make specific recommendations and suggestions to Top Management.

Control activities are considered an integral part of all business processes and fall in the first place under the responsibility of the manager responsible for the individual organizational unit. According to a principle of self-assessment of processes, in terms of the associated risks and controls, the individual organizational units shall be held directly responsible and are therefore aware that they need to achieve objectives relating to the efficiency, effectiveness and quality of the risk management and control mechanisms involving their activities, that are defined by Group policies. In order to guarantee the effectiveness of a continual monitoring of risks, through the implementation of suitable control instruments, there are specific corporate structures that do not have operational tasks and that are not, therefore, responsible for decision-making choices on the assumption of individual risks. More specifically, as completion of the activities carried out by the operational units and line control structures, a specific role is performed by the Risk Management, Compliance and Internal Audit departments, which are independent control departments enhancing the first line of defence in risk management, and report functionally to the Board of Directors also through the Risk and Control Committee (supplemented, in the case of Internal Audit, by an organizational position directly reporting to the Board of Directors).

In this situation, with a view to adjusting to the new regulatory context, the Risk Management department in particular has been reviewed. This department, which is organizationally represented by the Group Risk Management department, whose manager takes on the office of Group Chief Risk Officer (CRO), is one of the pillars of the second line of defence, and operates as a guarantor of the Risk Management System. The department supports the Board of Directors and Top Management in defining risk management strategies and instruments for the monitoring and measurement of these, and provides, through a suitable reporting system, the elements by which to assess the success of the Risk Management System as a whole. In order to guarantee a consistent approach within the Group, the management policies and risk measurement methods approved by the Board of Directors are adopted by all Group companies, with any necessary adjustments due to specific local regulations or business. The Group Risk Management department constantly monitors the evolution of the risk profile and compliance with the management policies defined. Under the scope of this department, the Operational Risk unit, among the activities for which it is responsible, also supports the Manager in charge of the preparation of the company's financial reports for the purpose of the activities assigned him as specified by Article 154-bis of the Consolidated Law on Financial Intermediation.

Under the scope of the second line of defence for risk management, the Compliance department represents an additional supervisory structure in charge of assessing whether or not the organization and internal procedures of the insurance company are suitable to preventing the risk of legal or regulatory sanctions, material financial loss or loss to reputation the company may suffer as a result of not complying with laws, regulations and administrative provisions as well as self-regulation applicable to its activities. This department is organizationally represented by the Group Compliance department, which has a specialized organizational structure within it, the Insurance Compliance Country Italy unit, that is at the service of the companies and which, during 2011, strengthened its own presence within the national territory. Under the scope of the Group Compliance department, at the end of 2010 the Group anti-money laundering unit was established, with the task of guaranteeing specialized monitoring, on a Group level,

in relation to activities linked to the management of the risk of money laundering and funding terrorism. The Group Compliance department also handles corporate matters, among them the procedures for transactions with related parties. Specialized units, all reporting to the manager of the Group Compliance department, ensure protection against the risks of non-compliance regarding privacy and administrative liability on the part of the company as well as the necessary support for the Group anti-money laundering unit to carry out the pertinent control activities. In order to supervise the overall Group compliance risk assessment and management, the department finally receives from the compliance departments of the foreign companies information flows in accordance with the provisions of the Group Compliance Policy. This document defines the principles and guidelines for carrying out the compliance activities that each Group company is obliged to do, without prejudice to the necessary adjustments due to specific local regulations and the size and nature of the companies. The manager of the Group Compliance department reports to the Board of Directors at least twice a year, also through the Risk and Control Committee, drawing up a report on the measures taken by the Company to manage the risk of non-compliance with legislation, and the annual activity plan. Finally, the Internal Audit department, which is organizationally represented by the Group Internal Audit department, is responsible for guaranteeing an independent appraisal of the effectiveness and efficiency of the Internal Control System and any necessary adjustments, and therefore the effective function of the controls designed to guarantee that processes are implemented correctly, in consideration of risk levels, thus operating as a third line of defence. The internal audit activities take the form of direct audits at operational units, which are established under the scope of an Audit Plan based on a structured process of analysis and prioritization of key actions, and approved by the Board of Directors. The manager of the Group Internal Audit department arranges regular functional connections with all the managers of the internal audit department of the subsidiaries, which comply with precise methodological and organizational instructions to guarantee a standardized approach and rapid detection of any critical situations which may arise locally. The relationships between the various audit departments of the subsidiaries, and the organizational and operational instructions are contained in a dedicated Group policy. To guarantee the independence of the control departments, the Board of Directors approves the appointment and dismissal of their managers, determining their annual remuneration.

The ultimate objective of the Internal Control and Risk Management System of the Generali Group is the maintenance of acceptable levels of identified risks in order to optimize the available financial resources required for these risks, and to improve the Group profitability in relation to its risk exposure (risk-adjusted performance).

The risk management processes allow the ongoing identification, evaluation and management of all risks, taking into account the changes in the nature and size of the business and in the market environment. They affect the Group as a whole in the countries where it operates, and also individual companies, with a varying depth and level of integration depending on the complexity of the underlying risks; the integration of processes within the Group is fundamental to ensure an efficient Risk Management System and capital allocation to business units.

In this context, in order to better capture its risk profile, the Generali Group has developed an internal approach to determine the available financial resources and the capital requirements for risks which it is exposed to, while maintaining consistency with the basic framework of Solvency II, which is still being defined at European level.

In order to have a system ensuring an efficient defence against the most significant risks from its business activities, i.e. those whose consequences could undermine the solvency at Group and at company level or those which could represent a serious obstacle to the achievement of the corporate objectives, the Parent Company's Board of Directors has adopted not only the Internal Control and Risk Management System but also the Risk Management Policy, and has ruled that they be adopted by all insurance subsidiaries. The document, that defines the principles, strategies and processes in place to identify, evaluate and monitor risks, is integrated by a set of policies that guide the management of each single risk, such as the Life Underwriting Policy, the Non-Life Underwriting Policy, the Investment Policy and the Operational Risk Management Policy. These policies have been approved by the Board of each company, taking into account the local specificities and regulations. In order to strengthen the risk taking procedure and the definition of the operational limits, a set of guidelines has been prepared for the management of insurance and investment risks.

The risk management relies on the following building blocks:

- risks governance with the aim of establishing an effective organizational structure based on clear definition of risk roles and responsibilities, and on a set of policies and guidelines;
- risk management process aimed at allowing the ongoing management of all risks through the following phases: identification, strategy definition, taking, assessment, monitoring, mitigation and reporting.
- business support with the aim of increasing the effectiveness of the Risk Management System, and of guaranteeing at the same time value creation for all stakeholders through the spread of a risk management culture based on shared values.

The risks to which the Group is exposed can be broken down into various categories, namely insurance risk, financial risk, credit risk, operational risk and other risks. For a thorough examination of these risks consult the Risk Report, to which a specific section is devoted of the Consolidated Financial Statements. The most significant to sustainability issues are herein reported.

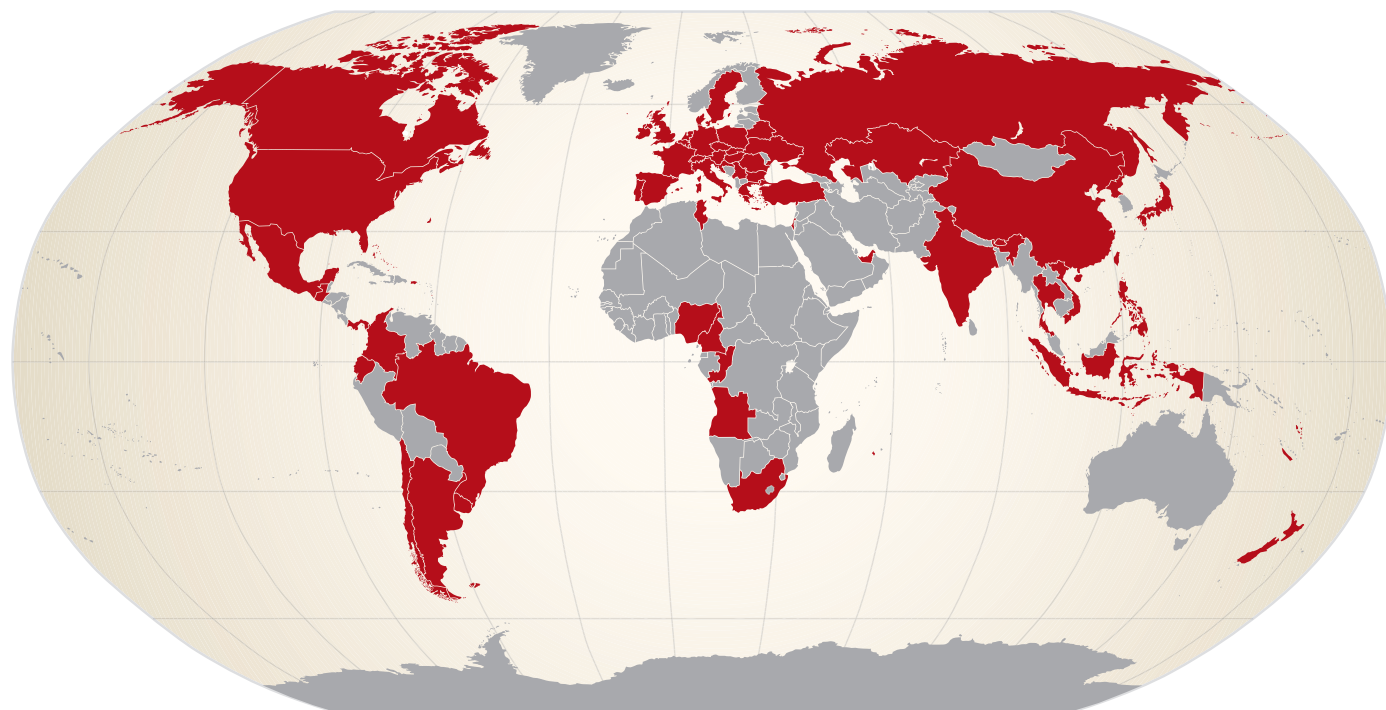
Under the operational risk category, i.e. the risk of loss arising from inadequate or failed internal processes, personnel or systems, or from external events, of particular note is the compliance risk. It is defined as the risk of legal or regulatory sanctions, material financial loss or loss to reputation the company may suffer as a result of not complying with laws, regulations and administrative provisions as well as self-regulation applicable to its activities. In managing this risk, particular attention is paid to the provisions concerning core business (insurance and financial services), such as, for example, transparency and correctness of behaviour with regards to insured and damaged parties, claims and complaints management, the prevention of money laundering and financing terrorism, related party transactions, consumer protection, market abuse and conflict of interests.

There are, among other risks, the **reputational risk** and emerging risks. The former derives from a deterioration of reputation or from a negative perception of the Group image among its customers, counterparties, shareholders or supervisory authorities. Within this ambit, for a Group such as Generali which also attributes strategic relevance to the ethical aspects, reputational damages linked to eventual behaviour that does not respect the environment or that is detrimental to the fundamental rights of people are of great importance. With regard to the measures adopted to prevent risks linked to the environmental impact of the business activities, please refer to the description of the Environmental Policy of the Generali Group and of the Environmental Management System that can be found in the chapter Social-environmental Stakeholders - Environment. On the other hand, with regard to fundamental human rights, the Group policies have been expressed on a worldwide level in the Ethical Code and refer to the most significant aspects for the Generali Group, i.e., the ban against child labour as well as against compulsory or forced labour, non-discrimination, the freedom of association and collective bargaining. Furthermore, the main areas of influence have been identified, consisting of employees, suppliers and issuing companies. Greater details relating to the processes that are being implemented to ensure the respect for human rights are supplied in the chapters Direct Stakeholders - Employees, Competitive Stakeholders - Contractual partners and Issuing companies. Emerging risks derive from internal or external environment changes, that may bring to increased exposures to risks already included in the Group Risk Map or risks that may require the introduction of new categories. They include the **climate change risk**. This risk is implicitly taken into account by the use of specific catastrophic models. Such models, based on exposure assessed separately risk-by-risk, estimate the possible extent of damage according to the type of event (e.g. wind, flood) and the territory involved. As these models are constantly updated, over time they reflect the change in the risk conditions to which the portfolio is subject and thus the impact on the portfolio stemming from the changes in progress.

Strategies

The Generali Group pursues industrial growth and sustainability objectives wherever the two are closely linked.

Countries in which the Group operates



The Generali Group is one of the most important insurance and financial groups worldwide. The Parent Company is Assicurazioni Generali S.p.A. with its headquarters in Trieste, Italy, where it was founded in 1831.

Characterised since the very beginning by a strong international outlook, Generali presently operates in more than 60 countries. It is one of the largest insurance providers and the leader in the life segment in Europe. The main area of operations is the Western European market, where the Group leads the market in Italy and is a primary player in Germany, France, Austria, Spain and Switzerland. Generali operates even more in the international markets with strong development potential. In particular, it is one of the leading operators in Central-Western Europe, with Generali PPF Holding. In Asia, it operates in joint ventures in China, where, just a few years since it first launched on the market it enjoys a leadership position amongst companies with foreign equity interests, as well as in India.

With reference to the core insurance business, the Generali Group has mainly focused on the life segment, in which it is confirmed as the leading European operator. The commercial offer of this segment consists of savings and protection policies, which account for the majority of the portfolio, alongside unit-linked and supplementary pension policies.

The target customers of the non-life segment, for the most part, are represented by the retail segment, for which an insurance offer is available that covers all needs for protection.

The Group is also one of the world's most important players in assistance, through the Europ Assistance group, operating internationally to provide services in the motor, travel, health, home and family lines of business, and in multinational employee benefit solutions, through Generali Employee Benefits.

For some time now, the Group's scope of action has been extended from the insurance business to include the complete range of assets managed, and real estate and financial services. In particular, the Generali Group is one of the world's top asset managers with assets totalling more than 460 billion euros, and in Europe it is leader in the real estate management with assets amounting to approximately 28 billion euros.

Development strategy

The Group industrial growth strategy aims to consolidate the supremacy in its key markets and to achieve it on markets with high growth potential, establishing its leadership in terms of profitability.

In order to pursue it, within an uncertain macro-economic scenario in its main countries of operation, in 2011 the Generali Group continued to operate according to its strategic guidelines, based on pursuing operating efficiency, optimizing its distribution networks - in particular by seeking to develop its proprietary networks - and achieving innovation of its products and distribution methods.

Cross-country initiatives, aimed at increasing commercial and operating efficiency by rationalizing the Group's activities in the different countries, have continued during the year.

In this framework, initiatives referring to the real estate management have been undertaken, thus transforming its specific division in the new company General Real Estate (GRE). Assets managed by GRE amounts to approximately 25 billion euros, in addition to about 3 billion euros managed on behalf of third parties taking into consideration the strategy to enhance the Group expertise in this field. Similar process of reorganization has been undertaken with reference to the management activities of Group financial instruments, with the aim of concentrating them in a single management company by the first part of 2012.

As part of the activities aimed at reducing costs, it is pursuing the rationalization of the IT sector through the merging into a single data centre of the services functional to the IT activities of all the Group European companies, as well as the extension of IT procurement centralization at European level, currently made at a country level.

With the aim of achieving innovation and diversification of its distribution model, the Group - that is leader in the direct sales channels (internet and telephone) in Continental Europe - extended and reinforced its use of innovative sales channels, such as the web and new mobile applications.

As for markets with high growth potential, in 2011 Generali Vietnam Life Insurance Company became fully operational in Vietnam and BSI, Group's private-banking division, obtained a licence to provide banking and investment services in Hong Kong.

Sustainability strategy

In the exercise of its own business activities, the Generali Group promotes a culture of sustainability and specifically contributes to quality economic and social development.

The Group sustainability strategy is characterised by the following major priorities:

- pursuing growth that is sustainable over time, with entrepreneurial activity capable of ensuring the permanence of satisfactory financial performance of the Group in the long term;
- making the most of the people who work in the Group, promoting constant development of their skills and professional expertise as well as recognition of individual contributions made to the success of the organisation;
- improving the circumstances of the communities where the Group has establishments, playing a role as a corporate citizen in support of institutions, organisations and associations committed to carrying out initiatives of a social, cultural, environmental and sports character;
- promoting the integration of the poorest and most disadvantaged segments of the populations of emerging countries through the execution of microinsurance initiatives that put the insurance skills of the Group at the service of those who are most vulnerable;
- contributing to protection of the environment, promoting a reduction in direct and indirect environmental impacts by adopting measures aimed at containing the consumption of energy, paper, water and CO₂ emissions as well as determining procurement, product and investment policies that are conducive to eco-compatible conduct on the part of suppliers, customers and companies that make use of resources in their operations.

The key points of the Group sustainability policies are respect for human rights and their application throughout its spheres of influence, and care of the environment as reflected in business decisions and in the performance of initiatives aimed at developing and expanding increased environmental responsibility.

The Group's commitment toward social and environmental issues has triggered a learning process that has led to the development of corporate know-how in:

- promoting a culture of sustainability within the Group, also encouraging the spread of the best practices developed by individual companies or countries throughout all the companies of the Group;
- expanding social and environmental policies and making them more systemic to meet the expectations of its stakeholders;
- engendering uniformity on a global scale in management systems associated with sustainability;
- developing and fine-tuning recognition and reporting systems, identifying new indicators to measure the economic, social and environmental impact of company activities.

Communication strategy

The Generali Group assigns a key role to the integrated communication strategy, in order to encourage a continuous, complete, transparent exchange of information with regards to all stakeholders.

The Group's **website** www.generali.com has an institutional approach and provides an overall introductory view of the Generali Group. It consists of various sections, including one devoted to sustainability, containing official documents and, in general, all the most important information that may be of interest to investors, shareholders, journalists and qualified candidates seeking employment.

The website is available in both Italian and English and is constantly monitored through access statistics, in order to better understand the way it is used and thus calibrate its layout. It is updated to meet market demands. It has both a subscription system, which allows the user to be notified of the publication of press releases, financial statements and quarterly results, newsletters for shareholders and convocation of the Shareholders' Meetings, and an RSS (Really Simple Syndication) system that allows the user to be informed directly of the publication of specific contents, such as a financial presentation, press release and new employment opportunities in Italy and abroad. In 2011 a podcast service was activated allowing free and automatic downloads of audio and video files of Generali Group financial presentations and updates with new content available by RSS, along with recognition and automatic readdressing of mobile devices (smartphones and tablets) to the mobile version of the site. Measures have also been adopted to make the information available in the Flash format, even for Apple users. Lastly, analysis has been undertaken to develop a new application for the publication of job offers and the sending and handling of the curriculum vitae of applicants.

The Group worldwide section of the website, amongst other facilities, grants access to the websites of each company. Their structure and contents comply with the new Group web guidelines, developed by the Web Management department of the Parent Company, in accordance with international standards defined by Web Accessibility Initiatives (WAI). It is noted that the harmonising of the various websites is in the course of being finalised. These guidelines on the one hand establish graphic and structural parameters that must be common to all Group websites and, on the other, minimum content only for companies with the Generali brand. They also provide some basic suggestions about usability and accessibility for the disabled, such as increasing font size, increasing contrast of font and page background, suitable colour choices for font and background, keyboard navigation, automatic underlining of all links, limited use of flash animation, HTML version of the press releases, communications and sections, thereby guaranteeing access to the greatest possible number of users and avoiding all forms of discrimination. The Group web guidelines tackle current issues, such as the institutional presence of the Group in the main social media sites on the internet (i.e. web 2.0). In this regard, it is noted that some companies of the Group are members of social networks, such as Facebook, Twitter and YouTube, primarily in support of business initiatives, whilst others make communities and blogs available to their employees, where they publish comments and news.

The following projects are near completion: an online survey to obtain feedback from international stakeholders and to improve the content and technical aspect of the Group website, the development of a corporate finance application to provide always updated institutional and economic information in a more user-friendly way to analysts and journalists and a section on indemnity plans for Holocaust victims and the process for submitting an application.

In 2011, the Group's website took eighteenth place in the KWD Webranking Europe 500 classification, which rewards the quality of institutional and financial on-line communication, prepared by the consultants of the company King Worldwide Digital on the English version of the corporate websites of the top 500 European companies in terms of capitalisation, coming in first of all insurance and reinsurance companies. The website took then ninth place in the KWD Webranking Italy 100, which includes the websites of the top 100 Italian companies. Other prizes that have been awarded to the Group companies are available on their websites and/or in the other chapters of this document.

During 2010 it emerged that there had to be an easy-to-access, dedicated channel intended for all Group employees in Italy and abroad to serve as a tool for disseminating and sharing information potentially conducing to further development of the common, shared culture. With that purpose, still back in 2010, a survey was conducted on an international level and several focus groups were launched that confirmed the usefulness of implementing a dedicated global internal communications channel. In 2011 analysis activities were thus carried out, such as determining the layout, frame and content of what will become the new **Holding Portal**, which will lead to the elimination of the Human Resources (HR) Portal in Italy, the current communication tool devoted to the employees of all of the Italian companies with the exception of Europ Assistance.

Corporate intranets are a tool devoted to all employees of Group companies, facilitating internal communication and allowing for the publication of operative information, projects, rules, events and organisational notes.

Editorial communication activities have continued in accordance with the guidelines provided by the Strategic Editorial Communication Committee and with the aim of closer involving all companies of the Generali Group in developing hard copy and electronic tools. The subjects for discussion concern economic aspects and business strategies, business events in the forefront, insurance techniques, the history of the Generali Group and its most representative people, the situation today and prospects in specific local contexts, in addition to initiatives taken in the field of social responsibility and environmental sustainability.

The Group gives preference to communication tools that are able to minimise the environmental impact and to guarantee timely information.

During 2011 online communication activities have regularly continued by means of the e-journal *ilbollettino.com*, which conveys news from the whole Group, processed taking a journalistic approach and supported by multimedia applications and interactivity made possible by the web. The communications are addressed to all Group employees. The e-journal - that has an Italian version and an English one, with news of a more international flavour - contains a sustainability section with information on initiatives to improve corporate wellness or to reduce the environmental impacts, and on social, cultural, artistic and sports projects. The news published on *ilbollettino.com* considered of most interest to employees is also published in the newsletter, which is distributed every two weeks in two versions, i.e. Italian and international one.

The hard copy editorial communication tool used is *Il Bollettino*, the longest-standing Group journal which has now reached its 119th year. It stands out for its concept of sustainability: on the one hand, it uses materials that reduce the environmental impact of the publication to a minimum, such as recyclable packaging and ecological paper, and on the other, it highlights the Group's philosophy and initiatives in terms of social responsibility. The magazine is issued once every four months and is translated and released in English too, through the Group's institutional website.

The circulation of the Italian version amounts to more than 9,000 copies, of which over 80% is distributed to Group employees, while the remaining 20% goes to retirees, former employees, shareholders of *Assicurazioni Generali* and selected institutional recipients. The circulation of the English edition - that is available in printed format as from 2011 - is equal to about one thousand copies, distributed at the foreign offices of the Group and the departments of the Corporate Centre, which operate mainly at the international level.

Investor's Info, the half-yearly disclosure to shareholders, was disseminated also in 2011. The document, which is prepared both in Italian and English, is available from the Group website. It is noted that since 2012 the publication has been replaced by a special issue of *The Bulletin*, where the Top Management illustrates the results achieved by the Group. This edition was distributed to shareholders on the occasion of the Annual General Meeting on 28 April, and the usual recipients of *The Bulletin*. The paper spread was more restrained than *Investor's Info*, also with a view to reducing environmental impact.

In 2011, a volume was produced on the subject of 19th century documents in the *Assicurazioni Generali Historical Archives*. This book, published in Italian at the time of the aforementioned Shareholders' Meeting and soon to be available also in English, seeks to take advantage of the documentary heritage of the Company, an important source for its reconstruction of memory and identity.

Finally, the activities have continued on the Generali Group Gallery photographic archives, enabling those working in the field of communication and marketing of the Group companies to access a single imagine collector basin, constantly updated and enriched with new materials from various sources, thus considerably saving time and money.

The main Group companies, both Italian and foreign, regularly publish their corporate journals, which, together with the institutional websites in each country, represent the main tools used to reach the different stakeholder categories. This aims to: provide institutional information on Group companies; inform on commercial and promotional initiatives; promote and protect a good organisational climate, strengthening the sense of belonging enjoyed by employees; and

encourage and facilitate the exchange of information between various sectors and departments. Finally, newsletters are published for employees, for sales force, which are more technical in nature, and for journalists, clients and the general public, with information on the insurance sector, finance, the Group and products sold. These magazines and newsletters are distributed as hard and/or digital copies and in many cases are available from specific archives on the company intranets.

The communication policy towards the **media** is based on transparency and maximum commitment to guaranteeing accessible, clear and accurate information in compliance with the relevant regulations. To ensure consistency in the information flowing from Group companies, the Parent Company has drafted Guidelines for Media Communication, a document that summarises standards and conduct in relation to the press. Communication involves description of economic and financial results and changes in strategy and business, in part through presentations on innovative insurance solutions and new products. Communication is also very active regarding projects and initiatives launched in the field of CSR.

In 2011, more than 800 press releases were made by all companies of the Generali Group worldwide; of these more than a hundred concern CSR issues. There was an increase in the number of meetings between Top Management and journalists, with more than 100 press conferences organised by Group companies worldwide. The most important event is the press conference held at the end of the Parent Company Shareholders' Meeting. In 2011 more than a hundred journalists participated, about half of whom represented the foreign press of countries where the Group has a presence. During the year, the Group was discussed in more than 15,000 articles released in major European publications (around 10,000 in 2010), with an increase also seen to dedicated services on the radio and TV.

Policies

Following the Generali Group Code of Ethics, first published in 2004, the Group has several documents, as described below, that lay out the standards that should characterise relations with the various stakeholders. The publication of these documents is promoted by the Corporate Centre and is suggested, in part, at the local level as well, to lend transparency and greater authority to the commitment made by the Company as demonstrated by the approval of these documents by the Parent Company's Board of Directors. This process is still in progress and several of the policies described below have not yet been formalised in specific codes.

Ethical Code of the Generali Group

The new Ethical Code of the Generali Group, approved by the Parent Company's Board of Directors on 12 May 2010, has been adopted by all companies and is available from the Group website. Alongside the principles that have always informed the Group's ethics, such as transparency, correctness and impartiality, the Ethical Code invokes the **fundamental human and labour rights** that the Group is committed to safeguarding and promoting in all of its spheres of influence.

Respect for human and labour rights is a top priority for the Group, which has identified its main spheres of influence in its employees and contractual partners. As for employees, compliance with core international standards of the International Labour Organization, i.e. prohibition of child and forced labour, non-discrimination and freedom of association and collective bargaining, is monitored throughout the Group on a yearly basis. An e-learning course on the Ethical Code was also developed to create a widespread awareness of fundamental human rights. It will be distributed to all Group employees by 2013. More details on the training program and monitoring results are reported in the chapter Direct Stakeholders - Employees.

Respect for fundamental human rights is considered essential for successful relations with contractual partners. The Generali Group require them to comply with all national and international applicable rules and regulations, including the International Labour Organization's Declaration and the UN Universal Declaration of Human Rights, and to ensure compliance also with all the levels of the relevant supply chain.

As an institutional investor, the Generali Group respects and promotes the fundamental human rights through an investment policy that encourages issuing companies to act responsibly. Indeed, it forbids investment in financial instruments issued by companies that are, directly or through subsidiaries, involved in exploitation of child or forced labour or produce cluster bombs, anti-personnel mines and similar weapons.

More details on human rights are reported in the chapters Direct Stakeholders - Employees, Competitive Stakeholders - Contractual partners and Competitive Stakeholders - Issuing companies in this document.

The Ethical Code of the Generali Group contains the key guidelines for the conduct of all those who work within the Group in its relations with various categories of stakeholders. In particular, reference is made to relations with political parties, trade unions and associations as well as with the public administrations and independent authorities. More specifically, the Group does not support any event or initiative the objective of which is exclusively or predominantly political, and it refrains from any direct or indirect pressure on political representatives and does not make any contribution to trade unions or associations with which conflict of interests may arise. Relations with public institutions, mainly kept up through national trade associations, are inspired by principles of correctness, transparency, cooperation and non-interference. As such, the Group refuses any conduct which might be interpreted as collusion or might be prejudicial to such principles.

There is a procedure for reports of violations, or alleged violations, of the Ethical Code that envisages their notification to the Corporate Social Responsibility department of Assicurazioni Generali in written and not anonymous form, via mail as well. People who trustfully reports violations remain anonymous and are protected against any form of retaliation, discrimination or other such penalisation. The above department conducts an initial analysis of the reports received in order to verify the presence of elements which, if ascertained, could constitute violations of the Code. If this is the case, it starts the investigation. The task of evaluating results and establishing whether or not the violation reported is grounded lies with the Ethics Commission, established in 2011 and consisting of the Corporate Social Responsibility manager, the Group Human Resources manager and an academic. The procedure by which to manage reports of violation, with a view to guaranteeing greater transparency and impartiality in processes, also entails the possibility of asking the Group Internal Audit department to carry out extemporaneous checks on specific elements revealed during the preliminary investigation, which may be of particular importance in terms of making a decision. If violations are ascertained, the Corporate Social Responsibility department provides for the communication of the outcomes to the Top Management of the company where the event occurred, in order that all suitable measures shall be taken. They may also entail removal of people responsible for violations from the company.

A total of **5 reports of violation** of the Ethical Code were received in 2011. Following findings, there were no preconditions for a preliminary investigation in two cases. Reports were forwarded to the relevant corporate departments so that reported problems were solved. A report was considered as without grounds, while two reports are still being assessed. Both came from employees and refer to an alleged lack of compliance with the principles of transparency and completeness of information. Additionally, a report received in 2010 is still pending.

The preparation of the Ethical Code naturally assumes the existence or subsequent preparation of specific codes, which - in compliance with the regulations, standard practices and cultures of each country - provide more detailed regulations for relations entertained by the Group companies with the main interlocutors in all countries of operation.

European Social Charter of the Generali Group

As for human resources, it is noted the European Social Charter of the Generali Group, a document prepared in collaboration with European Works Council and adopted in 2006. It reasserts the guiding principles on respect for workers' fundamental rights, the promotion of corporate dialogue, the search for the best strategies in managing, protecting and enhancing human resources, and respect for basic social rights, the right of workers to be represented and the performance of their functions, such as the right to collective bargaining.

The European Social Charter is implemented in all European countries where the Generali Group operates and is available on the Group website.

Ethical Code for suppliers of the Generali Group

The Ethical Code for suppliers of the Generali Group, approved in December 2011 by the Parent Company's Board of Directors and available on the Group website, develops what is stated in the Ethical Code of the Generali Group and outlines the general principles that have to underpin fruitful relations with contractual partners.

In the document the Group ensures to its suppliers relations inspired by correctness, transparency and confidentiality, and requires them to align with its policies while performing business and to ensure compliance also with all the levels of the relevant supply chain.

The Code includes the introduction of procedures for monitoring suppliers to check on compliance with the requirements demanded and the preparedness to take corrective actions and to apply sanctions in instance of non-compliance.

More details are reported in the chapter Competitive Stakeholders - Contractual partners.

Investment policy

Aware of the important role as an institutional investor, the Generali Group has defined its own Ethical Guidelines that contain the basic requirements that must characterize its investments.

In particular, it forbids investment in financial instruments issued by companies that are, directly or through subsidiaries, produce weapons that, when used normally, may violate fundamental humanitarian principles, sell military equipment or weapons to countries on the European Union's arms embargo list, and/or are involved in serious or systematic violations of human rights, severe environmental damage, serious corruption or other particularly serious violations of fundamental ethical norms. Through the exclusion from its investment universe, the Generali Group aims not only at eliminating the risk of being involved, through investment, in businesses non-compliance with its principles, but also at influencing conduct of issuing companies and encouraging them to act responsibly.

More details are reported in the chapter Competitive Stakeholders - Issuing companies.

Environmental Policy of the Generali Group

The Environmental Policy of the Generali Group, approved by the Parent Company's Board of Directors on 31 July 2009, reasserts the commitment of Generali to safeguarding the environment, commitment already stated in the Ethical Code. The policy contains the guidelines for the management of all significant environmental aspects as to guarantee compatibility between business development and environmental protection.

The document also defines the Group objectives and commitments in this respect. The Group aims to contribute positively to a sustainable development by steering management choices towards a smaller direct and indirect environmental impact of its business.

The Environmental Policy has been defined within the project for the introduction of a Group Environmental Management System (EMS), launched in 2009 and still being implemented.

In-depth information is provided in the chapter Social-environmental Stakeholders - Environment.

Anti-corruption policies

The Generali Group is active in the fight against corruption, which is expressly forbidden in its Ethical Code and countered through the adoption of all necessary measures. This commitment is confirmed through the adhesion to the UN Global Compact initiative, which will be extensively discussed later in this chapter. The initiative promotes a set of ten principles, among which there is also the fight against corruption.

The Group requires all its stakeholders to conduct ethically as to counter corruption, and provides suitable tools for the prevention of conduct in contrast with principles of correctness, lawfulness and transparency.

In this regard, it is noted that an Organizational and Management Model has been adopted in Italy in accordance with Legislative Decree No.231/2001 and subsequent amendments. It is available from the Group website and allows for the **administrative liability** of companies for crimes committed by their senior executives or subordinates, i.e. employees, agents and anyone who has relations with the Group, in the interest or to the benefit of the companies to be eliminated. The types of crimes coming under the scope of the company's administrative responsibility are those specifically established by certain articles of law and, amongst others, relate to the misappropriation of funds, fraud against the state or a public body or in order to obtain public grants and computer fraud against the state or a public body, concussion and corruption, market abuse and money laundering crimes.

The correct understanding and dissemination of the contents and principles of the Model is ensured by specific training initiatives delivered in e-learning to all Group employees and agents.

Reports of violation of the Model shall be notified to the Supervisory Body in not anonymous form, via mail as well.

Another tool aimed at discouraging and waylaying all types of fraudulent conduct as may be implemented by staff members to the detriment of the Group is the Internal Fraud policy. The document was issued by Assicurazioni Generali on 27 September 2010 and later adopted by all companies of the Generali Group.

The policy focuses exclusively on **internal fraud** that is defined as an intentional act that is illegally performed by one or more staff members - i.e. employees regardless their function, classification and/or level as well as other staff members to the extent that is consistent with their contract type - directly or by way of third parties, in order to obtain a profit for themselves or for others. Such act causes or may cause damage, as well as non-economic damage, to the Group and/or lack of compliance by the Group, provided that it is directly or indirectly related to the activities carried out by the staff member within his/her relation with the Group. The document outlines a set of principles and organizational strategies to efficiently and effectively combat internal fraud.

The relevant employees receive adequate and continuous training, and join in Group workshops with the aim of sharing problems and information on how to fight against fraud, and of developing common best practices for fraud auditing activities.

Reports of violation of the policy shall be made through the communication channels set up for this purpose within the Organizational and Management Model and the Ethical Code of the Generali Group and in accordance with the related procedures. The staff responsible for receiving such reports shall forward those potentially revealing fraudulent conduct to the Internal Audit department.

To protect its own reputation and stability, the Generali Group has also made a strong commitment to defining policies aimed at preventing the companies from becoming involved in **money laundering** and international terrorism financing activities. In that regard, Assicurazioni Generali has prepared a soon to be issued Group Anti-money Laundering policy. The document aims to ensure adherence to the rules in force on the part of staff members, directors, statutory auditors and sales networks.

Also of note, in implementation of Legislative Decree No.231/2007, an e-learning training course has been given to all agents and employees of the Generali Group companies operating in Italy and fulfilling the prerequisites in that decree. This initiative, the periodicity of which is mandatory, is aimed at providing the training needed in order to recognise activities potentially connected with money laundering or the financing of terrorism.

As mentioned, the issue of the fight against corruption is also in the Ethical Guidelines for Investments, which entail the exclusion, from the investment universe, of financial instruments issued by companies that are involved in serious corruption.

According to Transparency International, corruption is the abuse of entrusted power for private gain. This definition is intended not only for financial but also non-financial benefits, such as an offer or receipt of any gift, loan, fee, reward or other advantage to or from as an inducement to do something that is dishonest, illegal or a breach of trust in the conduct of business operations. This may include gifts other than money, such as free goods and holidays, or special personal services provided for the purpose of, or liable to result in, an improper advantage or that may result in moral pressure to receive such an advantage.

Most of the companies of the Generali Group have documents that give clear instructions on what to do when gifts are offered or received. Overall gifts which exceed normal business practice or courtesy, or are designed to obtain favoured treatment in the conduct of any company activity, are prohibited. Allowed gifts, that are of modest value in any case, must be approved by the heads of departments. No gifts which may influence independence of judgement or induce the grant of any advantage to the company may be made to public officials or to members of their families.

In order to avoid conflict of interests, even the Ethical Code for suppliers rules on gifts. More specifically, it clearly states that no employee can directly or indirectly draw any personal benefit from the award of a procurement contract. The Group therefore rejects any form of benefit or gift received or offered that may be intended as a tool influencing the independent judgment or conduct of the parties involved.

Assicurazioni Generali has also adopted the Outsourcing Policy. In the process of identification and monitoring of the outsourced activities and relevant suppliers, it refers to the Ethical Code for the suppliers and expressly requires to use objective, documentable and transparent criteria for the selection of suppliers.

Whenever possible, the Group gives preference to means of payment other than cash with the aim of minimizing the risk of corruption. Any type of payment is therefore made by bank transfers, since these operations are documented, recorded and subject to prior checks.

No reports in accordance with Legislative Decree No.231/2001 and subsequent amendments and with the Internal Fraud policy were received in 2011.

Adhesion to external voluntary initiatives

The progress made during its route to sustainability has confirmed and consolidated the belief within the Group that competitiveness is fundamentally linked not only to ethic sensitivity but also to social involvement and respect for the environment. As proof of this belief, in recent years the Generali Group has adhered to various voluntary social and environmental initiatives.



In 2007 the Generali Group joined the UN Global Compact, a voluntary initiative of the United Nations encouraging businesses around the world to create an economic, social and environmental context with the aim of promoting healthy and sustainable world economy, which guarantees everyone the opportunity to share its benefits. As a participant the Group is therefore committed to embracing, supporting and enact, within their sphere of influence, a set of ten fundamental principles in the areas of human rights, labour standards, the environment and anti-corruption. They enjoy universal consensus and are derived from the Universal Declaration of Human Rights, the International Labour Organization's Declaration, the Rio Declaration and the United Nations Convention Against Corruption.

Human rights	
Principle 1	Business should support and respect the protection of internationally proclaimed human rights; and make sure that they are not complicit in human rights abuses.
Principle 2	
Labour	
Principle 3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining; the elimination of all forms of forced and compulsory labour; the effective abolition of child labour; and the elimination of discrimination in respect of employment and occupation.
Principle 4	
Principle 5	
Principle 6	
Environment	
Principle 7	Businesses should support a precautionary approach to environmental challenges; undertake initiatives to promote greater environmental responsibility; and encourage the development and diffusion of environmentally friendly technologies.
Principle 8	
Principle 9	
Anti-corruption	
Principle 10	Businesses should work against corruption in all its forms, including extortion and bribery.

The Generali Group annually discloses to its stakeholders on progress made in implementing the ten principles through the Communication on Progress (COP). Such tool is integrated in the GRI content index attached in this document and available in the section Sustainability on the www.generali.com Group website.

The Global Compact relies on local networks to promote the initiative and its principles in a country or specific region. The Generali Group thus adheres to the **Global Compact Network Italy**, where it joins some working groups on human rights and on the environment.

Signatory of:



In May 2011, the Generali Group adhered to the UN initiative **Principles for Responsible Investment** (PRI), created to support investors in implementing six principles, which see them committed to incorporating social, environmental and governance parameters in assessing investments. Adhesion grants access to a network that supports investors through a sharing of best practices, facilitating collaboration between signatories and offering the chance to participate in a multitude of activities and working groups. For more information, please refer to the chapter **Competitive Stakeholders - Issuing companies**.



Since 2009, the Generali Group has been accredited as an Organisational Stakeholder under the scope of the **Global Reporting Initiative** (GRI), a multi-stakeholder organization that develops the most used sustainability reporting framework in the world by businesses of all sizes and sectors. Those standards are adopted also by the Generali Group when drafting its Sustainability Report. GRI is currently developing new guidelines, the so called G4. The Generali Group is active on that topic; in 2011 it took part in workshops and webinars organized by GRI and made its point through a specific questionnaire.



In 2009, the Generali Group signed the **Kyoto Statement** of The Geneva Association, making a series of common commitments on the steps to be taken, in order to cope with and mitigate climate change. The Geneva Association is an international non-profit association for economic insurance studies, in which Generali participates along with all major companies of the sector dealing with the identification of fundamental trends and strategic matters in which insurance plays a key role or which affect the insurance sector, in order to understand them and spread awareness.

CARBON DISCLOSURE PROJECT

In 2010, the Generali Group also signed the **Carbon Disclosure Project** (CDP), an initiative by which to commit to meeting the challenges linked to climate change and to limit the scope of the latter through the adoption of eco-friendly behaviour. The CDP is an independent organisation with 655 institutional investors for a total of 78,000 billion dollars of assets managed. It provides investors sensitive to climate change matters with information on the strategies adopted and the environmental performance of the companies in which they invest, or intend to invest, collected through an extremely articulated questionnaire sent once a year to the major listed companies of all sectors of business.

In January 2011, the **CDP Water Disclosure** was also signed. This is a similar initiative with the aim of collecting data on water management by the most important companies using it intensively, in order to make it available to the market and direct investments towards businesses making sustainable use of water. 354 investors adhere to the initiative for a total of 43,000 billion dollars of assets managed.



WORK

INDIA

Generali Millennium.

Microenterprise development projects: brick factory in the village of Kuppayanallur in Tamil Nadu.

ECONOMIC-FINANCIAL PERFORMANCE

As at 31 December 2011, the Group consisted of 523 entities consolidated on a line-by-line basis and measured using the equity method, down by five on last year, and 288 non-consolidated entities, as not material, up by one on last year. More specifically, the number of entities consolidated on a line-by-line basis went from 490 to 478, of which 134 classified as (re)insurance and insurance holding, 79 as holding and/or financial, 120 as real estate and 145 as other. The lists of all entities of the Generali Group are given in the tables attached to the Notes to the 2011 Consolidated Financial Statements.

Group workforce by level

	MANAGERS		OFFICE WORKERS		SALES FORCE ON PAYROLL		OTHER		TOTAL	
	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011
EUROPE	2,024	1,961	52,335	51,252	18,673	18,046	65	63	73,097	71,322
THE AMERICAS	217	211	4,800	4,780	3,243	1,154	0	0	8,260	6,145
REST OF THE WORLD	207	165	2,927	3,465	877	898	0	2	4,011	4,530
TOTAL	2,448	2,337	60,062	59,497	22,793	20,098	65	65	85,368	81,997

- With reference to the consolidation scope described above, there were 81,997 employees, showing a 3.9% decrease compared to 2010. This reduction derived mainly from a decrease in Europe, due to the sale of an Ukrainian company and to the exclusion of a Swiss company from the consolidation scope, following the sale of majority stake during 2011. It is noted that the transaction in Switzerland did not cause job losses in the company, the services of which continue to be used by the Group that keeps a 49% stake. The number of employees showed a decrease in the Americas too, as a consequence of the sale of a company in Mexico.

In 2011, clients of the Generali Group insurance companies and policies were estimated at around 65 million and 107.8 million, respectively. 81.2% of clients are concentrated in Europe, 13.7% in the Americas and 5.1% in the rest of the world.

In order to constantly monitor evolution, avoiding duplications in calculating policyholders with more than one policy in different lines of business, the Group continues to refine its IT procedures.

In 2011, overall Group companies consumed approximately 232 million kWh of electrical energy, mainly used for lighting, to run machinery and for air conditioning. 83.6% of consumption were in Europe, 11.8% in the Americas and 4.6% in the rest of the world.

With regards water consumption, mainly used for hygiene-health purposes and for operating and cooling of air-conditioning systems, around 849,000 m³ were consumed, of which 84.8% in Europe, 13.8% in the Americas and the remaining 1.4% in the rest of the world.

This is the first year for collection of paper consumption data, including both white paper and printed one, i.e. paper purchased from suppliers for printing documents and publications of the Group, such as policies, financial statements, studies, newsletters, etc.. Group companies totally used around 87,800 q of paper.

As at 31 December 2011, the Generali Group recorded the following main economic data in relation to which more information is provided in the Notes to the 2011 Consolidated Financial Statements:

Group highlights

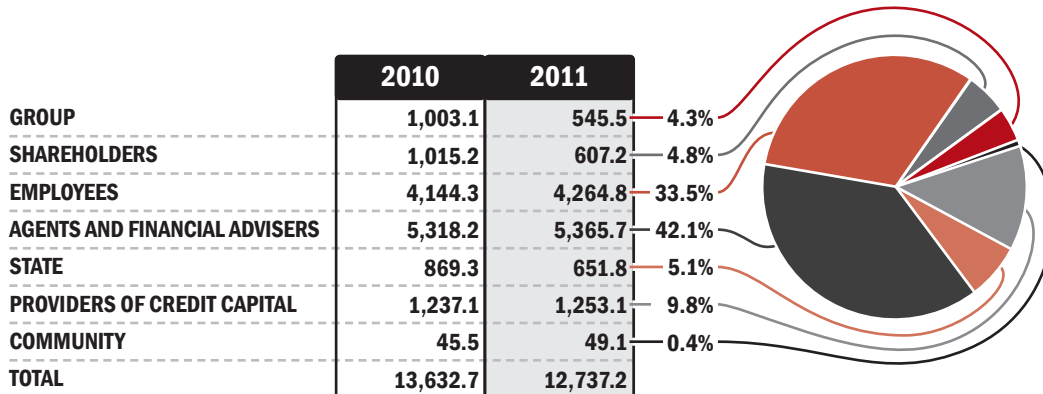
	2010	2011
RESULT OF THE PERIOD ATTRIBUTABLE TO THE GROUP	1,701.9	856.1
TOTAL INCOME	90,779.2	81,000.7
NET EARNED PREMIUMS	65,726.5	62,738.5
EUROPE	61,651.2	58,504.2
THE AMERICAS	1,879.8	2,139.0
ASIA	2,195.5	2,095.3
TOTAL EXPENSES	87,942.4	79,196.1
NET INSURANCE BENEFITS AND CLAIMS	67,720.0	55,037.3
EUROPE	63,027.4	51,440.7
THE AMERICAS	1,522.4	1,722.7
ASIA	3,170.2	1,874.0
GLOBAL ADDED VALUE	13,632.7	12,737.2
TOTAL ASSETS	422,430.1	423,057.2
INVESTMENTS	364,315.6	346,655.5
EUROPE	340,248.9	321,984.8
THE AMERICAS	3,790.8	4,374.7
ASIA	20,275.9	20,295.9
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	422,430.1	423,057.2
SHAREHOLDERS' EQUITY ATTRIBUTABLE TO THE GROUP	17,489.8	15,485.6

VALUES IN MILLION EUROS

Global Added Value

Global Added Value (GAV) expresses the wealth generated by the Group's activities over the year for the various stakeholder categories. It is not, however, able to measure the benefits that the investments have on the economy and environment of reference. This indicator is calculated as the difference between the total income and the total expenses net of the cost for employees, agents and financial advisers, costs incurred for grants and sponsorships, and interest expense.

Distribution of the GAV



VALUES IN MILLION EUROS

- In 2011 the Global Added Value decreased by 6.6% on the previous year, mainly as a consequence of the reduction in the result of the period. It was in fact affected by adverse trends in financial markets, thus causing lower allocations to the Group, the State and shareholders. The share allocated to the latter adds the result of the period attributable to minority interests to the dividends net of own shares.
- The shares distributed to employees, agents and financial advisers continued to be dominant (75.6% of GAV) and slightly increased.
- Despite a difficult international economic context, allocations to community-benefit initiatives also showed good growth.



WORK

INDIA

Generali Millennium.
Microenterprise development projects:
brick factory in the village of Kuppayanallur
in Tamil Nadu and canteen at Loyola College.

SUSTAINABILITY INDICES, ETHICAL RATINGS AND ENVIRONMENTAL RANKINGS

In recent years the commitment and results achieved in the various areas of sustainability have allowed the inclusion of Assicurazioni Generali in various important ethical indices, which consider not only economic and financial performance of companies but also environmental, social and governance (ESG) one.



Assicurazioni Generali is listed on the ethical index **ASPI** (Advanced Sustainable Performance Indices) Eurozone, which selects the best 120 companies of the countries of the Eurozone belonging to DJ Stoxx600 on the basis of the rating assigned by Vigeo, the French agency that analyses social and environmental performance, and the ASPI Eurozone guidelines.



Assicurazioni Generali is listed on the **ECPI Ethical Global Equity**, consisting of 300 large capitalisation companies belonging to the global market, on the **ECPI Ethical Euro** and **ECPI Ethical EMU Equity**, consisting of 150 large capitalisation companies belonging to the European and Eurozone market, respectively, and on the **ECPI Developed Ethical+ Equity**, consisting of 400 large capitalisation companies belonging to the global developed markets. Companies are selected on the basis of the SRI Screening Methodology by Ethical Capital Partners S.p.A. (ECPI), the Italian company leader in the research, ratings and sustainability indices.



Assicurazioni Generali is listed both on the Italian **Leaders** and **Benchmark** indices of **FTSE ECPI Italia SRI** for socially responsible investments created on the basis of the assessment of ESG practices of the Italian companies included in the FTSE Italia All-Share index.



Assicurazioni Generali is listed on the **FTSE4Good Global Index** and the **FTSE4Good Europe Index**, two share indices created by the FTSE group to assess social and environmental performance of companies and to encourage investments in companies adopting universally recognised corporate social responsibility standards. To be included, companies are assessed by the independent agency EIRIS in relation to very strict social and environmental criteria established by the FTSE.

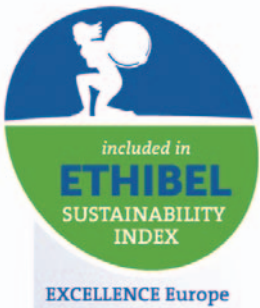


Assicurazioni Generali is listed on the **STOXX Europe Sustainability**, **STOXX Europe Sustainability ex AGTAF** and **STOXX Europe Sustainability ex AGTAF A**, indices for companies selected by STOXX Europe 600 on the basis of the rating assigned by the Sarasin Bank following an environmental, social and governance analysis.



Assicurazioni Generali is listed in several ESG indices of MSCI: **MSCI WORLD ESG, MSCI WORLD ex USA ESG, MSCI KOKUSAI ESG, MSCI WORLD ex AUSTRALIA ESG, MSCI WORLD ex UK ESG, MSCI WORLD SRI, MSCI WORLD ex CONTROVERSIAL WEAPONS, MSCI ACWI ex CONTROVERSIAL WEAPONS, MSCI KOKUSAI SRI, MSCI WORLD ex USA SRI, MSCI KOKUSAI ex CONTROVERSIAL WEAPONS, MSCI WORLD ex USA ex CONTROVERSIAL WEAPONS, MSCI WORLD ex AUSTRALIA ex CONTROVERSIAL WEAPONS.** Those indices are designed to help clients incorporate environmental, social and governance criteria into their investment decisions.

Assicurazioni Generali is listed on the **Axia Global Sustainability Index** and the **Axia Sustainability Index (ASI)**, indices for companies identified and selected by Axia Financial Research on the basis of a model assessing how the business management aims at increasing the level of sustainability of such companies.



Assicurazioni Generali is listed on the **ESI (Ethibel Sustainability Index) Excellence Europe**, which selects the 200 highest rated companies in Europe on the basis of the rating and the sustainability guidelines by Forum ETHIBEL, and on the **ESI Excellence Euro** which is a sub-selection with Eurozone companies of the former. The composition of the ESI Excellence indices is based upon the Ethibel Excellence Register, created by Vigeo and managed independently by the Belgium company Forum ETHIBEL. To be included, Forum ETHIBEL uses the analysis by Vigeo.

OEKOM Research, an important independent German agency focused on socially responsible investment (SRI) assigns Assicurazioni Generali a C rating, classified as Prime for its bonds and shares. This classifies them among investments that are responsible for their customers, consisting of asset managers, banks and institutional investors, for a total volume of 90 billion euros. Ratings are expressed in twelve levels ranging from A+ (highest) to D- (lowest).



In the **CDP 2011 Global 500 Report** classification, which assesses performance communicated to the Carbon Disclosure Project through the completion of the annual questionnaire, the Generali Group obtained a score of 68/100, which comes in immediately below the highest band (>70 points). A performance band C has also been assigned on six levels ranging from A (highest) to E (lowest). It reflects the fact that the Group has only recently adopted policies and objectives by which to reduce CO2 emissions.

Finally, the Generali Group took thirtieth place with 74.1 points out of 100 in the **Green Rankings 2011**, i.e. the list of the biggest 500 global companies published by Newsweek, coming in third of the main insurance and reinsurance peers. The ranking is drawn up in cooperation with Trucost and Sustainability, two leading environmental-research firms, to assess companies' environmental footprint, management and transparency in the environmental disclosure.

INDIA

Generali Millennium.
Microenterprise development projects:
canteen at "Loyola College".



WORK



STAKEHOLDERS

The Generali Group considers that all those who make a direct contribution to the pursuit of the Group's objectives, allowing it to be competitive on the market and affecting the various activities, are stakeholders.

As such, the following categories of stakeholders have been identified:

- **direct stakeholders** (employees, sales force and shareholders), which, in various ways, form an integral part of the Group;
- **competitive stakeholders** (clients, contractual partners and issuing companies), which are most greatly linked to the business;
- **social and environmental stakeholders** (community and environment), which represent the external contexts in which the Group operates.

For the description of the policies and characteristics of the stakeholder categories consult the chapters further on in this document.

The awareness of the centrality which, in the sustainable growth process, assumes the engagement of the abovementioned stakeholders, has led the Generali Group to activate various **forms of dialogue** and **exchanges of opinion** with these.

More specifically, employees are mainly involved with surveys on climate and specific initiatives.

The forms of dialogue with the sales force include meetings, interviews, focus groups, workshops, roadshows and conventions aiming at noting the satisfaction of networks with the support provided by the companies, at improving products and services and at sharing business strategies.

Roadshows, meetings and sector conferences are instead the main ways with which dialogue takes place with the financial community. For shareholders, these are added to by the possibility of communicating directly with the Parent Company through the section Investor Relations of the Group website.

A great many customer surveys are also carried out: surveys on customer satisfaction, brand perception, image and advertising messages, as well as those focused on understanding the demands, desires and behaviour of clients, aiming to develop and improve products and services.

Forms of dialogue and exchanges of opinion are in place also with suppliers. In 2011 some of them were involved in an environmental initiative.

More information on the approach, frequency, results and any critical issues that may emerge from the activities involving the various stakeholders is given in the chapters devoted to them further on in the document.

DIRECT STAKEHOLDERS

FOREWORD

CHAPTER 1

CHAPTER 2

CHAPTER 3

CHAPTER 4



WORK



EDUCATION



HEALTH



ENVIRONMENT



EMPLOYEES

Employees policies

The Group's employees policies, responsibility of which lies with the Group CEO, are characterised by:

- close attention to employees and a commitment to offer them opportunities for personal and professional development, making the most of their skills and abilities and developing their potential;
- trust placed in open-minded young people keen to prove themselves, who are given positions of increasing responsibility;
- respect for values and a desire to protect individuals' rights.

The workers' fundamental rights are set out in the **Ethical Code of Generali Group** and in the **European Social Charter** (for details, see the chapter Group). All staff are given a legal contract of employment, and illegal employment, exploitation, forced labour and child labour are not tolerated in any form. All communication with workers is transparent, clear and complete: both when they are hired and when carrying out their jobs, workers receive clear, specific instructions on regulations and pay. Furthermore, they receive instructions throughout the length of their employment that help them to understand the nature of their role and to carry it out correctly.

Almost all the Group companies have **internal regulations** or **codes of conduct** that set out workers' rights and responsibilities, appropriate conduct and the disciplinary measures that will be applied in the event of violation or non-compliance.

Companies in the banking sector have similar codes, which, in addition to relations with Generali Group companies, also regulate those with clients, investors and the media. The codes are based on principles of ethics, quality and transparency and aim to maintain a high standard of integrity and professionalism in all the bank's activities.

Selection and hiring policies

The human factor is the Group's most important resource. That is why Generali is committed to selecting and keeping highly qualified staff.

The selection process follows the principles of fairness and impartiality: candidates' professional profiles are assessed exclusively for the purposes of pursuing corporate interests.

Vacant positions are offered preferentially to existing Group employees, who apply via job postings or are identified by mobility offices. When the Group needs to recruit externally, applications from interns at the Group and unsolicited applications received by post or email are considered first, along with recommendations from universities and postgraduate education providers.

In some countries, particularly when selecting managers and industry experts, the Group tends to use specialised companies and publish advertisements in newspapers and on insurance and finance websites.

The **Recruiting and Selection** unit of the Group in Italy continues to operate with the objective of defining and standardising the policies and criteria for selection, recruitment and hiring key people following principles inspired by Group values, also expanding the scope of reference and improving the human resources profile and quality. More specifically:

- this involves planning, implementing and monitoring the selection processes for the companies of the Group within the Italian scope. This unit ensures prompt and effective filling of vacant posts with people who have the appropriate skills by monitoring the recruitment channels and using advanced selection and evaluation tools. In particular, guidelines have been defined for these processes, with a subsequent choice of tools and methods, and the quality and standardisation of the process is ensured. This unit is also involved in promoting employer branding activities to make the Group attractive to young people with potential and competitive in relation to other businesses present on the labour market. The various activities carried out are supported in terms of operations by the selection network, comprised of about 40 employees in the Human Resources departments of the various Group companies;
- a standard Group selection process has been created that is applied to the candidates and is carried out by selection network specialists, involving different assessment procedures depending on candidates' abilities, attitudes and experience. In particular, junior candidates (new graduates, newly qualified applicants and those with less than

three years' experience) take part in selection assessments conducted via individual and collective tests, while senior candidates undergo an individual selection process. In both cases, when the selection assessment is passed, candidates undergo a technical interview with those in charge of the sector interested in hiring them.

Ideal candidates should have a good degree completed in a short space of time and/or considerable experience in companies in the industry, good knowledge of foreign languages (where applicable), good problem-solving abilities, customer-service skills, flexibility, willingness to travel both nationally and internationally, and strong team-work and leadership skills. Positions with high added value are ideally offered to holders of a specialised Master's degree.

Junior candidates are usually hired to do clerical work, initially on fixed-term contracts, before being offered a permanent contract after a couple of years. For young people in particular, call-centre, sales and claim-settlement positions at Group companies increasingly offer the chance to subsequently progress to roles of greater managerial responsibility.

This approach is shared and implemented by the main European countries where the Group operates.

Talent retention policies

The Group, with its strong belief in internal staff growth, over time has created an integrated talent management system (selection, training and development) based on making use of capabilities and on developing knowledge and skills. By defining and monitoring personalised development plans that make use of various supports (strategic training programmes, including international ones, as well as domestic and international mobility, coaching programmes and participation in strategic projects) the Group aims to provide opportunities for professional growth, to ensure motivation and commitment and to promote managerial continuity over time.

To find and attract young talent in the various countries within the scope of the Sustainability Report, the Group:

- participates in events such as Career Days and Recruiting Days that are aimed at facilitating encounters between businesses and young graduates/undergraduates;
- sponsors initiatives and forms partnerships with universities and organisations that provide Master's courses in economics/finance and law;
- drafts appropriate professional development plans for specific job positions (actuaries, analysts, sales force, etc.);
- finances several scholarships for high-potential students and initiates internship cooperation directed toward undergraduates for the writing of graduation papers as well as toward graduates to enable them to obtain experience and display their abilities with a view to a subsequent enhancement of the employment relationship.

Training programmes for new recruits are initially aimed at facilitating their integration into the company and enhancing their knowledge of the company's business, and later focus on developing the employees' potential, abilities and leadership skills.

The key factors that attract talented young people to the Generali Group include: its reputation, the salaries and benefits on offer, the Group's ethics and culture, innovation, creativity, work/life balance policies, international mobility, dynamic growth through training, career opportunities, job security and a positive atmosphere in the workplace.

In Austria, Generali has won the Best Recruiter 2011 award as the best business at handling staff selection processes, as well as the Top and Open Company award, organised by Kununu.com, the online forum where workers evaluate their employers.

In Spain, the Group has received the Awards MC Association award as the best business in terms of good policies developed for Human Resources.

Demographic change: Generali's Generations

Demographic change is an undeniable fact: in recent decades the average life span of the population has lengthened significantly and the number of elderly people has undergone significant changes, having more than doubled in the last 50 years.

In 2011, Generali Netherland published the study Generali's Generations Demographic Trends and Their Impact on Generali's Workforce. In Germany the Group presented a plan for handling demographic change, that showed that, while in 2008 the average age of the German population was 43.8 years, in 2060 it would be 49.9 years. It also was shown that, starting in 2045, Italy, Austria, Germany and the Czech Republic will be the Group countries most impacted both by a reduction in working population and a decline in the number of graduates (e.g. in Germany graduates will

decline by 21% by 2045]. The objective of this plan is to determine a policy for handling human resources in the future based on an analysis of the age of employees throughout the German group. The following, among other things, are the main features of the plan: forecasting the age distribution of group employees for future scenarios (2045-2060), identifying the risks associated with the aging of the workforce, simulating demographic change at group companies and analysing existing measures at the group as well as those to be adopted in the future to handle demographic change. Lastly, this plan has shown how handling demographic change has an important impact on the main areas of activity of Human Resources, such as: selection, work schedules, knowledge transfer, corporate culture, lifelong learning and managing occupational health.

Remuneration and incentive policies and assessment systems

The Group's remuneration strategy is inextricably linked to its mission, values, governance and sustainability strategy, which focuses on the pursuit of sustainable growth over time and a commitment to value its workforce, which in turn involves acknowledging individual contributions to the Group's success through appropriate salaries. This remuneration policy supports the Group's mission, values, governance and sustainability, triggering a continuous interaction with these elements that results in constant improvements to the pay practices adopted and the consolidation of the aforementioned elements, thereby enabling the Group to meet stakeholders' needs ever more effectively.

The Group's remuneration policy aims to reward sustainable performances with appropriate remuneration. To this end, it is based on the following key principles: internal equity, competitiveness, consistency and meritocracy. The application of these principles boosts staff motivation and loyalty, particularly for strategic employees and those with strong potential, helping Generali to consolidate its image as a best employer that can attract the brightest talent, both in Italy and abroad.

A score is allocated to managers and some middle managers based on the Hay method, enabling the Group to define remuneration policies that take into account the principles of internal equity and the competitiveness.

The basic salary of most employees in non-managerial positions is linked to the national collective bargaining agreements and complementary agreements in force in the individual countries. Benefits and incentive systems are also available for both full-time and part-time workers with permanent contracts. These differ from one company to the next and are intended to reward employees on a meritocratic basis for performance and the achievement of specific targets.

The Group's general aim is to standardise pay levels for similar positions and responsibilities in line with local pay markets.

In Italy the gross annual remuneration provided for in the Generali Group contract for newly hired office workers, i.e. those at the 4th pay level in insurance industry, is 20% higher than the industry. Also in Italy, the remuneration offered by Group companies to office workers in the banking and real estate industries, on the other hand, is in line with the average remuneration from other companies in these industries.

In Austria and Germany, the remuneration offered to newly hired office workers is the same as for new hires in similar companies in the industry, while in Spain it is 1.2% higher.

In Switzerland and France, the remunerations are differentiated by type, with a gap for women, at the market level, of 12.6% and 4.1%, respectively. In France, the remuneration for newly hired office workers at the group is 1.2% higher for men and 2.6% higher for women, compared to the average offered for the same positions in other companies in the industry, differentials attributable to the agreement signed by the group to ensure pay equality between men and women, as mentioned later in this chapter. In the insurance companies in Switzerland, the remuneration for new hires, on the other hand, is 4.7% higher for men and about 1% higher for women, compared to the average offered for the same position in similar companies in the industry.

The Generali Group adopts a bonus system that sets personal targets for managers based on the balanced scorecard method, while the variable component of employees' salaries is normally based on the Management by Objectives (MBO) system.

For Group management and Managing Directors, the tools currently in use are the balanced scorecard for short-term variable remuneration and the Long-Term Incentive Plan for the long-term variable remuneration. More detailed

information on the remuneration policies for Group Top Management can be found in the Remuneration Report, that is available on the www.generali.com website.

Within the Group, the heads of department carry out periodic assessments of the results achieved by the managers, based on the following factors: performance (in terms of quality and quantity of work, commitment, punctuality and conduct); development of knowledge and skills; professional development, collecting also comments and suggestions with a view to defining professional goals; and future training plans.

On average in 2011, within the scope of the Sustainability Report, 64.1% of Group employees were subject to performance and career-development assessments. This figure is higher than the average and approaches 100% in Germany and Israel, exceeds 97% in Switzerland and equals 96.5% in the Czech Republic, while slightly below average in Austria (60.4%) and below the averages in Italy, France and Spain. More specifically, on average, 81.9% of managers, 36.4% of middle managers, 62.6% of office workers and 80.6% of sales force on payroll in the Group were subject to performance and career-development assessments.

Women are not discriminated against in terms of assessment: this is shown by the fact that, on average, 61.7% of women were assessed on performance and for the purposes of career development. In particular, in 2011, with regard to the female workforce, on average 73.3% of managers, 28.3% of middle managers, 64.9% of office workers and 68.1% of sales force on payroll were assessed.

The following are the specific policies and processes for staff assessment as adopted in the various countries.

Country	Employee assessment methods
Italy	<p>Managers: they are periodically involved in processes of assessment and development of managerial skills. As part of the annual balanced scorecard systems, besides the economic performance goals and the aforementioned environmental target, a managerial performance benchmark is provided for that, using performance indicators, evaluates adherence to, dissemination of and enhancement of Group values and skills.</p> <p>Middle managers: the group uses Performance and Development Dialogue (PDD), a performance-management system based on the assessment of qualitative/quantitative results and on compliance with the corporate values that, in turn, are linked to Group managerial skills. This involves an annual process that provides for 3 instances of dialogue with managers: defining and setting of targets, interim reviews and goals assessment. In support of performance, an annual knowledge and skills development plan has been linked, to be updated when the targets are set; since 2011 a socio-environmental target has been included. The development plan aims to support results and not to compete with the overall assessment of the performance benchmark. This process provides for the creation of a corporate committee for calibrating targets and results. At present it applies to 100% of the middle managers of the companies in the real estate and lending industries and to about 400 middle managers at insurance companies. Since 2012 a gradual expansion of the system has been envisioned, including the involvement of the international companies as well, when possible.</p> <p>Office workers: the group has adopted a qualitative system that involves an annual assessment of basic behavioural skills in terms of performance and compliance with the Group values and an updating of the annual development plan to support performance. It is currently activated at companies in the real estate and lending industries and in some of the insurance companies of the group and it is envisioned that it will be gradually extended to most of the group companies.</p> <p>Sales force on payroll: a series of qualitative and quantitative checks is envisioned for the purpose of assessing results and skills, recognising merit and determining avenues of professional growth. For the annual assessments, a system is used that takes account of abilities to reach production goals and evaluates performance on the basis of sales benchmarks (e.g. life products, non-life products), technical know-how (e.g. knowledge of the product and standards, work organisation), and behavioural skills (fundamental group skills defined based on clients, sales planning, results orientation, customer orientation, and problem-solving ability).</p>
Austria	All staff, with the exception of the sales force, undergo an annual assessment interview focusing on: comments, information on future duties, the definition of qualification measures and manager-employee cooperation.
Czech Republic	Almost all employees are subject to annual performance assessments. Fulfilling expectations and achieving company objectives is essential for career development.



Country	Employee assessment methods
France	All employees, except the sales force, undergo an annual assessment interview with their immediate superiors, on the basis of which career advancement is arranged. The remuneration associated with such advancement is linked to a national agreement that classifies each worker into one of seven pay levels according to five criteria: training and experience, ability to identify and solve problems, interpersonal skills, self-sufficiency and significance of the worker's individual contribution.
Germany	All employees are assessed annually. Managers are assessed based on their performance and possibilities for individual development. Operational staff, on the other hand, undergo an assessment interview with their immediate superiors focusing on their skill set and individual-development planning. Since 2011, the system has also included incentives for managers linked to environmental targets.
Israel	All employees take part in an assessment process based on behaviour observation whereby the employee carries out a self-assessment and the employee and their line manager each carry out assessments of one another. At the end of the process, the employee receives a report that highlights the differences between their self-assessment and the line manager's assessment. These are then discussed with the line manager in an interview focused on improving performance and identifying any training needs. Since 2010 a management review has also been provided for. It identifies staff within the business who have the potential to develop into managerial roles to provide for management turnover.
Spain	The MBO system is applied to managers and middle managers, based on the results achieved by the company and personal objectives, while the performance-assessment system is used for other workers.
Switzerland	<p>The basic benchmark for the progression of insurance staff is the 'model of expertise', which measures the skills required for the position in question against the candidate's existing skills, in an attempt to bridge the gap. Almost all staff members are subject to annual performance and career development assessments.</p> <p>BSI has a process in place for defining and assessing individual objectives as agreed to with one's own superior at the beginning of the year. The achievement of the targets agreed to is then assessed by a team, considering personal attitudes and professional skills. Assessment results are used for the purposes of defining training plans and for promotions and bonuses. This system is applied at all Swiss establishments and in the Hong Kong and Singapore establishments.</p>

Benefits and perks

The pay packages offered to both full-time and part-time employees of the Group companies include various benefits and perks that, besides adding to the remuneration, are aimed at encouraging workers to actively participate in the organisation. The benefits can be broken down into the following categories:

- Supplementary pension scheme** - In the countries of the Sustainability Report scope, except Israel, supplementary retirement schemes for employees have been provided for, usually consisting of local pension funds that are part-financed by company contributions and part-financed by voluntary employee contributions. The level of the Group contribution generally varies depending on the salary level (e.g. in Italy, employer contributions range from a minimum of 4.1% of the National Collective Bargaining Agreement salary scale, for non-manager employees, to a maximum of 13% of the gross annual salary for managers), while employees can select from a range of levels for their own contributions (for instance, in Italy this can range from 0.75% to 6%). The guaranteed benefits that vest upon retirement may be disbursed as income or as a lump sum, according to the specific provisions applicable. The Group has thus adopted a policy that is sustainable, given that, along with what has been established by the local rules on pensions, it increases and supplements the future pensions of employees. Furthermore, there are also defined-benefit plans, primarily concentrated in Italy - where they include the provision for *Trattamento di fine rapporto* (employee severance pay) matured until 1st January 2007 - Austria, Germany, Switzerland. Details of defined benefits for Generali Group employees can be found in the Notes to the 2011 Management Report and Consolidated Financial Statements, on page 174.
- Healthcare** - The Group provides a range of insurance products that enable employees and their families to take advantage of high-quality healthcare services at low or no cost. In Italy, the Group bears the cost, through its healthcare fund, of a number of insurance benefits that are available to employees with at least 12 months' service. The fund covers: recoveries from illness, surgery, childbirth, personal care and major surgery (including the reimbursement of the cost of diagnostic tests, medicines and care connected with treatment). In Italy, there is free coverage for accidents suffered in the performance of work activities and Health Group Insurance coverage that provides employees and their families with cover for the health expenses of hospitalisation and surgery incurred while travelling. More specifically, this covers dental care, specialist consultations and diagnostic tests, healthcare, and specialist outpatient healthcare for employees and their families.

Moreover, for employees covered by the National Collective Bargaining Agreement for the insurance sector, the Group bears the cost of personal care and insurance against the risk of staff members losing self-sufficiency (with cover extending into retirement), which is managed by the Long Term Care Fund on a national level. Lastly, forms of coverage are provided for against occupational and other accidents, with coverage also in the event of death and against permanent disability. Similarly, in France, Germany and Switzerland, the Group bears the cost of additional health cover for its employees; however, in Israel, the Czech Republic and Spain, such cover is provided free of charge only to managers. In Israel, all office workers are offered the chance to be covered by a collective healthcare policy in exchange for paying a premium. In Spain, in cases of serious illness the collective contract of employment provides for the employee to receive a special loan. If the illness affects a family member, the employee is granted a period of paid leave. Furthermore, a sum is set aside each year to cover situations that require specific protection or support, such as serious illnesses affecting employees' family members. In Austria, accident cover is provided for managers and the sales force.

- **Other benefits and perks for employees and their families** - Other perks are offered to employees and, in some cases, their families can benefit from them, depending on the company they work for and their salary level. In general, employees may benefit from discounts and/or advantageous terms on a number of life and non-life policies and banking products; they may have access to loans and mortgages with favourable terms provided by Group companies or partners for purposes such as purchasing, renovating or building a house or buying a car. Depending on the companies and countries they work in, employees may take advantage of the canteen service and/or meal tickets, free tax assistance, study grants for their children and the reimbursement of moving expenses in the event of relocation. To promote the development of the knowledge of languages, many companies of the Group offer their employees the chance to attend language courses partially financed. Lastly, the benefits package for management includes a company car for mixed use.

To foster loyalty among employees, German companies pay out one-off cash sums and award additional paid holidays on reaching a certain number of years of service (25, 40, 50 years), in addition to awarding an extra monthly allowance after 10 years of service. Employees in Italy also qualify for certain benefits upon reaching 20 years of service.

- **Social and recreational activities** - The Group encourages team spirit both at work and in employees' leisure time through various company clubs promoting sports, social and cultural activities. The Group organises parties and similar events, especially during the Christmas season, and delivers gifts, in many cases offering employees the opportunity to take part in initiatives to help those who are less fortunate.

In some countries, there is also a focus on **retired colleagues**: in Italy, the Parent Company supports the Gruppo Lavoratori Anziani d'Azienda, consisting of nearly 4,000 retired employees, the widow(er)s of late employees and current employees with over 20 years' service. The Gruppo Anziani organises social and cultural activities and trips, as well as providing assistance to members in need. One such event is the annual Festa dell'anziano (senior citizens' festival), which is attended by the Top Management; in Austria, the Silberlöwenclub association comprises retired Group employees and organises cultural and leisure events; in Switzerland, retired BSI employees can participate in numerous activities organised by the bank's cultural and sports group.

In France, the most important cultural initiatives for employees include collaboration with Université de Tous les Savoirs, which offers employees the opportunity to attend conferences with top speakers in the university, economic and social fields, and the Les pauses sourires initiative, which organises a number of activities (exhibitions, guided tours, conferences, etc.) at the Saint-Denis offices.

Equal opportunity policies

Generali values its employees and considers diversity an opportunity for enrichment thanks to the contribution it can bring to the Group. Its focus and commitment to its workforce - viewed as the strategic capital on which the Group bases its success - and its respect for human dignity, freedom, equality and equal opportunities in the workplace and in career paths, with no form of discrimination on the basis of gender, ethnic origin, language, disability, etc., are explicitly laid down in the Ethical Code of the Generali Group and are universally acknowledged by all Group employees.

More specifically, in relation to selection, training, career development and remuneration, the Group's staff-management policies and the provisions set out in its collective bargaining agreements are based on principles relating to equal treatment of **men and women**, which have often been adopted ahead of the introduction of European and national legislation.

The Group applies the relevant national equal opportunity and non-discrimination legislation in all countries in the Sustainability Report area as well as the specific regulations as set out in the national collective employment contracts for the insurance industry in certain countries.

The Group's Equal Opportunities Commission is present in each country of the area and a dedicated area has been set up on the intranet portals of the companies, where employees can access detailed information on the Commission's objectives and activities.

In 2011, in Germany, the German group implemented a project called **Gender Balance** for equal opportunities between men and women, which began with an assessment of the existing situation at the various Group companies.

The number of Group employees making use of **parental leave** reflects the weight of the female component. Mandatory leave applicable to all Group employees based on the law in force in the various countries varies between 14 weeks in Germany, Israel and Switzerland and 28 in the Czech Republic. During the year, 1,807 Group employees took mandatory leave, of whom **1,656** were **women** (91.6%).

In Italy, workers who have returned from maternity leave may receive normal training and updating, also on the job, normally provided by the Human Resources departments and/or the units where they work. Focus groups have been organised at the main regional centres for a more in-depth assessment of the real needs of new mothers, and to define a plan for more structured support and assistance.

In particular, Europ Assistance has signed on to the Un Fiocco in Azienda project, an initiative of the Women Managers Group of Manageritalia, with contribution from the Municipality of Milan, created with the purpose of assisting parents and businesses in handling maternity calmly, facilitating the return of mothers to the workplace and helping them to avoid post-natal depression and to make the most of their parental status. This programme also provides information on all of the bureaucratic procedures and provides for an informational and training course that enables women, who so desire, to feel that they are still participating in the life of the business even during these months. Later, when returning from maternity leave, an orientation interview is provided for, in order to best reintroduce the mother into the business. Also in Germany, the reintroduction of the mothers into the business is preceded by an orientation interview.

Group companies comply with the legislation in place in all countries to guarantee **equal opportunities for people with disabilities**, from both a social and work perspective. This legislation, which covers, in particular, job opportunities and provides various protective measures during employment, differs from one country to the next, so it also differs in terms of the requirements demanded, thus consistent data cannot be provided. In particular, there are differences among the definitions of a disabled person, as expressed in terms of percentage of reduction of the work capacity required in order to be covered by this category. In any event, in 2011, the number of disabled people employed at Group companies was 1,752 (+3.3% compared to 2010), of which 796 were women (equalling 45.4% of the disabled).

Most Group company offices have been adapted to enable people with disabilities to carry out their work. They contain wheelchair-friendly bathroom facilities, sliding doors, lifts and workstations fitted with oversized monitors and special equipment for employees with hearing, speech and sight disabilities. Refurbishment works are in the pipeline at offices that are not yet accessible for people with disabilities. Several Group companies have parking spaces reserved for the disabled in the immediate vicinity of the office, applications systems to facilitate work activity (audio and visual systems, and ad hoc PC programmes) and special training.

Premio Regionale Solidarietà

In Italy, in 2011 Generali won the Premio Regionale Solidarietà (Regional Solidarity Award) in recognition of the activities carried out in support of hiring people with disabilities and giving them equal opportunities within the business. Specifically, the Generali Corporate Centre has adopted the following measures:

- constant analysis of the state of employee hiring with mapping of know-how and skills;
- a centralised desk for responding to individual needs;
- assistance upon hiring, through tutoring in support of the process of achieving real work independence (speech therapy and computer training);
- adaptation of work stations and monitoring of availability and accessibility of technological aids (attendance tracking terminals profiled for the visually impaired, voice mail, video zoom software, Braille keyboards and other adaptive technologies) for internal procedures and computer applications;
- promotion of health and safety/environment accessibility - purchase of outfitting that meets the applicable ergonomic parameters, and providing of tactile maps;
- implementation of initiatives that promote mobility between the home and workplace - free parking at the stalli blu paid spaces by drop call (parking activated by mobile phone) for people with motor disabilities;
- strengthening of recruitment channels - Servizio Incontro Domanda Offerta (Supply-Demand Matching Office) - with the appropriate local offices of the public administration.

In France in 2008, Generali entered into an agreement with Direction Départementale du Travail, de l'Emploi et de la Formation Professionnelle (DDTEFP) of the Ministry of Social Affairs, with a view to collaborating to strengthen initiatives in favour of its employees with disabilities. The agreement was renewed for another three years. Thanks to the initiatives undertaken by Generali France, the number of the disabled who were hired under permanent contracts rose from 132 (in 2005) to 317 in 2011 (+140.2%).

The Group's workforce in each country consists almost entirely of local people, since Generali companies have always valued the contribution they can make in terms of market knowledge and business development. A policy favouring and taking advantage of avenues for national and international intragroup mobility means there are equal career – and professional – development opportunities for employees of all nationalities. On average, 98.5% of managers are local, while the remaining 1.5% are foreign, but not all are from the Parent Company.

The e-learning programme called **Business Case for Diversity**, taken by those encountering international mobility, is of note; through it, the Group desires to promote an international mentality, to share know-how among teams and countries, and to develop the international leadership abilities of those who move around within the Group. The course introduces the concept of cultural diversity to create a mentality that is open to change and able to understand rapid market developments, as well as to prepare employees to shift easily and efficiently from one local context to another, benefiting from their experience of cultural diversity.

Work/life balance policies

To balance work commitments with family and personal demands, the employees of the Generali Group can make use of **flexible and part-time work schedules**, as well as **company nurseries**.

In the various countries, work hours provided for in the contract vary from 37 in Italy (insurance industry) to 42.5 in Israel. A range of flexible start and finish times and lunchtimes are offered in all countries of the Sustainability Report area. Furthermore, in France, workers can choose among different options that provide variable combinations of work days and holidays.

Europ Assistance companies provide policyholders with service 24 hours a day, 7 days a week, and some call centres of the Group provide assistance up to 10:00 p.m., and therefore workers are rotated in shifts. In particular, Europ Assistance has shifts of about 8 hours per day, 5 days a week, and/or shifts of not less than 4 hours per day.

In Italy, better benefits are provided than under the law and/or the CCNL with regard to medical appointments and treatments, educational leave and care for disabled relatives. Differing from country to country, the Group offers its employees the **paid leave** provided for by law, national collective bargaining agreements and the supplementary agreements in force at each company for: marriage, the death of a relative, pregnancy, breastfeeding for new mothers, maternity/paternity leave, children's illness/birthdays, medical appointments and clinical analyses, study, care for

disabled relatives and giving blood. In line with the company's organisational requirements, workers are usually also granted **paid leave, leave with compensatory working time and a working-hours bank**, which can be used in individual hours or part days, to boost flexibility. More specifically, in Italy, within the scope of the insurance area, the number of hours due for paid time off has doubled for employees with disabilities and for those with children under three years of age or with serious disabilities (in the Czech Republic, this entitlement continues until the disabled child has reached the age of 26, provided he/she is not being cared for by social services), without prejudice to the provisions of current legislation on time off for people with disabilities and their carers. Employees are also entitled to periods of **unpaid leave** for a maximum of 12 months for justified personal or family reasons.

Vertical and/or horizontal **part-time** work is regulated in all Sustainability Report countries, except Israel. On the whole, working hours are reduced by 50%, but lesser or greater reductions are often possible, varying between a maximum of 80% (in France) and a minimum of 20% (in Switzerland).

Staff members are normally granted part-time contracts for family reasons, such as the need to provide care for close relatives (parents, children, spouse or other members of the household) who are ill or disabled, or to take care of children or whenever confirmed serious personal reasons exist. In France, workers over 55 years of age are encouraged to work on a part-time basis, in preparation for retirement. In Germany, a similar contractual provision is in place for older workers.

Whether a staff member is granted a part-time contract depends on whether this is compatible with the company's technical, organisational and production needs. Where it is not possible, employees may however be granted reduced working hours if they are willing to consider equivalent responsibilities or transfer to a different department within the same company. Employees normally have the option, often guaranteed for a certain number of years, to return to work full-time (reversible part-time work). After this time has passed, the company can decide whether or not to accept requests to return to work on a full-time basis.

As mentioned, women are more likely to choose part-time work (on average, 87.1% of the total), reflecting the greater involvement of women in running and caring for the family.

There are multiple initiatives benefiting employees with small children:

- in Italy, at the Trieste, Mogliano Veneto and Rome offices, there are **company nurseries** that hold 30, 40 and 40 children, respectively, aging between 3 months and 3 years;
- in Austria, the Group is adopting family-friendly policies, and in 2012 a project was started up to obtain the pertinent certification;
- in Germany, the companies Generali Deutschland Holding AG, AachenMünchener, Generali Versicherung, Dialog and Generali Immobilien have been awarded the Audit Beruf und Familie (work and family certificate), a quality mark awarded by the non-profit Hertie Foundation, sponsored by the Federal Ministry of the Economy, to companies with outstanding work/life balance policies. Dialog and Generali Immobilien have won awards as being among the best German companies in adopting such policies for employees. Furthermore, at the Cologne office employees can make use of a nursery, childcare and family-assistance facilities, emergency babysitting services and a nursery school, as well as subsidised family-care fees with sums that vary according to income. Europ Assistance has entered into agreements with local nurseries for preferential admittance for children of its employees;
- in Switzerland, at the Adliswil and Nyon offices, there are two nurseries that hold a total of 71 children.

In Austria, France, Germany (with the exception of the real estate companies), the Czech Republic (with the exception of Ceska Pojistovna), Spain (at Europ Assistance only) and Switzerland (with the exception of BSI and Europ Assistance), the tools provided to aid work/life balance also include **telework**, at several Group companies.

Health and Safety in the workplace

The Group considers the physical well-being of its employees to be a key value. To protect this well-being, the Group provides individuals with healthy and safe working environments that conform to current health and safety regulations. It pays particular attention to pregnant women, mothers and workers with disabilities.

Most of the Group's companies have a Health and Safety Committee and a Group Risk Prevention Office designed to monitor and manage risk prevention issues and measures to protect the health of workers as they go about their work. 68% of the Group's workers are represented by joint company/worker Committees.

At most Group companies (except in Germany and Switzerland), there are letters of understanding or formal agreements with the labour unions governing the topics of health and safety in the national collective bargaining agreements, such as the participation by worker representatives in inspection and audits on: employee health and safety, accident investigations, training, commitment to performance targets or to the level of measures to be adopted, periodic inspections, and meetings of joint committees on health and safety.

Employees are trained in and informed about current regulations and initiatives on health and safety, risk prevention and what to do in the event of an emergency or a fire through various materials (brochures, pamphlets, dedicated notice boards, e-learning courses and the corporate intranet). At the end of the courses, there are tests to find out how much the participants have learned. Ad hoc training and refresher courses are also organised for employees with special duties in the event of medical emergencies or fires.

More generally, in all countries there are various programmes aimed on the one hand at complying with legal obligations relating to health in the workplace, and on the other at providing employees with health support, information, advice and prevention.

Country	Programmes
Italy	Also in 2011, the employees were subject to regular workstation health checks as stipulated by current legislation, including eye tests and postural assessments. Group company employees took part in classroom courses or e-learning sessions on workstation health and safety. All employees receive training and information on workstation posture and safety via the corporate intranet section on risk prevention and the pamphlet available there.
Austria	A prevention programme, including the subject of alcohol addiction, was created for workers. Since 2009, employees have been able to attend the external Institut zur beruflichen Integration for anonymous and free advice and support for problems related to depression, anxiety, bullying and stress at work. The institute also organises workshops on health in the workplace.
Czech Republic	Healthcare officers provide regular workstation check-ups for Group employees, including eye tests and postural assessments.
France	Employees receive preventive check-ups every two years. The health information is available on the intranet.
Germany	Some companies have health and exercise programmes designed to reduce sick leave. As well as raising employees' awareness about health issues, the many services include: advice on stress, nutrition, addictions and posture, guidelines on staying healthy, reintegration programmes for employees who have been absent for a long time due to serious illness, corporate medical services, check-ups, partnerships with sports clubs, etc.. Expert healthcare officials are always on hand to support employees.
Spain	There is an anonymous and confidential telephone helpline service, offering support to all employees by putting them in touch with professional psychologists. There is also a risk prevention service that deals with workers' health and safety by providing advice on serious illnesses. Both services are also available to workers' families. Employees are also given handouts promoting a healthy lifestyle.
Switzerland	There is a support service available to employees, with access to external consultants, to help them overcome health problems.

There is continual assessment of the Group's buildings, including by ergonomics experts, in order to make sure workplaces remain able to ensure employee safety, provide more comfortable working conditions and increase the efficiency and reliability of machinery and equipment.

The **cost** incurred by the Group in the year for **health and safety** in the workplace - including health monitoring costs, first-aid and fire-fighting classroom training costs, the costs of equipping emergency teams, medical check-ups (eye tests, and ergonomic and postural assessments), the costs of making working conditions more comfortable, etc. - was 255.5 million euros (192.5 million euros in 2010).

In Italy, the Generali Group has participated in the fundraising challenge for Health and Safety Training, which concluded in March 2012, with 528,000 euros in applicable financing.

In 2011, Group employees received around 21,360 **medical check-ups** in total (eye tests, and ergonomic and postural assessments).

There were **719 accidents** in 2011, compared to 749 in 2010 (-4%). Of these, 368 were commuting accidents, one of which was fatal and another resulted in serious disability, caused by traffic accidents on the way to work. The remaining 351 happened at work, with most accidents in Italy involving falling down stairs and minor cuts, while most incidents abroad were accidents involving sales staff out in the field, one of them fatal and two resulting in serious disability. Accidents involving women totalled 310 (43.1%), none of which was fatal or serious.

Absenteeism as a result of accidents, which is calculated as the ratio of days off as a result of accidents to the total number of working days in the year multiplied by the number of workforce at year-end, was **0.11%** on average, unchanged from the previous year.

Labour relations

In all countries, the Group recognises the right of its employees to join a trade union, to appoint workers' representatives and to exercise the relative functions (including the right to collective bargaining), in accordance with freedom of association and with local regulations and practices.

In 2011, **88.6%** of **employees** in the Sustainability Report scope were **covered by collective bargaining agreements** and 100% of them had a written employment contract .

Workers in all countries are free to join trade unions. In Italy, 38.3% of employees are union members; figures on trade union membership in other countries are not available because registration takes place externally and companies are not informed for reasons of privacy. In France, companies are specifically forbidden by the law from asking their employees to disclose such information.

During business combinations and corporate restructuring, the Group protects the 'value' of each employee by providing training and professional requalification where necessary, taking into account the skills and experience of each person. This training aims to encourage intercompany integration and the assignment of new tasks. Corporate restructuring may also be accompanied by voluntary redundancies, consensual territorial mobility and transfers to other Group companies.

In all countries of the Sustainability Report area, workers' representatives are informed of significant organisational changes at least 30 days prior to implementation of such changes (25 days in the event of company transfer). The only exception is France, where the minimum notice period for these initiatives is eight days before the meeting at which they are fully communicated to employee representatives.

Cross-border **social dialogue**, guaranteed by a dedicated Corporate Centre structure, is expressed through the **European Works Council (EWC)**, the body representing the Group's European staff. In 2011, 62,735 of the Group's employees, or 76.5% of the total, were represented by the EWC.

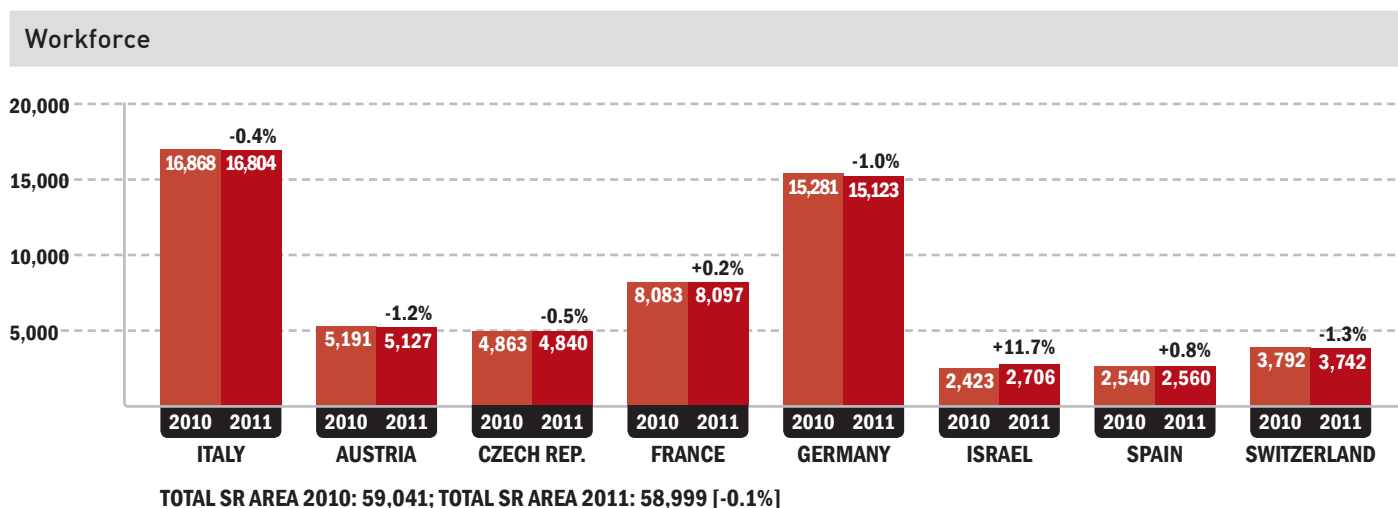
In this context, in 2011 the ongoing activity of informing and advising workers, partly through direct involvement on the part of Top Management, was strengthened and enhanced. Three meetings were organised - called Sharing Labour and Social Experiences in a European Perspective - and they contributed to disseminating good practices in the social and work areas within the Group.

In 2011, there were no reports of infringements of the European Social Charter.

To obtain financing to train EWC delegates, the EWC Relations unit of the Parent Company, in partnership with the EWC, submitted to the General Directorate for Employment, Social Affairs & Inclusion of the European Commission a project called Understanding how national employee representation and participation systems work in Europe to enable the EWC to better exercise its rights and duties at transnational level, for which about 90,000 euros was obtained in November 2011, approximately 80% of the cost of the entire project, which is to be completed in 2012.

More information on the EWC can be found in the Careers section of the www.generali.com corporate site.

Size and characteristics of the workforce



In 2011, the total number of employees within the scope of the Sustainability Report was nearly 59,000, basically in line with 2010 [-0.1% compared to 2010].

There were different trends in the workforce at the level of individual countries:

- Israel, in particular, increased by 11.7%, because of new hires;
- Austria and Germany decreased by 1.2% and 1%, respectively, and Switzerland, where BSI is reorganising to focus on new markets, fell by 1.3%;
- the workforce was essentially the same in Italy (-0.4%), the Czech Republic (-0.5%), France (+0.2%) and Spain (+0.8%).

Based on the trends observed, one can see that, even in an economic context still characterised by uncertainties and difficulties in economic recovery as well as by mounting competition that requires structural changes to maintain the competitiveness of the business, in 2011 as well the Group has been able to keep employment levels unchanged.

To promote the flow of young people into the world of work, in Austria, France, Germany and Switzerland the Group is taking on interns between 16 and 18 years old, who work at several companies to obtain the professional experience needed to handle the working world once their studies are completed. In Austria, notably, the recruitment of interns (Lehrling) at Generali's Vienna office is of particular importance: pursuant to local legislation, an intern spends one day a week with other interns at a vocational school (Berufsschule) in the relevant sector for theoretical training, while the remaining days are spent at the company.

In France, Generali France has adopted an Apprenticeship Policy that, for the 2011-2013 three-year period, plans for the permanent hiring of 25% of the interns working at the company. Generali has signed a partnership agreement with Second Change School of Saint-Denis, which helps the unemployed and unskilled people who leave school early to become part of the working population through specific re-education and hiring programmes. In 2011, Generali hired 21 interns who had completed the occupational training programme.

Workforce by level

	MANAGERS		MIDDLE MANAGERS		OFFICE WORKERS		SALES FORCE ON PAYROLL		OTHER		TOTAL	
	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011
ITALY	341	340	1,961	2,024	8,613	8,578	5,905	5,820	48	42	16,868	16,804
AUSTRIA	62	57	253	201	2,982	3,016	1,886	1,842	8	11	5,191	5,127
CZECH REP.	53	62	352	380	3,588	3,520	864	870	6	8	4,863	4,840
FRANCE	139	143	3,129	3,155	2,707	2,692	2,108	2,107	0	0	8,083	8,097
GERMANY	235	227	736	751	10,576	10,532	3,640	3,523	94	90	15,281	15,123
ISRAEL	57	60	205	224	2,161	2,422	0	0	0	0	2,423	2,706
SPAIN	72	74	347	352	1,331	1,327	781	797	9	10	2,540	2,560
SWITZERLAND	235	239	733	538	2,176	2,339	615	578	33	48	3,792	3,742
TOTAL	1,194	1,202	7,716	7,625	34,134	34,426	15,799	15,537	198	209	59,041	58,999
INCIDENCE%	2.0%	2.0%	13.1%	12.9%	57.8%	58.4%	26.8%	26.3%	0.3%	0.4%	100.0%	100.0%

- The breakdown of the Group's total workforce by level is not significantly different in terms of the proportion represented by individual components.
- Internal promotions deriving from professional growth were particularly numerous in the Czech Republic, where the number of managers and middle managers increased by 17% and 8%, respectively. A similar situation was in Israel, where managers and middle managers increased by 5.3% and 9.3%, respectively. In Austria, the remarkable reduction in middle managers (-20.6%) is attributable to a different assessment of some positions, in addition to the reorganisation processes in progress, which led also to a decrease of the managers (-8.1%).
- At 40.7%, the proportion of managers and middle managers in France continued to be well above the Group average of 15%. This is due to the fact that, for legal purposes, France classifies newly recruited graduates as cadres (middle managers). The proportion of staff at managerial levels was also above the average in Switzerland (20.8%) and Spain (16.6%), whereas this figure was particularly low in Germany (6.5%) and Austria (5%). The Hay method was used to place staff at managerial levels. The method has been used by the Generali Group for many years, and is based on an assessment of the position the staff member occupies. In that way, it has been possible to subdivide the workforces in the various countries into various levels in a consistent manner, thus enabling consistent comparison. France is an exception to this; to make comparison with French competitors local classification criteria have been applied.
- On the other hand, the proportion of office workers in Israel (89.5%), the Czech Republic (72.7%), Germany (69.6%) and Switzerland (62.5%) was considerably higher than the Group average (58.4%).
- The number of office workers declined mainly in the Czech Republic (-1.9%), while an increase was recorded in Switzerland (+7.5%) and, particularly, in Israel (+12.1%) as a result of new recruits being hired in all departments, especially IT and sales.
- Sales force on payroll declined overall by 1.7%, with peaks in Switzerland (-6%), Germany (-3.2%) and Austria (-2.3%); on the other hand, it increased in Spain (+2%).

In 2011, the number of **call centre** staff totalled 4,206 (from 4,292 in 2010), equivalent to 7.1% of the total workforce and to 12.2% of those at office worker level. The slight decrease of 86 people (-2%) compared to 2010 was limited to Italy, the Czech Republic, Germany and Spain, while elsewhere the number of such workers has been rising and reflects the increased proliferation among Group companies of a growing number of customer services provided by telephone (see the chapter Competitive Stakeholders - Clients). Call centre workers are particularly numerous in Spain, where they represent 31.6% of the Group's total workforce and, indeed, 61% of office workers, the level at which they are hired. Call centres are an essential part of the activities of Europ Assistance group companies due to the specific services they provide.

Women's workforce by level

	MANAGERS		MIDDLE MANAGERS		OFFICE WORKERS		SALES FORCE ON PAYROLL		OTHER		TOTAL	
	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011
ITALY	38	40	403	426	4,467	4,478	2,169	2,171	8	7	7,085	7,122
AUSTRIA	5	5	57	39	1,560	1,580	240	232	3	5	1,865	1,861
CZECH REP.	8	8	148	148	2,261	2,226	763	783	3	3	3,183	3,168
FRANCE	37	37	1,609	1,653	1,859	1,847	462	475	0	0	3,967	4,012
GERMANY	24	25	150	152	5,725	5,718	778	706	41	45	6,718	6,646
ISRAEL	16	16	103	114	1,661	1,827	0	0	0	0	1,780	1,957
SPAIN	7	8	88	91	740	741	243	252	2	3	1,080	1,095
SWITZERLAND	25	26	204	123	1,306	1,381	25	25	11	8	1,571	1,563
TOTAL	160	165	2,762	2,746	19,579	19,798	4,680	4,644	68	71	27,249	27,424
INCIDENCE%	0.6%	0.6%	10.1%	10.0%	71.9%	72.2%	17.2%	16.9%	0.2%	0.3%	100.0%	100.0%

- On average, women represented 46.5% of the Group's total workforce (46.2% in 2010). The only countries that were significantly unaligned were, on the one hand, Israel and the Czech Republic, where the presence of women in the local workforce is significantly higher, at 72.3% and 65.5%, respectively, and, on the other hand, Austria, limited to 36.3%, and Switzerland, limited to 41.8%.
- The increase in the female workforce involved the managers category (+3.1%) and the office workers category (+1.1%), while there was a slight decline in the middle managers category (-0.6%) and in the sales force on payroll category (-0.8%). The majority of women (72.2%, compared to 71.9% in 2010) continued to fall under the office workers category, with concentrations considerably higher than average in Israel (93.4%), Switzerland (88.4%), Germany (86%) and Austria (84.9%). Among office workers the incidence of women working in call centres was more limited, even though it is growing rapidly, and amounted to 68.6% of the total workforce (64.8% in 2010).
- On average, **33% of managerial positions** (managers and middle managers) were held by women (32.8% in 2010), an increase of 0.2 percentage points compared to the previous year. The general increase in the number of women at higher levels includes an increase of 44 in France, among managers and middle managers, and an increase of 25 in Italy.
- The situation varies greatly from one country to the next. In France, the proportion of women occupying managerial positions is slightly higher than that of men (51.2%), while Israel (45.8%) and the Czech Republic (35.3%) also have a quite high ratio of women at this level. In Italy, Austria, Germany and Switzerland, on the other hand, the presence of women in positions of responsibility is lower than 20%.
- The proportion of **women in Executive/Top Management positions** was 8.7% (8.5% in 2010).

At call centres, the female workforce at 2,885 units (+3.7% compared to 2010) still predominates, with a Group average at 68.6% (compared to 64.8% in 2010); the proportion is higher than average in Israel (86.4%), the Czech Republic (78.3%), Switzerland (77.9%) and Italy (69.8%).

The characteristics of the workforce, as described above, show that women still account for a minority of total staff members and represent an even smaller proportion of employees in managerial positions, due to past recruitment and career-development policies that penalised women. The situation has changed in recent years, however, and is constantly improving.

Workforce by type of contract

	FULL-TIME PERMANENT EMPLOYEES		FULL-TIME FIXED-TERM EMPLOYEES		PART-TIME PERMANENT EMPLOYEES		PART-TIME FIXED-TERM EMPLOYEES		TOTAL	
	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011
ITALY	14,641	14,492	526	541	1,406	1,471	295	300	16,868	16,804
AUSTRIA	4,591	4,508	4	5	592	613	4	1	5,191	5,127
CZECH REP.	3,851	3,862	813	786	149	145	50	47	4,863	4,840
FRANCE	6,560	6,494	542	606	976	987	5	10	8,083	8,097
GERMANY	12,654	12,517	182	158	2,400	2,415	45	33	15,281	15,123
ISRAEL	2,274	2,613	149	93	0	0	0	0	2,423	2,706
SPAIN	2,346	2,370	55	31	138	156	1	3	2,540	2,560
SWITZERLAND	3,173	3,107	41	68	533	539	45	28	3,792	3,742
TOTAL	50,090	49,963	2,312	2,288	6,194	6,326	445	422	59,041	58,999
INCIDENCE%	84.8%	84.7%	3.9%	3.9%	10.5%	10.7%	0.8%	0.7%	100.0%	100.0%

- 95.4% of the workforce in the Sustainability Report area have permanent contracts, a percentage that nears 100% in Austria and below average in the Czech Republic (82.8%).
- Part-time workers number 6,748, equivalent to 11.4% of the total workforce. Germany is one of the countries where the proportion of these workers is highest (16.2%), along with Switzerland (15.2%) and France (12.3%). The lowest percentage can be seen in the Czech Republic (4%), while this type of contract is inapplicable in Israel.
- For the Group, the proportion of men choosing part-time contracts averages 2.7% of the total male workforce. Incidences greater than average are registered in the Czech Republic (4.2%), France (3.7%), Switzerland (3.5%) and Germany (2.9%).
- Group companies also use temporary or project workers with fixed-term contracts for limited periods to cover work peaks, one-off projects and temporary absences of staff (due to maternity leave, sick leave, etc.), as well as trainees. 125 project workers, 612 temporary workers and 197 trainees - equivalent in total to 1.6% of the workforce - were employed in 2011, including 302 in the Czech Republic, 258 in Germany and 172 in Italy.

The number of employees with graduate or postgraduate qualifications continued to increase due to the Group's hiring policy: in Italy, for example, the Group tends to exclusively hire graduates.

In the Sustainability Report area as a whole, 33.4% of employees are **graduates**, whereas this figure is much higher in Israel (65%), Spain (48.5%), France (45.9%) and Italy (42%), and much lower in Switzerland (18%) and Austria (11.9%).

Women's workforce by type of contract

	FULL-TIME PERMANENT EMPLOYEES	FULL-TIME FIXED-TERM EMPLOYEES	PART-TIME PERMANENT EMPLOYEES	PART-TIME FIXED-TERM EMPLOYEES	TOTAL
ITALY	5,304	290	1,320	208	7,122
AUSTRIA	1,299	3	558	1	1,861
CZECH REP.	2,461	586	93	28	3,168
FRANCE	2,780	388	836	8	4,012
GERMANY	4,346	100	2,180	20	6,646
ISRAEL	1,876	81	0	0	1,957
SPAIN	943	14	135	3	1,095
SWITZERLAND	1,033	40	471	19	1,563
TOTAL	20,042	1,502	5,593	287	27,424
INCIDENCE%	73.1%	5.5%	20.4%	1.0%	100.0%

- 93.5% of the female workforce was hired under permanent contracts. The incidence by country is remarkably higher in Austria (99.8%), in Spain (98.4%) and in Germany (98.2%), while, on the other hand, it is much lower in the Czech Republic (80.6%).

- The choice of **part-time** work largely prevails among women (87.1% of the total in 2011), with a maximum of 91% in Austria and a minimum of 63% in the Czech Republic.
- On average, the proportion of women with part-time contracts is 21.4% of the female workforce. Significant differences from the average are observed, in particular, in Austria, Germany and Switzerland and the proportion is equal to or greater than 30% in these countries.
- Women employed as project workers (20), as temporary workers (379) and as trainees (94), total 493 and represent 52.8% of the total of workers with such contracts.

Woman/man remuneration

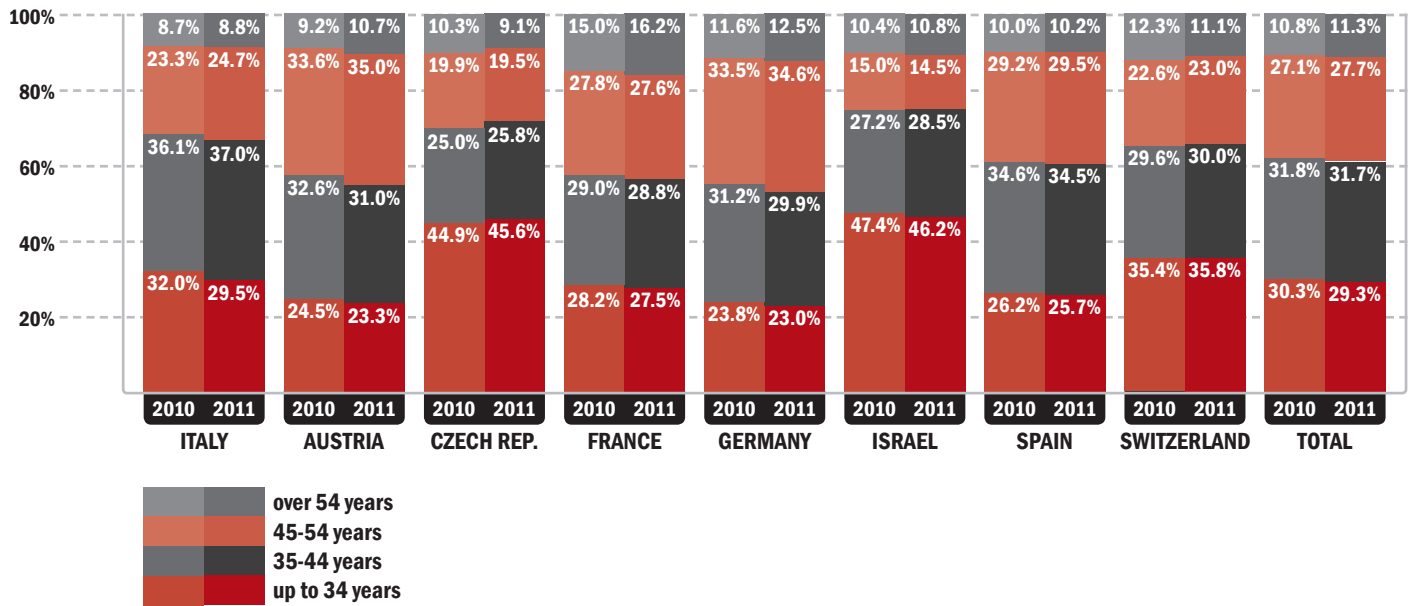
	MANAGERS		MIDDLE MANAGERS		OFFICE WORKERS		SALES FORCE ON PAYROLL	
	REMUNERATION*	BASIC SALARY**	REMUNERATION*	BASIC SALARY**	REMUNERATION*	BASIC SALARY**	REMUNERATION*	BASIC SALARY**
ITALY	0.92	0.97	0.79	1.0	0.83	0.91	0.75	1.0
AUSTRIA	0.87	0.83	0.92	0.92	0.71	0.75	0.67	0.82
FRANCE	0.97	0.98	0.87	0.90	1.05	1.08	0.77	0.84
GERMANY	0.83	0.89	1.09	1.15	0.75	0.73	0.70	0.76
SPAIN	0.78	0.83	0.90	0.95	0.78	0.79	0.84	0.91
SWITZERLAND	0.85	0.90	0.85	0.85	0.76	0.76	0.48	0.54

* ANNUAL AMOUNT PAID BY THE GROUP TO EMPLOYEES INCLUDING NOT ONLY WHAT ESTABLISHED BY THE NATIONAL COLLECTIVE BARGAINING AGREEMENT AND BY THE COMPANY COLLECTIVE AGREEMENT, BUT ALSO ANY OTHER TYPE OF ADDITIONAL REMUNERATION, SUCH AS COMPANY SENIORITY, OVERTIME WORK, BONUSES, BENEFITS

** AMOUNT CONCERNING JUST THE NATIONAL COLLECTIVE BARGAINING AGREEMENT, WITHOUT INCLUDING ANY TYPE OF ADDITIONAL REMUNERATION

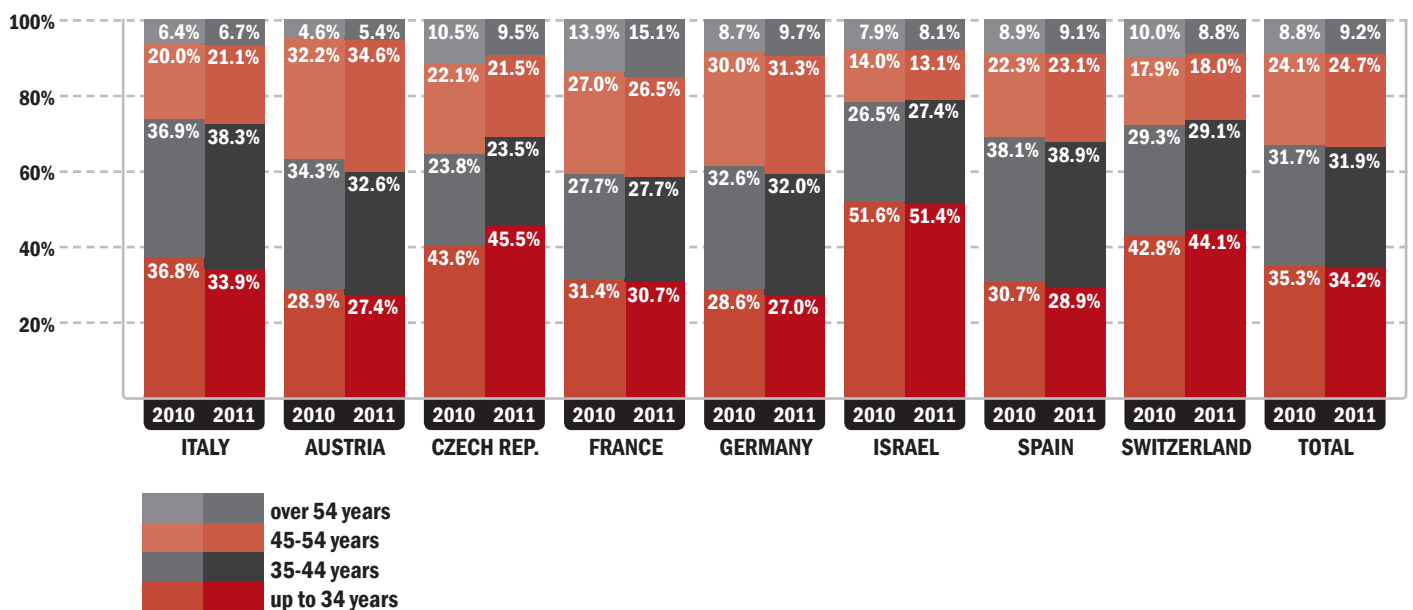
- With reference to 2011, the table above shows the ratio of the total gross annual remuneration of women to that of men, as well as the ratio of the gross annual basic salary of women to that of men for various job levels. In most countries and levels, the women of the Group have a gross annual remuneration that is lower than that of men. This is mainly due to the fact that there are many more women than men who make use of the leaves provided for by law in connection with childbirth or who prefer part-time work contracts in order to better balance family life and work life commitments. Furthermore, in general, there is less difference at the basic salary level, and it increases when the various components of supplementary remuneration are considered.
- In France, to prevent pay discrimination, the Group stipulated an agreement to ensure remuneration equality between male and female employees and has allotted a budget for achieving that goal. The compliance with the staff recruitment agreement is monitored internally through a system referred to as a Scoring system.
- Among managers, remuneration for women is lower than for men because they have less seniority in service. Furthermore, men with a role of strategic responsibility, which leads to a much higher remuneration, are more than women. The country with the smallest average remuneration gap is France, where women have a total gross annual remuneration that is 3.4% less than male colleagues, while Spain is the country with the largest gap (22% less).
- Among middle managers, remuneration for women is lower than for men because they have much less seniority in service than men, and thus less remuneration. That is not the case for Germany, where women, with greater seniority in service and more work experience, earn an average of 9.6% more than male colleagues. Italy, where women have 21.5% lower average total remuneration, is the country with the largest remuneration gap: this is because of the presence of AlleanzaToro agents in this category, which are nearly all men and framed as middle managers, thus enjoying hefty commissions.
- Among office workers, the gap between the total remuneration of women and that of men is mostly due to the existence of part-time contracts (87.1% relating to women) and to parental leave, for which the business pays reduced remuneration. In France, the higher annual remuneration for female office workers (4.6%) in relation to that for their male colleagues is attributable to the measures adopted by the Group to prevent pay discrimination. In Austria, women earn an average of 29% less because nearly 95% of the part-time contracts pertain to women who have chosen to balance family life with work life.
- The remarkable gap between male and female sales force on payroll is attributable to the fact that women predominantly choose administrative jobs or they work at call centres where the work shifts allow family commitments to be more easily balanced with work commitments, but at lower remuneration. Men, on the other hand, work predominantly on the territory, and are allowed to perceive higher commissions related to higher sales performance.

Workforce by age bracket



- As at the end of 2011, there has been no significant change to the composition of the workforce by age bracket compared to the previous year. The largest age bracket is that of workers between the ages of 35 and 44 (31.7%) with 61% of total employees under the age of 45 (62.1% in 2010). In Austria and Switzerland there are a total of 71 young people under 18 with apprenticeship contracts (0.1%). The over-54 age bracket represents 11.3% of the total workforce, on average.
- Israel and the Czech Republic have the highest percentage of staff under the age of 35, at 46.2% and 45.6%, respectively. The workforce is a young one in Italy as well: following a wave of retirements in recent years that caused the proportion of workers over 54 to fall to the lowest level in the area in question (8.8%), 66.5% of workers are under 45.
- As for France, this is a country where the employees over 54 years old accounted for 16.2% of the workforce as of the end of 2011. At 47.1% of the workforce, Germany has the absolute highest proportion of over 45s.
- The average age of the Group's workforce is around 41. The youngest average age (38) can be found in Israel and the Czech Republic, while Austria, France and Germany have the highest (43).
- 48.4% of managers are in the 45-54 age bracket, while only 1.9% of them are under 35.

Women's workforce by age bracket



- Women under 35 represent the largest age bracket, which accounts for more than one third of the female workforce (34.2%) with a high of 51.4% in Israel, 45.5% in the Czech Republic and 44% in Switzerland. In Austria and Switzerland, there are a total of 38 women under 18 with apprenticeship contracts.

- On average, two thirds of women (66.1%) are under 45 years old, while the over-54s age bracket represents 9.2%.
- The female workforce is a young one in Israel (78.8% under 45), Switzerland (73.1%), Italy (72.2%) and the Czech Republic (69%). On the other hand, in Austria, France and Germany the weight of the over 45s is at the highest levels, around 40-41% of the female workforce.
- The incidence of over 54s female workers is at the highest levels in France (15.1%) and at the lowest levels in Austria (5.4%).
- In the under-35s bracket, women prevail (54.3%) over men; the proportion falls as age increases, reaching its lowest percentage (38%) in the over-55s category. This, on the one hand, shows that women are not discriminated against in recruitment and, on the other hand, suggests a trend towards re-balancing of male and female components.

Turnover

	≤34		35-54		≥55		TOTAL	
	RECRUITMENTS	TERMINATIONS	RECRUITMENTS	TERMINATIONS	RECRUITMENTS	TERMINATIONS	RECRUITMENTS	TERMINATIONS
ITALY	1,599	1,350	294	345	6	268	1,899	1,963
AUSTRIA	212	162	72	109	4	81	288	352
CZECH REPUBLIC	802	554	246	344	19	168	1,067	1,066
FRANCE	961	777	286	323	8	141	1,255	1,241
GERMANY	811	711	588	561	33	240	1,432	1,512
ISRAEL	614	421	170	86	23	16	807	523
SPAIN	143	76	60	71	0	36	203	183
SWITZERLAND	269	270	98	186	3	92	498	548
TOTAL	5,411	4,321	1,814	2,025	96	1,042	7,449	7,388

- In Switzerland, the hires per age bracket reported do not include BSI data, which is not available.
- The overall turnover rate - calculated as $(\text{hires in the year} + \text{terminations in the year}) / [(\text{workforce at start of year} + \text{workforce at end of year}) / 2]$ - is 25.1%.
- On average, women were involved in the Group's staff turnover to a slightly greater extent than men: in 2011, 54.7% of new recruits and 52.1% of terminations related to women.
- The positive staff turnover rate, calculated as the total number of hires as a percentage of the total workforce at the beginning of the year, was 12.6% (14.9% for women, on average). Trends at the individual country level differed from the Group average: Israel and the Czech Republic registered the highest percentages, at 33.3% and 21.9%, respectively (for women, 32.4% and 21.5%); on the other hand, Austria and Spain displayed the lowest percentages, 5.5% and 8%, respectively (for women, 7.7% and 7.8%, respectively).
- The negative staff turnover rate, calculated as the total number of terminations as a percentage of the total workforce at the beginning of the year, was 12.5%, while for women it was 14.1%. Trends at the individual country level differed from the Group average: The Czech Republic and Israel had the highest negative turnover rates, at 21.8% and 21.6%, respectively (for women, 21.2% and 22.4%); on the other hand, Austria and Spain had the lowest rates, 6.8% and 7.2%, respectively (for women, 7.9% and 6.4%, respectively).
- By age bracket, the proportion of new hires among under 35s is 72.6%; in the 35-54 bracket it is 24.4%; in the over-54s bracket it is 1.3%. The proportion of terminations among under 35s is 58.5%, influenced both by temporary employment contract terminations as well as the greater propensity of the young to change jobs; in the 35-54 bracket it is 27.4% and in the over-54s bracket it is 14.1%.
- In 2011, there were 1,594 Group workers with terminations occurring in the same year as hiring, 876 of them women (55%), involving office workers with short-term temporary contracts (the proportion of women with terminations the same year as hiring is high in Israel (81.4%) and in the Czech Republic (71.7%) whereas Germany (35.9%) and Spain (38.5%) are the lowest). The new hires who left the Group in the same year as hiring represent, on average, 21.4% of the new hires for the year while, at the individual country level, they are highest in Germany and Italy, respectively 36.7% and 28%, while they are lowest in France (5%) and in Switzerland (6.6%).

Workforce by seniority of service

	≤ 2 YEARS		3-10 YEARS		11-20 YEARS		≥21 YEARS		TOTAL		AVERAGE LENGTH OF SERVICE	
	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011
ITALY	3,428	3,006	6,629	6,821	3,768	3,810	3,043	3,167	16,868	16,804	11.0	11.3
AUSTRIA	852	614	1,201	1,344	1,591	1,535	1,547	1,634	5,191	5,127	15.1	15.6
CZECH REP.	1,278	1,459	2,024	2,035	1,095	869	466	477	4,863	4,840	8.2	7.9
FRANCE	1,889	1,808	2,082	1,936	1,835	1,952	2,277	2,401	8,083	8,097	13.6	14.8
GERMANY	2,797	1,929	4,404	4,829	4,698	4,803	3,382	3,562	15,281	15,123	13.2	13.6
ISRAEL	669	949	1,157	1,112	370	396	227	249	2,423	2,706	7.0	7.0
SPAIN	377	257	886	973	605	552	672	778	2,540	2,560	13.7	13.7
SWITZERLAND	1,040	1,067	1,460	1,439	759	721	533	515	3,792	3,742	10.4	8.6
TOTAL	12,330	11,089	19,843	20,489	14,721	14,638	12,147	12,783	59,041	58,999		
INCIDENCE%	20.9%	18.8%	33.6%	34.7%	24.9%	24.8%	20.6%	21.7%	100.0%	100.0%		

- Staff loyalty is high: 46.5% of staff members have worked for the Group for over ten years and 21.7% for over twenty years. Austrian workers are distinguished as having the longest experience in the company, with 61.8% having more than ten years in service and 31.9% more than twenty. Seniority is also high in France, Germany and Spain, where more than half of the employees have worked for the Group for more than ten years.
- The lowest level of seniority of service can be found in Israel, where the workforce is expanding and 76.2% of employees have been with the company for less than 10 years. Employees with less than 10 years of seniority represent also the majority in the Czech Republic (72.2%), Switzerland (67%) and Italy (58.5%).

Absenteeism rate

	ILLNESS		INJURY		UNPAID LEAVE		TOTAL	
	2010	2011	2010	2011	2010	2011	2010	2011
ITALY	3.2%	3.1%	0.1%	0.1%	0.8%	1.0%	4.1%	4.2%
AUSTRIA	3.7%	3.9%	0.0%	0.1%	0.0%	0.0%	3.8%	4.0%
CZECH REPUBLIC	3.8%	4.0%	0.2%	0.2%	0.0%	0.1%	4.0%	4.2%
FRANCE	4.2%	6.8%	0.2%	0.1%	0.1%	0.1%	4.5%	7.0%
GERMANY	5.8%	6.2%	0.1%	0.1%	0.1%	0.1%	6.0%	6.4%
ISRAEL	3.7%	3.8%	0.1%	0.1%	2.0%	2.1%	5.7%	6.0%
SPAIN	3.1%	2.9%	0.1%	0.1%	0.1%	0.0%	3.3%	3.0%
SWITZERLAND	1.9%	2.1%	0.3%	0.3%	0.2%	0.2%	2.3%	2.5%
TOTAL	4.1%	4.6%	0.1%	0.1%	0.4%	0.4%	4.6%	5.1%

- The absenteeism rate is calculated as the ratio of the number of days' absence (total absence or by the various identified causes) to the number of working days in the year (excluding Saturdays, Sundays and public holidays) multiplied by the number of employees at the end of the year. Work absences due to illness, occupational accidents and unpaid leave are taken into account.
- The average absenteeism rate in 2011 is 5.1% (4.6% in 2010). Absenteeism trends differ from one country to the next: France is the country with the highest absenteeism rate (7%), followed by Germany (6.4%) and Israel (6%). On the other hand, it is lowest in Switzerland (2.5%). Italy is below the average, with 4.2%, as are the Czech Republic (4.2%), Austria (4%) and Spain (3%).
- The average absenteeism rate for women is slightly higher due to the effect of a higher average illness absence rate (5.1%) and, above all, unpaid leave (1%), reflecting the predominantly female needs of balancing work and family life.
- The female absenteeism rates in Germany (7.3%) and in Israel (7.3%) are the highest, with Italy at the average (6.2%) and Switzerland at the lowest (3.2%).

Labour disputes

Number and value of labour disputes

	NUMBER OF DISPUTES		VALUE* OF DISPUTES	
	2010	2011	2010	2011
ITALY	302	356	19,676.7	14,696.3
AUSTRIA	4	2	30.0	14.0
CZECH REPUBLIC	n.d.	1	n.d.	8.0
FRANCE	260	251	8,600.0	15,583.0
GERMANY	156	151	2,046.3	7,164.7
ISRAEL	2	n.d.	n.d.	n.d.
SPAIN	22	18	231.0	368.0
SWITZERLAND	4	4	255.9	271.9
TOTAL	750	783	30,839.9	38,106.0

*VALUES IN THOUSAND EUROS

- In 2011, the number of labour disputes – which include cases brought by employees and former employees – increased slightly on the whole (+4.4%). The increase in disputes related only to Italy as, in the other countries, the number declined or remained stable (Switzerland).
- In Italy, labour disputes grew in number (+17.9%) but declined in value (-25.3%). Among the main reasons for legal action by employees were de-skilling, claims to superior responsibilities and pay issues in general, contesting the legitimacy of individual terminations, challenging disciplinary proceedings and one case of bullying.
- In the rest of the Group, the trend was the opposite and, with a declining number of disputes, there was, on the other hand, an increase in total value, up 23.6%, calculated at the levels demanded by the opposition, as a result of the considerable increase in amounts resulting from payment for legal disputes (+81.2%) by Generali France. The company lost its appeal in the case brought in 2007 by employee sales staff who had not accepted the new remuneration system approved by the major labour organisations and had found that the proposal for relocation within the business was unsatisfactory.
- In 2011, an alleged case of bullying was identified within the Group and a court action has been initiated in that regard.

Human rights

Respect for human rights is at the centre of the Group's strategy and finds its confirmation in the Ethical Code of the Generali Group, in the European Social Charter, in the Ethical Code for suppliers of the Generali Group and in its support of the Global Compact initiative.

The creation of awareness of fundamental human rights is pursued by means of a widespread **training**, i.e. an e-learning course lasting approximately one hour that was carried out in collaboration with Generali Group Innovation Academy, the Corporate University of the Group, and translated into 22 languages. The training programme will gradually involve all Generali Group employees worldwide over a period of time that will continue through the end of 2013. This is largely due to the need to translate the course into the languages of the various countries where the Group operates, thereby ensuring that everybody properly understands its contents, and to the limits in access to the IT platform used. The training programme was launched at the end of 2010, with the attempt to give priority to the distribution in countries where the risk of human rights violations is greatest. So far the training programme has involved nearly 7,200 employees, or 8.7% of total workforce of companies operating in China, Hong Kong, India, Indonesia, the Philippines, Thailand, the United Arab Emirates and Vietnam. The distribution of the course is scheduled in the countries of South America and Europe during 2012. It is also distributed to new employees hired in the specific training programme, called Welcome Programme.

The Group commits to ensure fundamental human rights to all its employees. For the purpose of verifying the compliance with the core international standards of the International Labour Organisation, the Corporate Social Responsibility department monitors the situation, on a yearly basis, by sending out a written questionnaire to all Generali Group companies worldwide. In 2011, this **monitoring** covered 99.2% of the Group's workforce. As regards the main aspects, the following results were obtained:

- **child labour**: no Group employee is younger than 16 years of age. To ensure respect for this prohibition, the companies verify the age of the employees when they are hired;
- **forced labour**: within the Group, there are no cases of forced, compulsory or otherwise irregular labour. All employees are free to rescind their employment contract, with observance of the notice period established by law. In no case does the Group withhold personal documents of its employees for the purpose of limiting their freedom of movement and their switching of jobs;
- **non-discrimination**: no cases of discrimination of any kind have been reported in the selection, management and remuneration of the workforce;
- **freedom of association and collective bargaining**: in 2011, 85.9% of the employees work at Group companies in which employees representation exists. 77% of the Group employees are covered by collective bargaining agreements; whereas in the companies where collective bargaining agreements are not in force, the workers are hired with a formal written employment contract. 2.8% of the employees work at Group companies that are located in countries where freedom of association and collective bargaining are legally restricted.

Reports of human rights violation, or alleged violation, can be notified in written and not anonymous form to the Corporate Social Responsibility department. It assesses them under the procedures for reports of violation of the Ethical Code, as described in the chapter Group.

A brief snapshot of how the Group ensures the aforementioned rights to its workforce in countries not included in the Sustainability Report scope is supplied below, together with some details on countries considered risky in terms of human rights violation by ethical agencies.

Other European countries

Generali also carries out insurance business activities in Belgium, Greece, Guernsey, Ireland, Liechtenstein, the Netherlands, Portugal, Turkey, the United Kingdom and the countries of Central-Eastern Europe under Generali PPF Holding (Belarus, Bulgaria, Croatia, Hungary, Kazakhstan, Montenegro, Poland, Romania, Russia, Serbia, Slovakia, Slovenia and Ukraine).

Child labour - In these countries, all employees are older than 18 years of age.

Labour agreement - All employees are hired with written agreements that reflect the collective bargaining agreements, where present. The minimum notice period for unilateral termination of the contract by the employee is of at least 30 days in most of the countries and of 14-15 days in Greece, Poland, Russia and Ukraine. Remuneration

is generally in line with the average of the national insurance sector. In principle, most Group companies provide for flexible work hours, with the work week counting between a minimum of 35 hours (Belgium, Guernsey and Portugal) and a maximum of 41 hours (Liechtenstein). Overtime work is on a voluntary basis and does not exceed 12 hours per week and is generally remunerated in most countries, with the exception of Kazakhstan, Slovakia, Turkey and Ukraine. Overtime work is not foreseen in Montenegro and Serbia.

Trade union - Employees are free to elect their own representative or to become members of trade union organisations, even if the number of enrolled employees is unknown. In the countries of the European Union, the transnational social dialogue is expressed by meetings with the European Work Council, a body representing the Group's European workers.

Health and Safety of the workers - The Group complies with the local regulations relating to the health and safety of the workers. Most Group companies have a Health and Safety Committee. Beyond health and work accident insurance policies, with differences from country to country, the Group generally offers its employees benefits such as: accident insurance and supplementary coverage that allows the staff to enjoy quality health care, like hospital stays that may be required for disease, accidents, surgery and medical assistance.

462 employees work in **Russia**. Of the total 16 are managers, 37 middle managers, 176 office workers and 233 sales force on payroll. 74,2% of employees have permanent contracts. Women amount to 339, or 73.4% of total workforce. 56.6% of them hold managerial positions (4 managers and 26 middle managers).

8 employees work in **Belarus**. Of the total 2 are managers, 2 middle managers and 4 office workers, of whom 2 are women. 75% of employees have permanent contracts.

Asia

The Group operates in China, Hong Kong, India, Indonesia, Japan, the Philippines, Thailand, the United Arab Emirates and Vietnam.

Child labour - In these countries, all employees are older than 18 years of age.

Labour agreement - In these countries, there is no collective bargaining agreement; in conformity with local laws, the employment contracts of Group workers are individual and formalised with a written letter. In the Group companies, there are rules of conduct (Code of Conduct, Sale and Staff Management Policy, etc.) and regulations for the termination of the work relationship by mutual consent of the parties (Staff Dismissal Management Policy in China, India and Thailand). The employees are free to unilaterally terminate the contract in observance of the minimum notice period of at least 30 days (at least 7 days in Hong Kong). Remuneration is in line with the average of the national sector. The work week varies from the 36.25 hours of Japan to the 44 hours of India and the Philippines. Flexible work hours is not foreseen in the Asian companies. Overtime work is voluntary and is generally remunerated, with the exception of Hong Kong, and may exceed 12 hours per week in Hong Kong, Indonesia, Japan and the Philippines. The concept of overtime work for employees does not exist in India.

Trade union - Employees are free to become members of trade union organisations, to elect their own representative and to discuss issues such as employment, remuneration, benefits, etc., without intimidation or pressure.

Health and Safety of the workers - The Group operates in observance of the safety and health of the workers in the workplace, offering the highest standards of quality. A Health and Safety Committee exists only in the Philippines. The employees are covered by health and work accident insurance policies, as foreseen by the local laws. With differences from country to country, the employees may also enjoy additional benefits such as quality health care, which includes hospital stays, term insurance, disability and accident insurance.

2,210 employees work in **China**. Of the total 31 are managers, 305 middle managers, 1,019 office workers and 855 sales force on payroll. 40% of employees have permanent contracts. Women amount to 1,296, or 58.6% of total workforce. 39.3% of them hold managerial positions (9 managers and 123 middle managers).

64 employees work in **Vietnam**. Of the total 1 is a manager, 30 are middle managers and 33 office workers. 48.4% of employees have permanent contracts. Women amount to 36, or 56.3% of total workforce. 54.9% of them hold managerial positions (17 middle managers).

The Americas

In the Americas, the Group operates in Argentina, Brazil, Canada, Colombia, Ecuador, Guatemala, Mexico, Panama and the United States.

Child labour - In these countries, all employees are older than 16 years of age. In Brazil, Generali Brazil Seguros participates in the government's Programa Jovem Aprendiz (Young Apprentice Programme), hosting in their offices apprentices aged over 16, who undergo a professional apprenticeship and preparatory experience in view of their future insertion in the labour market.

Labour agreement - The picture is quite varied: in Argentina, the Group applies the collective bargaining agreement and in Brazil it complies with the regulations set forth by the Constitution and by the Collective Work Convention for each category of workers. In Colombia, 88% of the employees are covered by collective bargaining agreements. In Mexico, where collective bargaining agreements do not exist, Generali Banorte applies a corporate collective agreement to all Group employees. In the other countries, the employment contracts are based on written individual agreements. In Colombia and Mexico there are codes of conduct. The minimum notice for the unilateral termination of the contract by the employee is of at least 5 days in Mexico, of at least 15 days in Guatemala and Panama, and of at least 30 days in the other countries. The United States represent an exception, as notice is not foreseen and termination may occur at any time. Remuneration is in line or above the average of the national sector. The work week varies from the 35 hours of the New York branch to the 44 hours of Panama. One may make use of flexible work hours in Canada, Guatemala, Panama and the United States. Overtime work is voluntary and is remunerated in most of countries. It generally does not exceed 12 hours per week, however it may exceed such a number of hours in the United States.

Trade union - There are no restrictions put up by the Group in any of the countries regarding the right of the workers to appoint their own representatives or to freely enrol with a trade union, the institution of which is legally foreseen in all the countries outside of the United States.

Health and Safety of the workers - The Group complies with the regulations regarding health and safety in the workplace in all countries and provides the workers with health and work accident insurance coverage, that go beyond the minimum guaranteed by law. Most Group companies have a Health and Safety Committee. Group companies offer their employees some or more of the following additional coverage, at either no cost or at very contained cost: quality health care, coverage for hospital stays required for accidents or diseases, term insurance and permanent invalidity or disability insurance. In the United States, Europ Assistance adopts the safety standards by OSHA (Occupational Safety and Health Administration), the federal agency that regulates workplace safety and health.

222 employees work in **Colombia**. Of the total 4 are managers, 181 office workers and 37 sales force on payroll, having permanent contracts. Women amount to 124, or 55.9% of total workforce, and are office workers or sales force on payroll.

Africa

The Group operates in South Africa through the company Europ Assistance.

Human and workers' rights - Beyond those rights expressed in the Ethical Code of the Generali Group, the HIV/AIDS Policy is applied, which foresees that people infected by the HIV virus may not be discriminated against in the hiring of employees, and, if hired, they may not be terminated when the disease sets in.

Child labour - The minimum employee hiring age is above the age of 18.

Labour agreement - Employment contracts are based on written individual agreements. The minimum notice for the unilateral termination of the contract varies from one week for workers employed for less than six months, to 30 days for those employed for more than twelve months. The work week is 40 hours and foresees flexible work schedules for the administrative personnel, whereas for the call centre workers and for those in charge of customer service, the contractually foreseen schedule is based on shifts with a maximum of 45 hours per week. Overtime work is voluntary, does not exceed 10 hours per week and is remunerated upon the authorisation of one's own manager.

Trade union - There are no restrictions regarding the right of the workers to appoint their own representatives or to freely enroll with a trade union.

Health and Safety of the workers - There is compliance with the regulations regarding health and safety in the workplace. The company has a Health and Safety Committee. Among the employee benefits there is insurance coverage such as life insurance, dread disease insurance, and disability, health and work accident insurance.



EDUCATION

CHINA

Hope Primary School,
Shan Che Gou Primary School.
Primary education support projects.

SALES FORCE

Sales policy

In order to achieve its fundamental goal of customer satisfaction, the Group insists on high-quality products and services that are constantly updated to meet new needs and expectations. To this end, the Group is continuously committed to improving its internal processes and developing advanced information technology that it constantly checks for efficiency and effectiveness. It also conducts customer surveys to check satisfaction with company products and services.

Managing relationships with customers is a key part of keeping them satisfied, meaning that sales staff have an important role to play during the promotion and distribution of products. In order to ensure that customers receive the level of consultancy that they expect, special training courses that include classroom and e-learning activities are organised for sales staff, who also have access to dedicated communication tools, such as the internet, intranet, periodic publications and circulars, featuring guidelines on how they should go about their work. These guidelines focus mainly on compliance with insurance broking regulations, especially the principle of appropriateness, and with regulations on the distribution - remote or otherwise - of financial and insurance products. They also remind the sales networks to adhere to the general principles of the Ethical Code. Sales managers are responsible for enforcing these guidelines by periodically shadowing sales staff to ensure that they are complying with rules and regulations.

Contracts and communication with customers must be based on the principles of fairness and honesty, professionalism, transparency and cooperation with a view to finding solutions that are most suited to their needs. Information provided to customers before any contract is signed must be complete, transparent and comprehensible as for content, costs and any risks so they can make educated acquisition choices. Determining customers' expectations and characteristics is key to establishing a proposal that meets their requirements. With this in mind, some companies have prepared pre-contract questionnaires for gathering that information and special manuals with guidelines on assessing the insurance needs of customers.

When providing the consultancy service, sales staff must also act in the interest of potential customers, making sure that any possible personal gains do not influence their proposals.

The management teams charged with managing sales networks are also responsible for regularly verifying customer feedback when conducting routine shadowing activities and random inspections. When the opportunity arises, such as following a customer complaint, individual agents are reminded of how they should go about their work. In the event of irregularities, breaches of conduct rules or non-compliance with the principles of fairness, professionalism and transparency, some Group companies impose sanctions that depend on the gravity of the offense and can include non-payment of bonuses, other increasing measures of assertiveness and even the termination of the mandate.

Size and characteristics of the sales force

Insurance company sales networks

The Group's commitment to constantly finding innovative solutions with the aim of meeting emerging requirements can be seen in the multi-channel structure adopted for the sale of insurance products, which enables it to provide a service that is always aligned with customers' needs.

Agencies represent the main channel to distribute products; in 2011 they were 9,105 and consisted of:

- **contracting agencies**, whose independent agents have been mandated to manage and develop an insurance portfolio in an exclusively designated area. They represent the biggest part of the network and are focused on individuals and small and medium-sized businesses;
- **internal agencies**, whose agents and other employees are on the payroll of Group companies. This structure is typical of the companies in Austria and Switzerland, the sales network of Alleanza Toro in Italy, Volksfürsorge in Germany and Generali IARD in France. As well as a widespread network of contracting agencies, Assicurazioni Generali has five internal agencies - known as *gerenze*, or subsidiary agencies - located in the major Italian cities, and their focus is on the corporate segment.

Agencies by premium bracket

	<1 MILLION PER YEAR		1-2 MILLIONS PER YEAR		2-4 MILLIONS PER YEAR		4-6 MILLIONS PER YEAR		>6 MILLIONS PER YEAR		TOTAL	
	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011
ITALY	172	151	271	266	439	434	370	375	939	942	2,191	2,168
AUSTRIA	99	102	18	19	4	1	1	1	0	0	122	123
CZECH REP.	257	252	7	5	2	3	3	4	83	86	352	350
FRANCE	339	309	278	282	122	163	40	26	23	14	802	794
GERMANY	3,250	3,060	138	146	23	39	1	1	1	1	3,413	3,247
ISRAEL	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	1,000	1,000
SPAIN	1,218	1,228	82	110	23	25	2	3	1	1	1,326	1,367
SWITZERLAND	0	0	0	0	0	0	0	0	56	56	56	56
TOTAL	5,335	5,102	794	828	613	665	417	410	1,103	1,100	9,262	9,105
INCIDENCE%	64.6%	62.9%	9.6%	10.2%	7.4%	8.2%	5.0%	5.1%	13.4%	13.6%	100%	100%

- The overall number of agencies declined by 157 in 2011. The reduction mainly took place in Germany (166 agencies), and Italy to a lesser extent. On the contrary, the networks continued to expand in Spain, while the number of agencies in other countries remained at 2010 levels.
- The overall reduction was especially focused on agencies with revenues lower than 1 million euros, while the two ranges immediately following that increased, and agencies with revenues above 4 million euros remained basically unchanged. In particular, Italy, France and Germany had a reduction in small-sized agencies and, at the same time, an increase in those with higher turnover, the result of rationalising territorial presence.
- Nevertheless, a clearly predominant portion of the network (62.9%) continued to be comprised of agencies with annual revenues below 1 million euros and just 18.7% exceeded 5 million.
- In particular, in Austria, Germany and Spain, agencies in a revenue range below 2 million euros represented nearly the entirety of the network, while in Italy those with annual turnover above 4 million euros prevailed, and in Switzerland there were only agencies in the range above 6 million euros.

As at 31 December 2011, the Group agency **sales force** consisted of **93,961** individuals.

The main people in the agency network are the **27,237 agents**, who, given the clear dominance of contracting agencies, for the most part have their own businesses. These are mainly one-firm agents (21,320) who have their own independently tasked and salaried employees. The 5,917 **multi-firm agents**, who also distribute products of non-Group companies, remained stable compared to the previous year. They operate mainly in Germany and Israel. They totalled 824 in Italy (down by 7 on 2010), most of whom belong to the Europ Assistance Italia distribution network.

There are **23,035 sub-agents**, professionals operating primarily in Italy and Germany who are appointed by the agents - especially by those who cover a large area - to manage the business in certain parts of their allocated areas at their own risk and expense. In 2011, the number of sub-agents totally increased by 1,576 individuals, following both a sharp increase in Germany (up by 1,037) and a more accurate survey in Czech Republic.

The **26,152 self-employed agency workers** are present mainly in Italy (23,688 agency workers, representing more than 90% of the total), where they generally find new business for agents, and to a lesser extent in France and Germany. In 2011 the number of such professionals increased by 1,912 in Italy, owing to an improvement in the survey on the sales force of Alleanza Toro.

The **15,537 sales force on payroll**, whose number was largely unchanged compared to the previous year, are people on payroll of Group companies who focus on the retail segment, supported by an agency assigned to them by management (see the chapter Direct Stakeholders - Employees).

Agents by seniority of service

	≤2 YEARS		3-10 YEARS		11-20 YEARS		≥21 YEARS		TOTAL	
	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011
ITALY	478	308	1,148	1,195	1,045	1,053	701	728	3,372	3,284
AUSTRIA	93	53	107	123	7	12	5	7	212	195
CZECH REP.	2,995	3,194	2,454	2,325	1,261	1,323	7	7	6,717	6,849
FRANCE	70	69	388	355	333	274	216	254	1,007	952
GERMANY	1,442	1,384	1,348	1,284	424	386	199	193	3,413	3,247
SPAIN	2,699	2,049	3,244	2,586	1,075	1,024	497	520	7,515	6,179
SWITZERLAND	151	151	259	259	152	152	52	52	614	614
TOTAL	7,928	7,208	8,948	8,127	4,297	4,224	1,677	1,761	22,850	21,320
INCIDENCE%	34.7%	33.8%	39.2%	38.1%	18.8%	19.8%	7.3%	8.3%	100%	100%

- In 2011, the number of one-firm agents fell overall by 1,530, or 6.7%. The most considerable reduction took place in Spain, where the number fell by 1,336 as a result of a sales network reorganisation based on production results.
- The overall reduction represented a decline in agents having a seniority of less than 10 years, while the number of those having more than 20 years of seniority increased.
- Overall, however, agents more recently hired continued to predominate: in fact, 71.9% have seniority of less than 10 years, with concentration in the seniority category of between 2 and 10 years (38.1%). The spread of agents by seniority differs greatly from one country to the next. In France and Italy, Generali relies on an extremely loyal and very experienced network, with over 50% of agents having worked with the Group for more than 10 years. Agents with seniority of less than 10 years are more prevalent in the other countries, at a 90.3% level in Austria, where only 9.7% of agents have more than 10 years of seniority due to the relatively recent decision to develop that channel by aligning it with sales staff on payroll and brokers. In the Czech Republic, somewhat less than half the agents have a seniority of less than 2 years.

Other sales networks

With the aim of developing sales services constantly in line with the demands and preferences expressed by the clients, the Group companies have also invested in innovating the methods of contact with users. Multi-channel distribution is part of a plan in constant evolution, a result of listening to the customer, not only in order to respond to stated needs but also to anticipate them, if possible.

The Group's channels include:

- **nearly 49,000 financial advisers**, savings professionals generally operating within organised networks and often belonging to captive companies, i.e. companies owned by the company or bank whose products they sell. They channel savings from the life insurance sector, targeting mainly medium-to-high-income individuals. The channel is mostly widespread in Germany, where the Group has nearly 37,000 financial advisers, mainly belonging to the network of Deutsche Vermögensberatung AktienGesellschaft (DVAG). It significantly operates also in Switzerland (almost 5,000 individuals) and France (more than 2,200). In Italy, a major number of agents and other members of the sales force also operate as SIMGENIA financial advisers with the aim of providing a complete range of savings, pension, protection and investment solutions;
- **almost 30,000 independent brokers**, who have considerable contractual power with insurance companies. This channel is especially popular in Germany, where more than 14,000 brokers distribute Group products;
- **7,082 bank branches**, which offer insurance products to the customers of some of the major banks and local credit institutions, thus ensuring a widespread presence. Italy is the country that uses the greatest number of bank branches, increasing from 3,984 to 4,605 during the year as a result of the development of this sales channel by Genertel. This channel also has a certain significance in Spain, where Cajamar Vida, a joint subsidiary of Generali España and of the Cajamar credit institution, distributes its products through the branches of the partner bank, and also a significance in the Czech Republic where a distribution agreement with Komerční Banka, a member of the Société Générale group, is in force;
- **over 22,000 points of sale** (travel agencies, tour operators, hotels, airlines, car dealers, car-hire firms and vehicle body shops) with which partnership agreements have been signed for the distribution of particular products,

especially in the assistance line of business. For the sale of Group insurance products there is also reliance on cooperation agreements with post offices, particularly in the Czech Republic (3,403 branches) and in Austria (159);

- **websites and call centres**, new direct sales channels for insurance products born out of technological innovation that responds to changes in the buying behaviour of certain customer segments so as to provide alternatives to the traditional relationship between an insurance company and its customers. Using these channels, the quotes and data necessary for signing policies in Israel, Spain, and Switzerland can be obtained, and these methods are used for direct sale by all of the companies of the Europ Assistance group, by Genertel and Genertellife in Italy, by Europäische Reiseversicherung in Austria, by E-Cie Vie in France, by CosmosDirekt and Advocard in Germany.

Multi-channel approach in support of the sales network

With the aim of constantly improving customer service, several Group companies in Italy have developed applications for smartphones, the new-generation mobile phones, which, by simplifying the normal operations of sales networks, have enabled new tools for contacts to be offered, enhancing the multi-channel character of the service.

Assicurazioni Generali, in particular, has developed an application that enables the sales staff to perform a real-time calculation, in just a few simple steps, of quotes for new household and health products as well as to present, in connection with them, some of the more frequent circumstances of intervention and assistance to make the customer understand, transparently and directly, which risks are being insured and how much they will be paid in the event of a claim.

SIMGENIA has made an application available to the sales network that is similar to the one designed for clients (see the chapter Competitive Stakeholders - Clients) and enables financial advisers to get constant data on both the performance of the financial markets as well as of the selections made by individual clients. It is thus possible, when necessary, to promptly intervene and adapt the investments to changed market conditions.

Bank sales networks

The following banks are part of the Group:

- **Banca Generali** - Established in 1998, it is one of Italy's largest distributors of personal financial services for integrated financial, banking and insurance products distribution. With almost 1,150 financial advisers, in addition to 230 Private Bankers and 60 Relationship Managers employed in the Private Banking division, it focuses on managing medium-to-long-term investments. There are 134 financial adviser offices and 43 bank branches spread throughout Italy, and customers also have access to a call centre and a multi-functional website. Pursuant to the regulations in force, the bank has drafted the Carta della Relazione con il Cliente (client relationship charter) that clearly and transparently governs the rights and obligations of the bank and the client;
- **Generali Bank** - It has been established in Austria since December 2002, offering private clients a wide range of savings products. It has a branch at head office and can be contacted online at www.generalibank.at and via the contact centre, which also provides clients with a personalised consultancy service. The products are sold by more than 260 brokers and by other partners, among them the DVAG financial advisers, pursuant to the rules of conduct set forth in the Wohlverhaltensregeln, drafted in compliance with the regulations in force on conduct toward the customer and the fight against corruption and unfair competition;
- **Deutsche Bausparkasse Badenia** - It is a private-sector building society founded in Germany in 1931. It operates through the financial advisers of several Group companies, such as Generali Versicherung and Volksfürsorge, and it distributes its products through the DVAG financial advisers network as well. It primarily targets private customers, offering a wide range of investment and lending solutions for the purchase or renovation of residential property, particularly for work aimed at increasing energy efficiency with the objective of environmental sustainability (see the chapter Competitive Stakeholders - Clients);
- **BSI** - Established in 1873 in Lugano, it is the leading bank in the canton of Ticino. It currently has nine branches in Switzerland and is present in the major financial centres of Europe, South America and the Far East through affiliates. Over the years, it has specialised in the asset management sector and in private-customer and external-investor services. This is availed of the cooperation of the financial advisers of Generali Schweiz for the sale of standardised financial products. BSI-connect, an e-banking system that allows clients to manage their account easily 24 hours a day, has been developed in order to provide a quick and accurate customer service.

Operating management of the sales networks

The **governance** and **control** of the sales networks are conferred to management teams as provided for by the local regulations and territorial and organisational needs, in addition to structures articulated on various levels and responsible for monitoring and supporting sales staff in their activities. Each individual company is responsible for the **coordination** and **organisation** of its sales network and has a specific managerial structure that defines business strategies, provides technical and administrative support, and assesses the status of objectives and the development of the sales staff activities. The level of service offered is monitored regularly by area managers, who shadow the sales process to check that sales staff are conducting themselves properly, meeting regulatory requirements and acquiring the skills needed to do their job. Incentive mechanisms are provided for the sales staff, linked to the quality of the service provided and the relationship with the client. In companies that sell their products over the phone and online, the management teams charged with coordinating sales activities are also responsible for managing and regulating customer request flows in order to ensure short waiting times.

The Group often recruits agents internally by identifying those among its sales staff who have shown the greatest production and organisation skills. Otherwise, there is a thorough external selection process involving unsolicited applications, those made in response to job postings or at careers events, and those recommended by existing agents. The **recruitment**, integration and training of new staff are designed and carried out in accordance with the law, aiming at developing skills to ensure an advisory relationship with customers and sufficient technical knowledge of the products sold.



EDUCATION

CHINA

Shadi Primary School
Shanghai Cherished Dream Charity Foundation.
Primary education support projects.

EMPLOYEES AND SALES FORCE

Group training

The Generali Group considers learning and the exchanging of knowledge to be fundamental elements for reaching strategic objectives, focused on the creation of value for all stakeholders, on strengthening governance, on improving operations through Group synergies, on investment in sustainable growth and in innovation, and on attention to the quality of customer service.

The Group values its employees, a fact reflected in the **Generali Group Innovation Academy (GGIA)**, the Corporate University, which meets the professional growth needs of the employees through structured training activities in line with the Group's objectives and strategies. GGIA manages the training of the employees of all Generali Group companies operating in Italy and coordinates and provides consulting, proposing innovative solutions, for training incentives directed toward the independent sales force promoted by the individual Sales Managers of the companies. Furthermore, Generali Group Innovation Academy organises international learning and knowledge-sharing initiatives for Group-wide employees and provides support for the activities of similar training centres in Europe and Asia.

Extensive training programmes are provided for in languages, information technology, regulations (on corruption, money laundering, privacy, occupational health and safety, etc.) and sales, as well as in management and skills development, leadership management and personalised courses customised for the needs of particular departments.

Among the international programmes, Leonardo is of note; it is directed toward Group middle managers and has the objective of helping them develop fundamental leadership skills in a constantly evolving international context. By presenting current topics to groups of middle managers of various origins so as to facilitate the creation of a network, individual and organisational capabilities are created, enhanced by variety and which are able to benefit from the new opportunities offered by constant changes in the market and in society. Four meetings were held during the year, in Amsterdam, Vienna, Dublin and Bensberg (Cologne), focusing on the topics of Solvency II, demographic change, social media and new technologies, and corporate social responsibility.

The Welcome Programme has been provided to assist new hires in the Group. It provides introductory knowledge about the Group, a panoramic view of the markets in which it operates and a general view of the values, culture and distinct areas of expertise. It also promotes an understanding of the business using models for analysing business operations and organisation as well as an in-depth view of the main features of the business activities (non-life insurance, life insurance, banking, asset management, services, etc.).

Development of the skills and professionalism of the human resources continues throughout the working lives of the employees. In France, Spain and at BSI (Switzerland) there are also programmes oriented toward individuals nearing retirement. In particular, starting when employees reach 58 years of age, BSI organises a Knowledge Management programme aimed at facilitating the transfer of specialised skills to those who are younger. A pension assistance programme is also provided for, making use of participation on the part of specialists in the medical, insurance and social welfare fields.

For additional information on the training GGIA provides, please refer to the Careers/Training section on the www.generali.com website.

2011 training in numbers

In 2011, investment in training was 78.8 million euros, basically stable compared to the previous year (-0.8%) and unchanged in terms of the effect on payroll expense (1.1%). The average cost of training per employee, at 341.4 euros, declined by 5.1% compared to 2010. On the other hand, the overall training hours provided, at 9.3 million (at a per capita average of 40.1 hours, compared to 41.1 in 2010), rose by 1.9% compared to 2010. The reduction in the average cost and in the per capita training hours (the latter just one hour) is quite small and resulted from increased use of e-learning, which enables training programmes to be more easily disseminated and which thus take less time than classroom courses.

Average hours of training activity by level

	MANAGERS		MIDDLE MANAGERS		OFFICE WORKERS		SALES FORCE ON PAYROLL		SALES FORCE NOT ON PAYROLL	
	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011
ITALY	21.5	18.8	18.1	26.2	17.5	19.1	28.1	19.5	48.7	49.8
AUSTRIA	20.4	3.6	40.3	24.5	21.1	17.0	64.7	65.1	0.0	0.0
CZECH REPUBLIC	27.3	18.7	19.7	19.6	19.3	10.3	17.2	40.1	10.9	10.9
FRANCE	29.5	26.0	18.5	17.2	57.4	48.3	49.4	44.1	21.2	29.1
GERMANY	35.5	31.5	28.8	36.1	24.4	27.7	68.6	78.8	48.9	41.9
ISRAEL	91.9	79.2	133.7	97.3	39.3	60.7	146.0	0.0	0.0	0.0
SPAIN	26.4	38.0	16.7	30.6	29.2	21.3	29.3	28.0	48.0	49.7
SWITZERLAND	30.5	29.1	34.0	29.8	19.4	26.8	52.5	51.7	0.0	0.0
OTHER COUNTRIES*	21.2	50.8	25.0	52.0	16.0	27.5	25.0	33.8	23.5	18.9
THE AMERICAS**	22.5	25.1	32.4	33.4	25.5	32.4	52.4	144.5	3.5	7.0
ASIA***	14.8	47.2	64.9	47.3	43.3	39.4	191.7	352.1	56.4	47.7
GENERALI GROUP	27.0	32.4	26.7	29.9	24.2	27.1	49.1	62.0	47.3	42.2

* BELGIUM, BULGARIA, CROATIA, GREECE, ENGLAND, IRELAND, LIECHTENSTEIN, MONTENEGRO, THE NETHERLANDS, POLAND, PORTUGAL, ROMANIA, RUSSIA, SERBIA, SLOVAKIA, SLOVENIA, TURKEY, HUNGARY

** ARGENTINA, BRAZIL, COLOMBIA, ECUADOR, GUATEMALA, MEXICO, PANAMA, THE USA

*** CHINA, THE UNITED ARAB EMIRATES, HONG KONG, INDONESIA, INDIA, THE PHILIPPINES, THAILAND, VIETNAM

- Overall, the per capita number of training hours increased for all employee levels except for the independent sales force, which, however, continued to receive a high number of hours, only lower than those provided to sales force on payroll, significantly up for the year.
- In general, the sales staff was involved in more extensive training programmes than those provided to administrative staff.
- The situations observed in individual countries are very disparate and often the number of training hours provided displayed opposing trends among the various employee levels within a single country, resulting from specific needs.

In any event, the number of Group employee and non-employee sales force involved in at least one training programme increased by 12.1%, exceeding **190,000** and totalling **82.9%** of the total in 2011 worldwide. More specifically, 82.1% of the employees (82% of managers, 81% of middle managers, 65% of office workers and 98% of sales force on payroll) and 83.4% of the independent sales force took part in training courses.

Engagement of staff members

Dialogue with employees

In most of the countries in the Sustainability Report area, there are periodic (usually every two years) **satisfaction surveys** designed to ascertain the results of initiatives and to identify areas for improvement and forms of dialogue with employees, agents and sales force. Staff members are strongly encouraged to get involved in order to build a corporate identity and a culture of participation, as well as to improve internal communication.

The following tables provide a summary of the main engagements of employees in 2011.

Satisfaction surveys

Country	Participants/Frequency/Topics	Results
Italy	Name: ASCOLTIAMOCI 2011 Engagement: nearly 9,000 employees Frequency: every two years Topics: development of own professionalism, responsibility for own professional role, professional relations, recognition of merit and commitment, quality of work life, identification and sense of belonging to the Group	Participation rate: 82% General satisfaction index: 56% Reflecting prior surveys: <ul style="list-style-type: none"> • strong points reconfirmed: pride of belonging, both at the individual business level as well as the Group level; awareness of how each can contribute to reaching the goals and the importance attributed to professional development. • for improvement: the efficiency of internal communications flows and the clarity of merit criteria.
Czech Republic	Engagement: all employees Frequency: every two years Topics: employee satisfaction and motivation, business values and culture	Participation rate: 84.3% Degree of satisfaction: 73%, up from the 2009 survey.
Europ Assistance	Engagement: 80% of employees Frequency: annual Topics: employee satisfaction and motivation	Participation rate: 60% Degree of general satisfaction: 90%, up from the previous survey.
France	Name: Enquete de ressenti, survey for checking up on the Organisation du Travail Responsabilisante policy (empowering labour organisation), part of the organisational change project described in Ambition Generali (see further on in this section) Engagement: 3,123 employees Frequency: half-yearly Topics: quality of work life, sense of belonging to the Group, sense of belonging to the team, satisfaction in team work and improvement in organising work among departments	Participation rate: 62% General satisfaction index increased in the last survey thanks to input from the managers. In fact, after the initial enthusiasm and high expectation levels for the OTR project, in the previous survey interest and expectations had been lower. It has emerged that the employees: feel responsible for the activities carried out, including those carried out with clients; they work in an organisation where they can make a personal contribution take initiative; have the ability to grow professionally by obtaining knowledge from their own team in a climate of mutual assistance. More than half of the participants believe that cooperation among the various departments can be improved.



Country	Participants/Frequency/Topics	Results
Germany	Engagement: more than 12,000 employees Frequency: every two years Topics: quality of work life and sense of belonging to the Group	Participation rate: 83.9% General satisfaction index: 76%, confirming the positive trend from previous surveys.
Europ Assistance	Engagement: all employees Frequency: every two years Topics: employee satisfaction and motivation	Participation rate: 66% Degree of satisfaction: satisfactory, but down from the previous survey.
Switzerland BSI group	Engagement: all employees Frequency: 1st time Topics: motivation, commitment, engagement, development opportunities and workplace climate	Participation rate: 87% Degree of general satisfaction: 54%

In various countries in the Sustainability Report area, the Group promotes various initiatives for dialogue, workshops, conventions, etc. to foster greater staff involvement in pursuing the business strategies. Such activities are quite numerous, even at the level of individual companies, so only the most significant ones developed at Group level are listed.

Country	Participants/Method/Frequency/Topics	Objectives and results
Italy	Parliamo con il Servizio Responsabilità Sociale d'Impresa (a talk with the Corporate Social Responsibility department) Engagement: all employees Method: dialogue by e-mail Frequency: 1st time Topics: topics treated in the 2010 Group Sustainability Report	Objective: promotion of a culture of sustainability and engagement in the respective topics. Participation: not very numerous, but active and broad in terms of topics treated and suggestions given.
Czech Republic Generali PPF Holding	Engagement: all employees Method: employee meetings with managers and Top Management Frequency: quarterly Topics: information on strategies, plans, etc.	Objective: strategic alignment and creation of positive relations between employees and management. Participation: 80%
Česká Pojišťovna	Engagement: 100% of staff Method: focus groups, workshops, training and advisory sessions Frequency: monthly/four-monthly Topics: team work, the topic of helping (our business is to help), in-house communications (communications tools), change and entrepreneurial spirit	Objective: to identify trends and areas of improvement. Satisfaction: growing.
France	Ambition Generali, a participative-management and knowledge-sharing project Engagement: all staff Method: forums, open discussions, workshops Frequency: permanent initiative launched in 2007 Topics: economic situation, remuneration systems, intranet, branding, quality and Generation Responsable	Objective: to define Generali's strategy for successfully dealing with the risks and opportunities brought about by change. Participation: broad, in terms of both defining priorities and presenting proposals. Successes: active support from Top Management, client-focused organisation, constant and far-reaching communication on the project and its results, and concrete responses to individual requirements.



Country	Participants/Method/Frequency/Topics	Objectives and results
France	Organisation du Travail Responsabilisante (empowering labour organisation) Engagement: all staff Frequency: permanent initiative	Objective: to implement the organisational change defined by Ambition Generali by developing individuals' ability to adapt their own roles to this change. Participation: broad at all levels. Actions: defining priorities, identifying pilot areas and a gradual approach to implementation. Successes: participative approach, planning extension to new departments, measuring results with the appropriate indicators and seeking continual improvement.
Israel	Survey for managers on internal services Frequency: one-off Topics: availability, professionalism, courtesy, flexibility, problem solving and general satisfaction	Objective: to improve internal services. Satisfaction: high.
Switzerland	JUMP (Junior Management Program) Method: 4 modules (change in the role, perform management functions, relationship with the staff and dealing with emotions)	Objective: to lay the groundwork for training new talent.
	Frequency: quarterly event for middle managers Method: interactive dialogue with Top Management	Objective: to redesign the event from a frontal presentation of information to dialogue, thus enabling a direct contact between the board and middle managers. Middle managers are also engaged in choosing discussion topics.

Dialogue with sales networks

Group companies provide the sales force with various tools for facilitating dialogue and enabling accurate and up-to-date communication with management teams tasked with organising and managing the sales network. The development of various channels enables constant and effective communication for continual training on regulations, operating methods, rules and conduct with clients, with a view to facilitating product distribution and improving customer service.

The sales force of all the Group can access to a corporate intranet (or portal) which, as well as publishing useful information for employees, has one or more specific sections for sellers. This tool, which incorporates new regulations, sales and customer relationship initiatives and operating applications to meet customers' needs, represents for Group companies a direct way of involving sales staff in sharing corporate objectives and best practice. In Austria, Generali Bank has launched the Web&Work portal for the sales force, that includes information on clients and tools for managing relationships with them. There is also a newsletter on the intranet, which is used primarily to communicate on the launch of new products and to provide updates on commercial initiatives. Sales staff have email addresses, provided and managed by Group companies, to enable timely one-to-one communication and daily updates.

In some countries, sales networks are provided with print publications of the major commercial initiatives, insurance and/or financial market trends and certain regional success stories.

Surveys and other forms of dialogue

With the aim of developing the relationship with the sales networks and improving involvement in the business strategies, the Group is promoting various initiatives of dialogue with sales staff who, having direct contact with the realities of the market, can provide important information for developing products and improving service. The main objectives of the dialogue with the networks focus on checking sales force satisfaction, investigating possible areas of improvement and providing clients with a service that is always in line with expectations.

Surveys to determine sales force satisfaction with Group company relationships

Country	Participants/Method/Frequency	Results
Italy Assicurazioni Generali	Participants: agents and area managers Method: online questionnaire Frequency: every two years	Positive satisfaction index, higher than previous surveys.
	D.A.S. Participants: agents Method: printed questionnaire Frequency: annual	Satisfaction index at 88%, in line with the result from previous surveys.
	FATA Participants: agents Method: questionnaire Frequency: every two years	Satisfaction index at 76%, higher than the previous survey.
	Banca Generali Participants: financial advisers Method: telephone interview Frequency: annual	General satisfaction index at 95.5%, confirming the result from the previous year and reflected in a three-year loyalty index at 100%.
Czech Republic Generali Pojišťovna	Participants: agents Method: questionnaires Frequency: half-yearly	Satisfaction index at 67.5%, higher than the previous surveys.
	Germany Generali Versicherung	Participants: 200 agents and 400 brokers Method: interviews Frequency: annual
Central Krankenversicherung	Participants: 200 agents and brokers Method: interviews Frequency: annual	Improved satisfaction index and significant indications for improvement on the data processing tools.
Advocard	Participants: 490 agents Method: interviews Frequency: annual	Very high satisfaction index, particularly for services provided by the company.
Deutsche Bausparkasse Badenia	Participants: 200 advisers Method: interviews Frequency: half-yearly	Satisfaction index at 80%.
Israel	Participants: 250 agents Method: telephone interviews Frequency: annual	High satisfaction index for relationships with the company.
	Method: individual discussions Frequency: one-off	Strengthening of relationship with management and increased involvement of sales networks in commercial strategies.
Spain Generali Seguros	Participants: 200 agents and 200 brokers Method: telephone survey Frequency: annual	Good level of network satisfaction and indications for identifying actions to take in order to improve the level of service to clients.



Country	Participants/Method/Frequency	Results
Switzerland	Participants: 400 agents and 50 brokers Method: questionnaire Frequency: annual	75% of participants express satisfaction with the relationship with the company.

In all countries, focus groups and meetings on various levels with the sales network are organised to gather suggestions and information to guide innovation of products and services toward the new demands. Workshops are also frequently organised with the sales force, in which the results obtained and the new products in the market launch phase are described. This is a chance for sales networks to become involved in business strategy and for sales staff to provide direct initial feedback on the new product offering.

Surveys designed to obtain indications on how products and services can be improved and developed

Country	Participants/Method/Frequency	Results
Italy Assicurazioni Generali	Participants: agents Method: focus group on the recent restyling of the www.generalit.it website Frequency: one-off	Feedback on the new website and suggestions on the future implementation of a section dedicated to clients and agency websites.
Genertel	Participants: sales staff and supervisors Method: focus group on the new Quality Driver product (see the chapter Competitive Stakeholders - Clients) Frequency: one-off	Preliminary comments on a recently launched product, to be used for evaluating the results obtained and the reactions of clients.
France Generali France	Participants: financial advisers Method and frequency: during the year 5 online questionnaires and a focus group have been carried out	The tools to implement improvement in advisers' satisfaction have been identified.
Israel Migdal	Participants: sales networks Method: e-mail survey on training and tools made available to the networks Frequency: half-yearly	Slow operating processes are an area that has been identified as needing work.

In all countries the Group companies regularly organise conventions and meetings to bring Top Management and operational departments closer to sales staff. These initiatives are designed to share results and future growth objectives and to create opportunities for worthwhile relationship development. The meetings provide an opportunity to incentivise sales staff so they feel part of corporate strategies. During these meetings the best agents and sales staff are often awarded in order to develop team spirit and a sense of belonging.



EDUCATION

CHINA

Fondazione Don Bosco nel mondo.
Primary education support projects.

SHAREHOLDERS

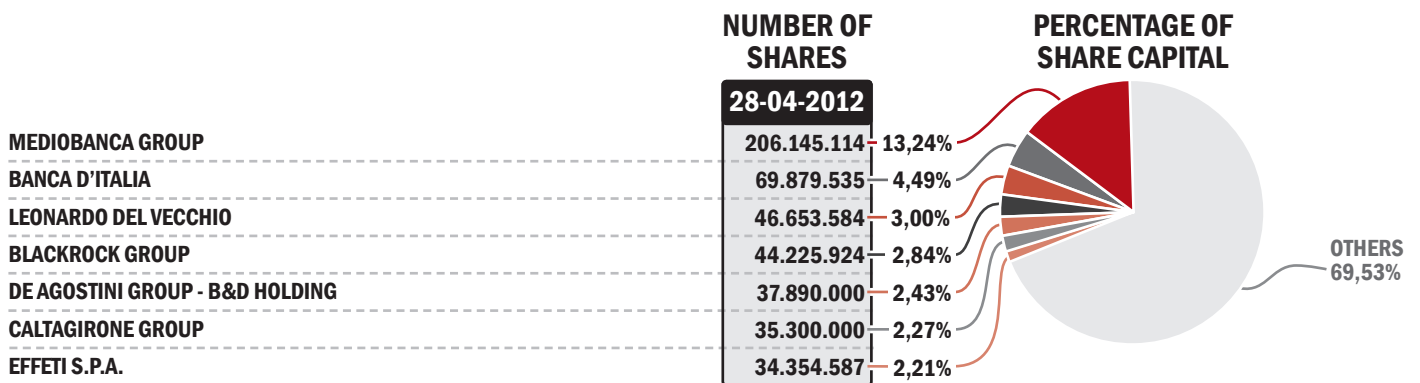
Shareholders policies

Making the best use of its shareholders' investment has proven to be one of the priority interests of the Group, which pursues this with an industrial policy that assures them a satisfactory economic return over time. Even in a year tainted by the international economic crisis, tensions about sovereign debt in the Eurozone and a significant decline in savings, Generali has been able to achieve solid industrial results.

Size and characteristics of the shareholders

As at 31 December 2011, the share capital of the Parent Company, Assicurazioni Generali S.p.A., amounted to 1,556,873,283 euros, divided into the same number of ordinary shares with a nominal value of 1 euro.

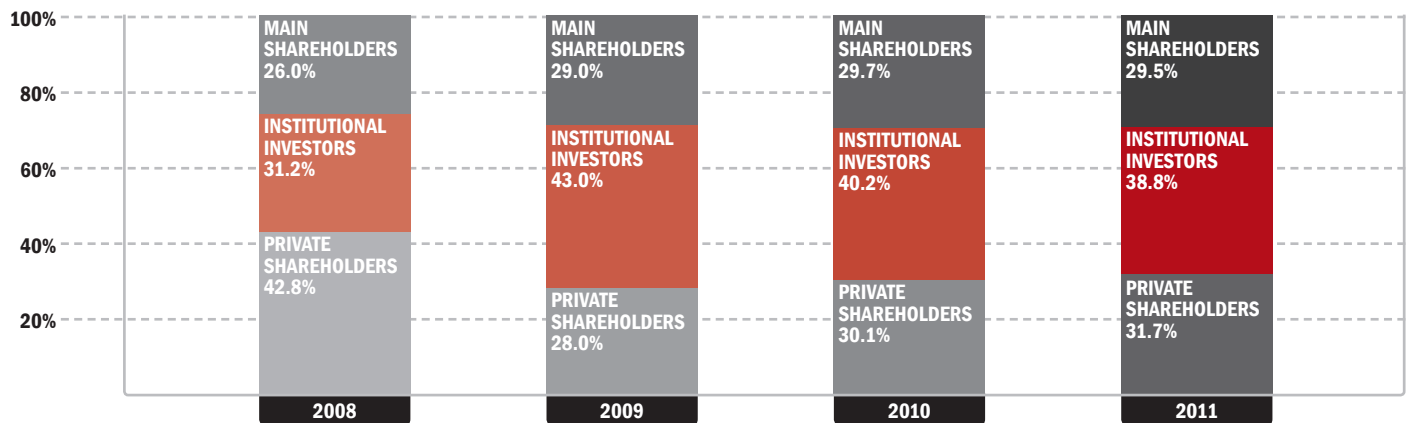
Major shareholders



- Of the Parent Company's approximately 282,000 shareholders - 70.8% of which are Italian - only seven have a direct or indirect (held through a third party, trustees or subsidiaries) stake of more than 2%. Known as the major shareholders, they hold a combined 30.47% interest in the share capital.
- The breakdown of the major shareholders has changed since 2010: among the seven, there isn't Petr Kellner anymore and Leonardo Del Vecchio has joined. The stakes held by Mediobanca and Effeti S.p.A. have reduced, while the BlackRock and Caltagirone group's stakes have increased.
- As at 31 December 2011, the number of shares held by the Parent Company and other Group companies was 15,997,470 (1.02%), for a total amount of 403.4 million euros.
- Upon payment of the most recent dividend (May 2011), Group employees in Italy held a stake of 0.44% (6,829,436 shares).

In order to provide a better overview of results, the rest of this chapter covers a period of four years rather than two.

Shareholders by type



- The changes in the breakdown of the major shareholders saw their combined stake slightly decrease compared with the end of 2010.
- With regard to the other categories of shareholders, the stake of institutional investors declined but that of private investors rose.

Among the shareholders of the Company, there are also investors who adopt ethical investment criteria. The main one is the Norwegian Government Pension Fund, which alone holds 1.79% of the share capital of Assicurazioni Generali with 27,913,335 shares. Other investors (pension funds and mutual funds) oriented toward a socially responsible investment policy that have invested in Generali shares are based in Canada, France, Sweden and the United States and hold a combined stake of about 0.1%.

Financial performance

The following charts present and describe the main financial benchmarks for the results obtained by the Group, compared with the performance of the financial markets.

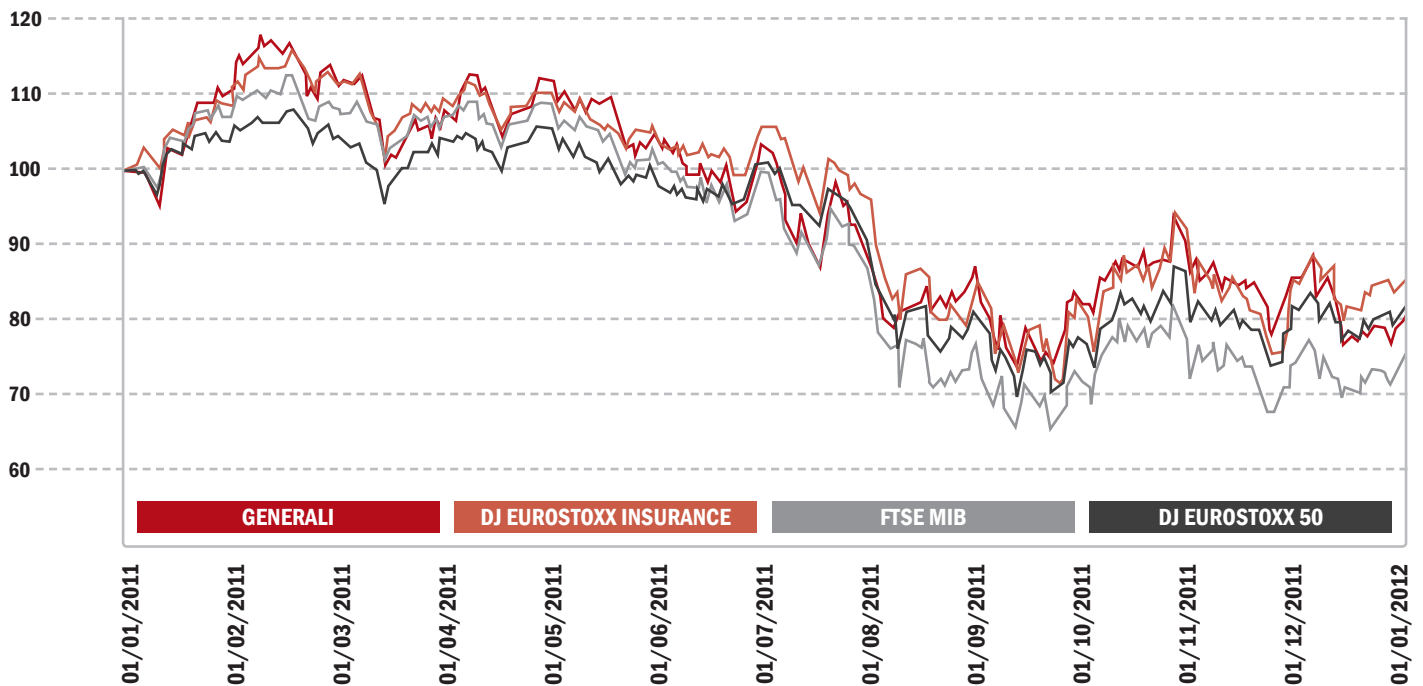
Financial performance

	2008	2009	2010	2011	AVERAGE CHANGE 2011/2008	CHANGE 2011/2010
SHAREHOLDERS' EQUITY* (IN MILLION EUROS)	11,312.8	16,652.0	17,489.8	15,485.6	11.0%	-11.5%
STOCK MARKET CAPITALIZATION (IN MILLION EUROS)	27,483.1	29,300.1	22,123.2	18,106.4	-13.0%	-18.2%
PRICE OF GENERALI SHARES (IN EURO)**	19.49	18.82	14.21	11.6	-15.9%	-18.2%

* SHAREHOLDERS' EQUITY ATTRIBUTABLE TO THE GROUP, INCLUDING THE RELATED RESULT OF THE PERIOD

** ADJUSTED TO ACCOUNT FOR THE FREE INCREASES OF CAPITAL

Performance of Generali share compared with the main stock exchange indices in 2011



- Market capitalisation as at 31 December 2011 was 18,106.4 million euros, confirming Assicurazioni Generali S.p.A. as one of the major European insurers by market capitalisation. The market capitalisation, which is the market value of a listed company, is calculated by multiplying the number of shares by their market price.
- In 2011, Generali's share price fluctuated between a low of 10.65 euros (on 12 September 2011) and a high of 16.99 euros (on 8 February 2011). It was 11.63 euros at the end of 2011, down 18.2% compared to 31 December 2010.
- As at 31 December 2011, the Generali stock outperformed the Borsa Italiana FTSE MIB index (-25.2%) but underperformed the other major European market indices, such as Eurozone blue-chip index DJ Eurostoxx50 (-17.1%) and Eurozone insurance index DJ Eurostoxx Insurance (-13.8%).

Weighting of the Generali stock on the main stock exchange indices

	2008	2009	2010	2011
FTSE ITALIA ALL SHARE*	7.17%	9.13%	7.51%	7.63%
FTSE MIB**	9.17%	9.62%	8.38%	8.25%
FTSE EUROTOP 100	0.98%	0.81%	0.71%	0.52%
DJ EUROSTOXX 50	1.83%	1.55%	1.25%	1.11%
DJ EUROSTOXX	1.19%	1.01%	0.77%	0.69%
DJ EUROSTOXX INSURANCE	9.88%	8.92%	11.04%	10.28%

* DATA BEFORE 2009 REFER TO MIBTEL

** DATA BEFORE 2009 REFER TO MIB 30

- The table shows the different weightings of the Generali stock over the last four years on the main stock exchange indices in which it features (55).
- The change in weighting is the result of several variables, including the performance of the stock itself in a given year and the market capitalization. Therefore, the smaller weighting of the Generali stock on some indices is also attributable to the Company's choice not to carry out capital increases, unlike many other financial institutions.

Dividend policy

	2008	2009	2010	2011
DIVIDENDS (IN MILLION EUROS)	211.5	544.9	700.6	311.4
DIVIDEND PER SHARE (IN EURO)	0.15	0.35	0.45	0.20
DIVIDEND YIELD	0.8%	1.9%	3.2%	1.5%
PAYOUT RATIO	24.6%	41.6%	41.1%	36.4%

- The dividend per share was 0.20 euro, down from the dividend distributed to shareholders in 2010 (0.45 euro). This reduction was due to the decline in the result of the period, influenced by the impact of one-off impairments, principally related to Greek sovereign securities and to the stake in Telco.
- There was also a reduction in the dividend yield (1.5%), which, as the ratio of final unit cash dividend to final share price, is a return indicator that allows the dividend to be compared with that of other stocks.
- At 36.4%, the payout ratio, i.e. the ratio of the total cash dividend distributed to the shareholders to the consolidated result of the period, was down from recent years, though remaining higher than in 2008. This slight shift from the distribution of shareholder dividends to the reinvestment of profits by the Company is aimed at maintaining a satisfactory level of solvency with a view to long-term business sustainability.

For further and updated information on the Group's financial performance, please refer to the section Investor Relations on the Group website.

Engagement of investors

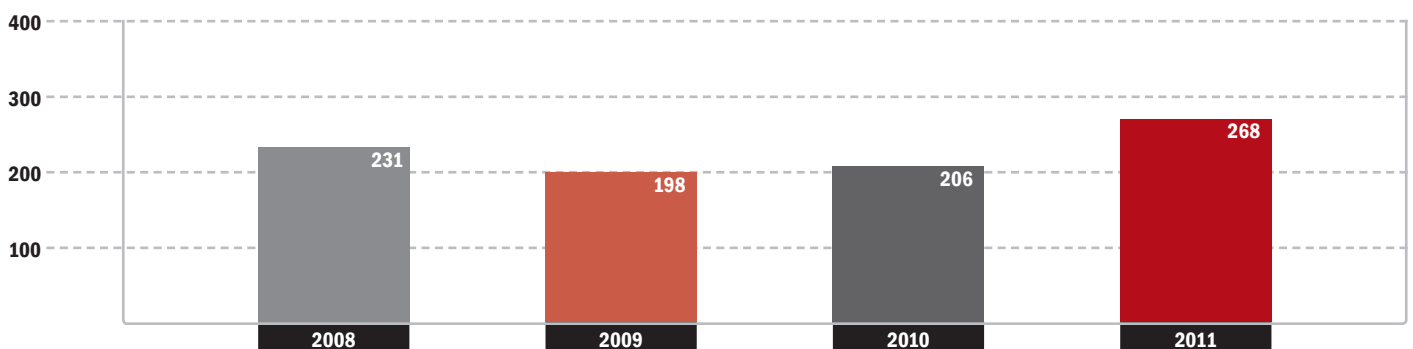
The Generali Group believes maximum transparency is crucial to its relationship with the financial community.

Every year and whenever there is a significant change to the corporate structure, the Parent Company publishes the Corporate Governance and Share Ownership Report which describes, among other things, how the corporate bodies function, their composition and their term of office.

To enable investors to base their decisions on an accurate assessment of corporate policies, operational performance and projected return on invested capital, the Group goes beyond the disclosure requirements established by law. Upon major issues of financial reports and extraordinary transactions, the Group complements these statutory disclosures with presentations to institutional investors and analysts. Price-sensitive information is disclosed in the form of timely and thorough press releases.

Contact with the financial community takes the form of group and individual meetings, roadshows and industry conferences organised in the major international financial centres.

Meeting with investors



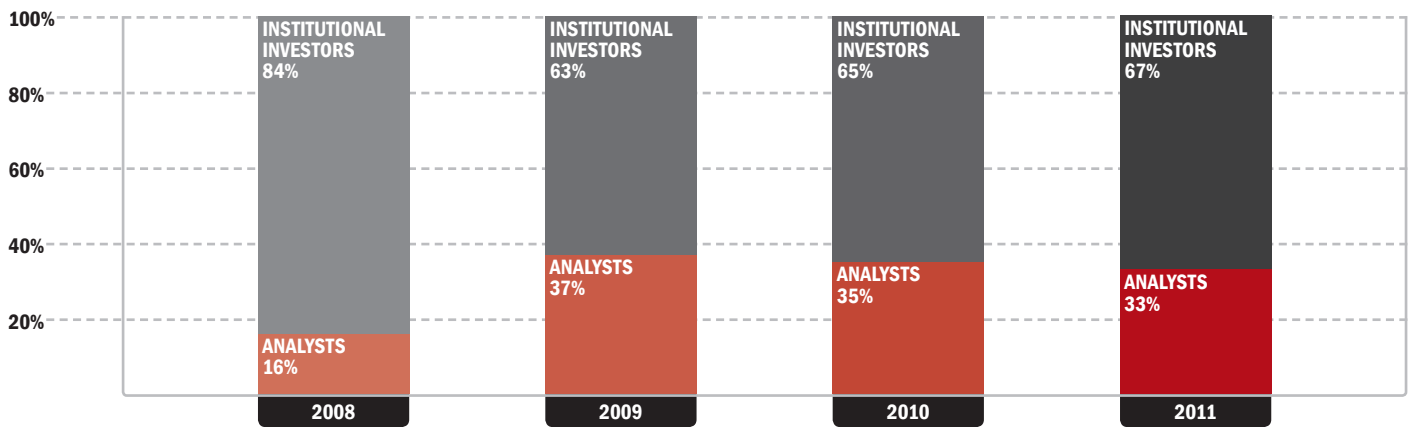
- In 2011, the financial community became increasingly interested in the insurance industry, as reflected in the concomitant increase in the activities of Investor Relations with analysts and institutional investors. It is an indicator

of transparency and openness to dialogue by Top Management (involved in a higher number of meetings than last year) in a tricky phase of transition as a result of the international crisis.

- Among the meetings with analysts and investors, there were the 2010 results presentations, the participation to conferences at the main Italian and international financial centres, such as the Bank of America-Merrill Lynch Banking and Insurance CEO Conference in London, the UBS Italian Financial Services Conference in Milan, the Autonomous Research Conference in London and the Banca Akros workshop in Sciacca (Agrigento - Italy).

Furthermore, there was more emphasis on the practice of visiting a significant number of European regional centres with roadshows (meetings with international investors, attended by Top Management), including London, Frankfurt, Paris, Milan, Switzerland, the Netherlands and the Scandinavian countries. Thanks to these initiatives, it was possible to keep the geographical spread of counterparties at a high level.

Meeting by type of participant



- In 2011, the breakdown of meetings by type of participant again shows significant interest from financial analysts, even though the percentage is slightly down on the previous year.
- Over the year the Company also received more requests from environmental, social and governance (ESG) analysts with a view to obtaining more details on the Group's social and environmental commitment and performance.

Shareholders are able to communicate directly with the Company via the section Investor Relations on the Group's website, which provides contact details for the offices dealing with private and institutional investors. This section also includes all information on Shareholders' Meetings, corporate governance and, more generally, the economic and financial performance of the Parent Company and the Group by way of annual reports and interim financial statements.

COMPETITIVE STAKEHOLDERS

FOREWORD

CHAPTER 1

CHAPTER 2

CHAPTER 3

CHAPTER 4



WORK



EDUCATION



HEALTH



ENVIRONMENT



CLIENTS

Clients policies

Product policies

The Group is committed to managing client relations and to developing its products in accordance with the guidelines set out in the Ethical Code, i.e., the principles of correctness and honesty, impartiality, confidentiality, transparency and completeness of information.

Customer loyalty is one of the Group's key objectives in terms of maintaining market competitiveness and consolidating the business targets it has achieved. In this context, customer satisfaction is of key importance and the Group's ability to constantly respond to its customers' needs and expectations is essential for developing and maintaining a suitable degree of loyalty for lasting relations. In ordinary insurance and banking operations, compliance with shared commitments and principles is achieved through:

- simplified processes and consumer engagement in product innovation;
- developing products that are in line with stakeholders' interests and requirements;
- providing appropriate information about promptly available products and directly accessible so that they are comprehensible to all stakeholders;
- transparency in conducting all transactions;
- continuous and timely training for the sales networks;
- performance monitoring, checking results achieved and planning service improvement measures.

The evaluation of opportunities for developing innovative products is based on emerging needs, the results of market analyses and on any new features introduced through laws. Once the characteristics of the new products have been identified, the contents of the range are outlined and translated into clear and transparent contractual texts, which are easy for customers to understand and designed to prevent disputes in the after-sale stages. The contractual material is then examined by the company legal department, which checks that it complies with national and industry regulations.

In recent years, growing awareness of social and environmental issues has prompted various Group companies to develop products that focus on these areas, and demand for them is growing. Most of these products are policies in their own right, while others represent optional guarantees that may be added as part of broader cover (e.g. home insurance, third party liability, etc.).

In 2011, products with particular social value of more than 1,128 million euros and products with particular environmental value of more than 370 million euros were distributed. The considerable increase compared to the previous year is due, in part, to growing demand from clients, which has also provided an incentive to Group companies for the development of products of this nature and, in part, to the refinement of the reporting systems, which has allowed this information to be collected more quickly. Specifically, taking into consideration the premiums of companies which supplied the data for the previous Sustainability Report, a 14.4% increase in premiums relating to products with particular social value and a 20% increase in products with particular environmental value have been observed. It has not been possible to collect data for the Czech Republic, Israel and Switzerland.

Products with particular social value

By their very nature, **insurance products** have a social value because they provide protection for clients and respond to their needs. In this context, insurance products linked to socio-demographic changes and to a gradual reduction in public services are of particular importance.

Dread Disease policies

These are pension products, sold in Italy and Spain, which can be offered as separate cover or combined with a life policy. The policy guarantees the payment of a lump sum or life annuity upon the occurrence of one of the serious illnesses covered by the policy, to meet the cost of care and reduced income resulting from an inability to work.

Long-Term Care policies

These are policies sold in all countries (except France and Israel) which envisage the payment of a lump sum or life annuity to cover the cost of assistance in the event of the loss of self-sufficiency and inability to perform daily activities, which may simply result from old age.

Policies for specific categories

Products for **young people**: in Italy, Assicurazioni Generali offers young clients the Primodomani multi-risk product, which includes an accumulation plan which can be integrated with various types of insurance cover and financial protection in case of the predecease of the parent. A project was launched in 2011 to facilitate and encourage those under 40 to take out a supplementary pension, which includes freezing the service costs for the first two years of the policy subscription. The product conceived by INA Assitalia for young people involves the payment of a revalued and increased sum based on loyalty and academic merit. In Austria, insurance packages dedicated to children and young people have been defined and, in order to encourage take-up, there is a reduction in the premium in the first year with year's cover offered for only ten months payment.

Products for the **elderly**: most companies are able to offer policies specifically targeting the needs of people over the age of 50. People in this age group is increasing rapidly: offering solutions to meet clients' needs has become a strategic requirement.

Products for **couples**: in Italy, INA Assitalia has launched Uno in due a new savings product which responds to the needs of a changing society as it is aimed at non-traditional family structures. It is also an innovative policy because relatives and friends can contribute to the savings plan.

Products for the **disabled**: in Italy, a special roadside assistance cover has been developed for drivers of adapted vehicles. Household policies are available in Spain which can be integrated with extended warranties covering home automation systems.

Products for **diabetics**: in Israel, there is a special policy that pays out a fixed sum upon diagnosis of medical conditions caused by diabetes, such as kidney failure, blindness, etc..

Products for **immigrants**: in Spain, there is also a policy for immigrants, which covers all death-related costs, including repatriation of the body.

Policies that reward the virtuous conduct of the policyholder

A number of Group policies promote the benefits of a healthy lifestyle. Virtually all Group companies offer life policies with lower premiums for non-smokers or the application of a higher premium for smokers. In Italy, in order to encourage conduct and lifestyle that reduces the risk of illness, Assicurazioni Generali offers a product that, as well as charging higher rates to smokers, assesses the obesity risk by calculating body mass index. There is also a low-cost option to encourage the spread of coverage and make it available to low-income clients.

In recent years, most Group companies have introduced motor insurance products that aim to promote careful and responsible driving in a bid to reduce accidents. In Italy, in the field of motor insurance, Genertel has devised the Quality Driver guarantee, which protects the insured through telemobility and rewards responsible driving. By installing a Quality Driver Box satellite location system on the vehicle, the insured can access exclusive support services, location of the vehicle if it is stolen and a programme which, based on the driving style adopted, allows the insured to obtain a reduction in their premium when the policy is renewed.

The contractual conditions of motor policies often limit insurance benefits for drivers who fail to wear their seatbelts or are guilty of driving under the influence of alcohol or drugs. To discourage alcohol consumption, in Switzerland a discount was included in policies, which can be revoked and aggravated through the application of an additional excess liability if the behaviour of the insured is found not to comply with the stated requirements.

Also in Italy, as an incentive to promote studies, some companies provide a capital bonus if young policyholders get top marks in their high-school diplomas or degrees.

Healthcare prevention policies

In almost all countries where the Group is present, healthcare policies include a regular physical check-up to prevent the most widespread illnesses and to encourage health protection.

In Italy, Assicurazioni Generali has introduced a specific product which includes a combination which pays for the expenses of medical treatment and support services expressly dedicated to rehabilitation to facilitate the return to normal daily activities. Assicurazioni Generali also offers its female clients the Da Donna (For Women) product, which

includes a prevention programme with check-ups every two years and a series of support services in the event of injury or illness. INA Assitalia has launched PiùperLei (MoreforHer), a programme which protects women of any age and includes various cover aimed at meeting the different needs that arise during the course of one's lifetime. The package includes a healthcare plan, a series of regular check-ups and a pension savings plan to guarantee a peaceful future. Added to this there is also a 24-hour support service which provides: medical consultations, ambulance transfer, home nursing care, a babysitter or a carer if the insured person is hospitalised or a support teacher if children are injured or ill. INA Assitalia continues the collaboration with O.N.D.A. (National Observatory on Women's Health) with the aim of supporting and developing a programme for the prevention and early diagnosis of women's diseases.

In Austria, some policies cover medical expenses incurred for holistic therapies.

Other insurance initiatives

Assicurazioni Generali launched the DettoFatto product in Italy in 2011, an illness and accident package that also includes cover that can be extended to the entire family without any additional premium for children under 10 years of age.

In some countries measures have been introduced to help persons/families in difficulty. In Austria, the unemployed are able to suspend payment of health policy premiums, which remain in force during periods of unemployment; similar concessions are also available in Germany, for a maximum period of two years. In Spain, specific products are available which cover loan or mortgage repayments if the insured is unemployed.

In France, the AERAS convention has been in place since 2007. This agreement, which was signed by the government, banking and insurance industry bodies, patients and consumer associations, makes it easier for those who have, or have had, serious health problems to gain access to insurance and loans. Furthermore, the Group offers its clients an innovative home insurance product that provides policyholders with two smoke detectors free of charge.

Europ Assistance France has come up with Aidalage Sérénivie: a support service for carers, who look after and help those who are ill in various ways (family, friends or people with different roles), aimed at providing health and psychological care, useful addresses for seeking financial assistance or support with attending to administrative procedures.

In Germany, reduced rates of professional disability cover are available for young businessmen and businesswomen, and civil liability policies are available for people involved in volunteer work.

Microinsurance

In order to contribute to the economic development of the poorest members of society and to provide those who would otherwise be excluded from the traditional market with insurance products, the Generali Group has developed microinsurance projects in some countries that are not part of the Sustainability Report area.

With a view to helping disadvantaged persons through the know-how and experience acquired in the field of insurance, Assicurazioni Generali has recently launched the Generali Millennium project in India, which came about in support of the UN Millennium Development Goals initiative and has as its goal the emancipation from poverty of the poorest sections of the Indian population, specifically Dalit women.

The project has been developed along two lines: financial support for the launch of entrepreneurial activities (already mentioned in the section Photo Illustrations) and the definition of microinsurance plans.

Three agreements have been signed since August 2011: the first, with BWDA Finance Limited, one of the top 20 microcredit institutions in India, relates mainly to women who carry out agricultural, commercial and craft activities with an annual family income of around 300 euros and offers the main accident guarantees, including the cost of hospitalisation; the second, with Swabhimaan, a bottom of pyramid social business which provides products, services and benefits to persons in the poorest sections throughout the country, includes the distribution of insurance products which can be purchased online using a prepaid card; the third is an innovative insurance plan which covers the costs of ambulance services and hospital stays, even short ones, guaranteeing ample cover and simplified handling of claims for families helped at the health centres in the poorest districts of Mumbai by Swasth India, a social business.

To overcome diffidence with regard to insurance services simple products have been created, along with a simple handling of claims, with the inclusion of additional services in order to make the value of insurance understandable (e.g. cover, not only for disability, but also reimbursement for medical expenses for accidents). Furthermore, there are plans to involve the community soon in the handling of claims with a view to increasing awareness.

The project, which won the award for the Best Corporate Social Responsibility Project at the Milano Finanza Insurance Awards 2012, will continue in the search for new partners and its efforts to increase the involvement of the community, developing innovative operational models and creating specialist operators.

The Americas

There is a policy in Colombia to protect those on low incomes who go to money-transfer outlets to withdraw sums sent to them by relatives living abroad. The policy covers robberies that happen within two hours of the money being withdrawn. In 2011, on average, 36,000 policies were taken out every month.

A product aimed at single mothers was launched last year. It involves a life policy that also covers the costs of hospitalisation and, in the case of decease, related expenses. In spite of the policy only being on the market for slightly less than a year, the take-up has been 30,000 per month.

In Guatemala, a life policy produced with the help of Fundea, a microcredit cooperative, was launched, with the aim of promoting specific insurance services for microentrepreneurs and other categories of persons who do not have access to traditional products on account of their social conditions. In 2011, more than 3,600 policies were taken out in just over two months.

Asia

In China, an insurance product was developed in collaboration with PPF, associated with microloans, with premium income in the last year exceeding 0.5 million euros.

A microinsurance plan was defined in Indonesia, but has not yet been distributed. It will cover death caused by illness or accident of the policyholders with loans supplied by the micro-credit institution Bank Andara Microfinance Institution. The product can also be integrated with additional guarantees in favour of the insured's heirs who will receive a lump sum equal to a percentage of the initial loan.

In 2011, in collaboration with the bank BTPN, a life policy was defined guaranteeing the loan provided by the banking institution. Available on the market since October, 3,200 people have already signed up for this product.

There are plans to launch further microinsurance initiatives in 2012 in Brazil and India.

In the field of **bank products**, two Banca Generali current accounts (Friendly and Advantage) are dedicated to members of the Italian Multiple Sclerosis Association (AISM), who were involved in drawing them up. The products combine favourable financial terms and particularly simple operation, making them highly accessible, secure and tailored to the client's needs. Banca Generali also provides current accounts with specific conditions for non-profit organisations set up by families of people with disabilities (e.g. La Goccia, ANFFAS and L'Anatroccolo).

Products with particular environmental value

Eco-compatible behaviour can be encouraged in clients through the planning and provision of products and services.

Insurance products

Group **product ecology** is reflected in a number of non-life business initiatives, with policies and cover for both individuals and companies.

In the **corporate** sector, the Group aims to involve insured companies in its effort to comply with existing environmental protection legislation and in the prevention of risks, making insurance cover subject to minimum measures being adopted and adapting the price in relation to the measures adopted. To this end, Group policy for the assumption of property and third party liability risks requires that companies presenting a high risk under the social and environmental profile be carefully assessed and provides preventive advice with the aim of assisting clients to implement safety measures to reduce risk exposure. Premiums may be increased when formal and/or substantial shortfalls are found in the prevention measures adopted, and, in more serious cases, the company may refuse to provide insurance cover.

It should also be noted that the Parent Company belongs to the pool for liability insurance for pollution, a body made up of companies operating in Italy for the purpose of sharing the catastrophic risks caused by environmental pollution between the member firms. To encourage the adoption of behaviour aimed at preventing or limiting damage to the environment during the contract, the Assicurazioni Generali liability insurance for pollution policy conditions include both the reimbursement of expenses for urgent and temporary measures aimed at preventing or limiting compensable damage and the non-compensation for damage caused following the failure to comply with legal provisions or the intentional failure to prevent the damage. In Spain, Generali belongs to the PERM (Pool Español de Riesgos Medioambientales) and sells a product that is similar to the Italian one.

Products have been defined in Germany to cover the financial consequences of damage caused by environmental pollution in general and there are specific policies for financial losses due to water pollution.

In Italy, INA Assitalia provides the technological risks policy, which covers certain structures such as hydroelectric plants, wind farms and biomass plants. There is additional cover for damage caused by fire, theft or failure of energy-generating equipment. In the construction sector in France and Spain, special cover is provided for facilities that produce renewable energy, such as solar and photovoltaic panels, heat pumps, geothermal- and aerothermal-energy plants, wind turbines, etc..

As an incentive for the promotion of eco-sustainable behaviour, Group companies provide discounted tariffs for those companies that present less risk to the environment. In particular in France, Generali offers small and medium-sized businesses a free environmental risk assessment which, when a minimum level defined is achieved, can result in the awarding of the Agir pour notre avenir (Take action for our future) label, which rewards client with lower premiums and additional services.

In the **individual client** segment, the focus placed by Group companies on eco-sustainable client behaviour is also reflected in the variable discounts, which may reduce the annual premium by as much as half, applied to the TPL policies for the following vehicles:

- 'green' vehicles - namely electric, hybrid, gas-powered, etc. (in Italy, Austria and Switzerland);
- vehicles with low CO₂ emissions (in Austria and Switzerland);
- vehicles with low annual mileage (in Italy, Austria, Germany and Switzerland).

In Italy, INA Assitalia applies special discounts for clients with an annual travel ticket in order to encourage the use of public transport.

To encourage the installation of equipment for the production of renewable energy in homes, specific cover has been developed alongside traditional liability cover to protect against damage caused by the weather to solar or photovoltaic panels, or to similar installations. In the last year in Italy, FATA and INA Assitalia have upgraded the product covering these systems with a guarantee for indirect damage, i.e. for losses in profit resulting from the interruption or decrease in the production of electricity.

In particular, Generali France covers the full cost of repairing equipment in the first 30 years and, thanks to an agreement with one of the leading operators in the energy sector, provides client incentives for the installation of photovoltaic panels through guaranteed access to favourable finance terms.

To complete the services offered, household insurance policyholders in Austria are eligible for free advice to identify possible ways to optimise energy consumption in their homes and thus reduce emissions that are harmful to the environment.

Banking and investment products

Generali offers its clients various **funds** that invest in sectors which protect the environment and contribute to a more sustainable economy (renewable energy, water treatment, recycling of waste, etc.), which may also be selected as unit-linked investments in France and Switzerland.

In Italy, Banca Generali has created two funds whose capital is invested, respectively, in the agricultural sector and in companies operating in the production of products for agriculture and biofuels, and in companies whose main economic activity is linked to global level natural resources sectors.

In Germany, Deutsche Bausparkasse Badenia grants special loans to householders for the installation of photovoltaic systems.

Risk prevention

Health and domestic accidents

As well as offering a range of products which promote the adoption of healthy lifestyles and/or support preventive healthcare programmes, the Generali Group is committed in various ways to the prevention of health risks and domestic accidents.

In particular, as part of its collaboration with the national industry association (FFSA), Generali France became one of the founding companies of the Association of health insurers (APS), which publishes illustrated guides on health-related matters and on the prevention of domestic accidents. These guides, which are available to the public free of charge, are distributed through insurance companies, schools, pharmacies and medical practices. They can also be downloaded from www.ffsa.fr.

Moreover, as a member of the Association Française de l'Assurance (AFA) (French Insurance Association), at which it chairs the committee on sustainable development, Generali France helped to draw up La Charte développement durable des assureurs (the insurers' sustainable development charter). This document contains five main objectives: publicly declare commitment to sustainable development, support economic development, reduce social inequality, encourage responsible investment and include social and environmental themes in corporate business strategies.

Road traffic

In recent years, the Generali Group has developed also a number of road safety initiatives.

In Italy, in order to influence on driving behaviour of young people, the Associazione Nazionale Imprese Assicuratrici (ANIA) (national association of insurance companies) together with the traffic police and consumer associations have formulated the Patto per i giovani (Youth agreement) initiative, to which Group companies have signed up, providing discounted tariffs for young people in specified age brackets who underwrite to comply with the good conduct rules set out in the policy.

Italian Group companies are also members of the Fondazione per la Sicurezza Stradale (foundation for road safety), set up within ANIA at the request of the insurance companies, which aims to prevent traffic risks by promoting education on safe road travel. It especially targets youth, with initiatives for students, projects for new drivers, prize competitions, and programmes providing an understanding of the risks of drink-driving. The Pensa a guidare (think about driving) campaign of 2011 was aimed at making users aware of the highway code to prevent accidents caused by incorrect human behaviour which, according to Istituto per gli Studi sulla Pubblica Opinione (ISPO) (institute for the study of public opinion) survey commissioned by the actual foundation, is the cause of 80% of accidents. As an additional

learning tool, one of the foundation's websites (www.smaniadisicurezza.it) features a driving simulator that uses virtual journeys to teach people about road hazards and how to respond to them. The site also contains information on road safety, traffic risks, and current and future initiatives. The following initiatives went on also in 2011: Guido con Prudenza (Drive responsibly) and Brindo con Prudenza (Drink responsibly), which encourages people to appoint designated drivers, and Black Point, which helps to prevent accidents by logging traffic blackspots (dangerous junctions, poor road surfaces, etc.) indicated by users. The foundation's other initiatives include: the scatola rosa ('pink box'), a GPS tracking device that women drivers can activate if they are in an accident or are assaulted, and Sicurezza nel Trasporto Pesante (heavy goods transportation safety), theory and practical training for drivers of heavy-goods vehicles which includes free installation of a black box to monitor driving style, improve driver safety and collect useful data for risk prevention.

The Easy Drive initiative launched for younger clients in France with a view to reducing accidents, especially at night, continues. The policy premium, in effect, relates to monthly mileage of 1,000 km, checked regularly through the installation of a satellite detection device and there is a surcharge if the mileage limit is exceeded, which increases as the mileage increases. Specifically, there is a particularly high supplement on the premium for the use of the vehicle at night, designed to discourage driving between midnight and 6 a.m..

In Germany, Generali Versicherung and industry association GDV work together to raise awareness about traffic risks.

In Spain, the Group takes part in a project run by the national industry association (UNESPA) to provide clear product information and it works with the association by supporting road safety campaigns and participating in research programmes promoted by the Zaragoza Centre, UNESPA's research institute for vehicle repair and safety.

Climate change

The detailed study conducted in various Group companies relating to the risks of climate change has led to the definition of several commercial initiatives. Specifically, special policies (and/or guarantees) have been developed in Italy, Austria, Spain and Switzerland to cover catastrophic damage caused by natural disasters.

Service policies

Generali Group's commitment to increasing the level of customer satisfaction is also reflected in the continuous development of solutions and initiatives to improve the services it provides. It analyses processes and monitors activities to continuously check the initiatives it has implemented, with the aim of identifying areas for improvement. To maintain consistently high-quality standards of service, focusing on client needs, the Group provides:

- simple access to products and services;
- clear and transparent information on the services it provides, in line with professional ethics;
- appropriate and comprehensive advice at the various stages of contractual relations;
- timely responses to reports of any anomalies.

Service development and innovation aim to simplify communication with the public and to integrate sales channels so as to facilitate client access to products.

In recent years, the range of traditional communication tools available to Group companies has been expanded to include the internet and call centres, which reach out to a greater number of users and make contact easier. All companies have created their own **websites**, continuously updated, which has a range of different functions and applications, depending on the type of service being provided, in order to increase public access to their products and services. The majority of website pages have been designed in accordance with the main World Wide Web Consortium (W3C) accessibility guidelines.

The websites of the main Group companies provide the following:

- search tools to identify the agencies and settlement offices by area or the references for the main client contact channels;
- information on products, cover and operations;
- the glossary, contractual conditions accompanied by an information note and a section dedicated to frequently asked questions (F.A.Q.);
- up-to-date share listings and performance of ordinary shares, management funds and indices.

In addition, information can be found on insurance company websites on the practices of handling claims or specific details for forwarding the advice of claim directly, attaching photographs, and useful information for identifying approved participating facilities in the area. In Italy, D.A.S. offers a legal consultancy service, ConsulDas, to clients, which can be accessed through a free phone number, via the internet, through a dedicated section on its website www.das.it, and through an iPad or iPhone app (which will be described later on).

Some companies in Italy, Austria, Germany and Israel provide web applications to calculate quotes, simulate supplementary pension products and pay policy premiums. The majority of Europ Assistance group companies have developed functions on their websites that allow users to calculate the quotation and purchase the policy directly online.

Limited access areas, dedicated to clients who can check their insurance and/or pension situation, change their registration details, get personalised quotations and manage their policy payments online, are available on the websites of several companies in Italy, France, Germany, Israel and Spain. Complete security and confidentiality of data and transactions are guaranteed by a two-level login system: username and customisable password. In order to further enhance security, payment facilities are located in protected areas.

In 2011, Migdal's website in Israel received an award for the third time for its insurance training activities and information.

In the majority of the Group companies, services available to clients are supplemented by a further contact tool: the **call centre**. Companies use the telephone service to provide their clients with remote support and longer opening hours, which may extend through the night for emergency-response cover (roadside assistance, healthcare and household cover). At call centres, operators with specialist knowledge of the main Group companies provide:

- information and support on products and application conditions;
- insurance or financial consultancy services;
- information on after-sales services;
- company website navigation support;
- a timely response to reports of bad service.

In addition, some insurance companies provide quotations and/or simulated quotations through this channel and they offer help with filling out the advice of claim and practicalities relating to the claim.

The Banca Generali group in Italy and the Generali Bank in Austria provide further services by telephone, giving clients the opportunity to access their current account to arrange ordinary and permanent transfers, request credit cards or debit cards, cheque books, internet passwords, etc. and to sell securities.

In Switzerland, BSI offers its clients the BSI e-connect Support telephone service, which provides instructions on how to use the e-banking system. This service also includes a secure mail server that clients can use at any time to send further requests.

Multi-channels at the service of customers

In recent years, the changing needs of clients and continuous progress in mobile technology have encouraged Generali Group companies to develop information technology projects to make communication with clients more immediate and to offer a service that is constantly accessible in terms of functions, and space and time.

Some of the initiatives developed in Italy are listed below.

Group companies have continued to investigate the potential offered by smart phones to upgrade the **ePolizza** app with new functions to add to those currently available such as: the advice of claim with the simultaneous sending of the photographs of the accident and the identification of the nearest approved body shops through geolocation. Clients can now also report home and illness claims directly from their smart phone, independently and when they desire without losing the precious consulting service of the trusted agent, who will continue to handle the claim. The new Check-up function enables users, by completing a test about their lifestyle, to find the most suitable insurance cover that best meets their needs and users can then seek a personalised consultation from their agent. A function has been developed in collaboration with Europ Assistance to help users, irrespective of whether they are clients, which makes it possible to receive roadside assistance from breakdown trucks. The MemoDate service is also available; interacting directly with the calendar on all smart phones, it allows anyone to make a note in their diary of expiry dates (e.g. policy renewal dates, but also other important dates for the user) and they are then notified prior to the event. With a view to education and information about topics of an insurance nature, the Torto o Ragione function has also been included. It provides information about responsibility in the most common types of accident through examples in graphic and textual format.

In order to raise awareness on road safety, the Generali Group, which has always been conscious of social issues, launched a new ePolizza function in 2012, which makes it possible to estimate the level of alcohol in your body by entering some simple data. The application is completed by a direct connection to a taxi service, identified through geolocation. To promote the function and disseminate the culture of safe driving, the initiative has been combined with a safe driving competition (Guida in sicurezza e vinci) which, in addition to prizes for the finalists, has disposable breathalysers on offer every day.

The www.epolizza.it website was also launched in 2012 to provide a full, integrated service. It will be described later on.

The development of technology for mobile devices has also involved consultancy services. D.A.S. has launched the **Difesa Legale?iDas!** app for iPad and iPhone, which provides useful and up to date legal information in simple terms and makes it possible to request legal advice for all everyday situations through the ConsulDas function. The consultancy service is accessible to all users, irrespective of whether they are clients, who can submit their legal question through this channel. Company experts respond to these requests, which may refer to all areas covered by legal protection policies: criminal, civil and administrative.

To guarantee more effective and immediate communication between the sales network and clients and to offer an increasingly innovative service, SIMGENIA has developed a new application that integrates and completes the existing one available to financial advisors (see chapter Direct Stakeholders - Sales force), allowing the clients to view their financial situation immediately. In addition, using a special function, the clients can set alerts for products in their financial portfolio so that they are notified, in good time, of situations that could require a change in their choice of investments.

Roadside Assistant is the app launched by Europ Assistance which allows all users to request and receive roadside assistance without having to call the operator. Waiting times are halved in this way and the user can follow progress online through the case number.

Cosmosdirekt, the Group leading company in direct insurance in Germany, has developed **Cosmosdirekt Help**, an app which makes it possible to: report claims, measure fuel consumption, record the position of the vehicle to then find it again through geolocation and calculate the penalties if the speed limit is exceeded.

In 2011, the smart phone app was launched in France for reporting property damage policy claims directly.

Information and insurance/financial literacy programmes have been implemented by the majority of Group companies, through the issue of newsletters and leaflets to clients and consumers, to make it easier to understand industry terminology, primary insurance cover, basic financial instruments and new regulations. In 2012, the portal www.epolizza.it was launched in Italy. All Italian Group companies and Generali Business Solution (information technology and claims settlement areas) contributed to it. The website, in addition to providing many services with added value for the various classes of insurance and claim handling, also offers information about policies and the most frequent risks in a simple and easy way to understand language. Several videos have been made with a view to edutainment (education and entertainment). They are available at the portal and explain the advantages of all classes of insurance cover to the user and offer safety advice for everyday living.

In Italy, D.A.S. sits alongside the Comitato italiano delle Assicurazioni di Tutela Legale (Italian committee of legal protection insurance) and industry body ANIA on a working group that aims to spread a culture of insurance and legal protection and to promote anti-fraud initiatives in relation to specific risks. In addition, in December 2011, the company organised an open meeting for businesses in the area on the subject of civil mediation, an institution recently introduced as a compulsory stage in the judicial process for many civil disputes.

The SIMGENIA website has an educational area, complete with a glossary and ABC Fondi (section with questions and answers about funds) developed in collaboration with Morningstar, a leading company in the provision of independent financial research.

In order to make an active contribution to the diffusion of economic and financial know-how, the Banca Generali group, as a member of the Consorzio Patti Chiari, gets directly involved in financial-education projects and projects on the transparent communication of information on the products that best represent its own range. In 2009 the group signed up to the so-called Impegni per la Qualità (quality commitments), a series of initiatives aimed at simplifying relations between banks with a view to supporting transactions and making them safer.

In recent years, there has been a marked change to the client base, which is becoming increasingly diverse in terms of origin and culture. This has prompted some Group companies to translate their company literature into the languages which are most prevalent in their area. More specifically, clients in South Tyrol in Italy can get their information and policies in German, in Israel, information material is also provided in English and Russian, and in Spain it is provided in English and German. To improve accessibility to services, Europ Assistance group companies employ operators at their call centres who speak all the major foreign languages. In Spain, the staff who deal with settling claims and travel assistance services also speak English and French.

Marketing communication, which includes advertising, promotion and sponsorship initiatives, 'is in line with the fundamental ethical values of the civil society it is targeted at. Its contents are always truthful and reject any coarse or offensive messages', in keeping with the provisions of the Ethical Code of the Group and with the directives issued by the relevant supervisory authorities. In addition to this, the spontaneous adoption by several Group companies of voluntary or self-regulatory codes also attests to the Group's desire to express social-responsibility concepts through marketing, with the aim of establishing and maintaining serious, long-term client relations.

The following should be noted in this regard: the Parent Company and several other important Italian companies (Alleanza Toro, Fata, INA Assitalia) adhere to the Codice di Autodisciplina Pubblicitaria (advertising self-regulatory code); Migdal is a member of the Israeli Marketing Association and the code of ethics relating to marketing and advertising; in Spain, the company adheres to the Code of Advertising Self-discipline and Advertising Practice and the Transparency Code.

In Group companies, advertising material produced by the marketing or the sales department is examined by the communication service to identify any statements in the contents or graphics which could lead consumers to make incorrect evaluations about the characteristics of products or services. This is followed by the validation of the legal office, which assesses the compliance of the commercial message with the laws in force, the rules laid down by the supervisory authority, the fundamental principles in the Ethical Code and the provisions of the self-regulation codes adhered to.

Engagement of clients

The Group is continuously committed to improving the quality of its services and places particular emphasis on dialogue with clients and analysing the results emerging from the numerous surveys it conducts on a regular basis. Findings regarding brand perception and client satisfaction with regard to Generali products and services, as well as surveys on client expectations and the reasons behind their decisions are the starting point for developing and completing the product range, the internal organisational processes and communication. In certain cases, survey objectives include assessing the level of company services against those of its competitors.

Client satisfaction surveys

Country	Type/Frequency	Participation and results
Italy	Type: telephone interviews Frequency: annual	Participants: 11,227 clients Results: degree of satisfaction unchanged and equal to 92%
	Type: questionnaire on the internet Frequency: annual	Participants: Banca Generali clients with current account and internet banking service activated Results: the degree of satisfaction was excellent for 17% of interviewees, good for 55% and adequate for 24%
Austria	Type: telephone interviews Frequency: every three years	Participants: 1,546 clients Results: degree of satisfaction improved compared with previous surveys
	Type: telephone interviews Frequency: every two years	Participants: 341 clients Results: degree of satisfaction increased and equal to 80.5%
France	Type: focus group Frequency: ad hoc	Participants: clients who have recently left the company Results: the main reasons which caused clients to change companies have been identified
Germany	Type: telephone interviews Frequency: annual	Participants: 1,400 insurance clients Results: level of satisfaction has increased compared to the previous survey
	Type: telephone interviews Frequency: annual	Participants: 600 clients of Deutsche Bausparkasse Badenia Results: the degree of satisfaction has improved, but it is still below the market average. Several critical areas have been identified which must be addressed in order to improve client loyalty
Israel	Type: telephone interviews Frequency: sample surveys are carried out daily	Participants: 5,000 clients Results: the level of satisfaction has increased compared with the previous survey, it is very high both for services provided by call centres and direct consultancy
Switzerland	Type: telephone interviews Frequency: monthly starting from July 2011	Soggetti intervistati: 400 clienti al mese Risultati: in una scala da 0 a 10, il 73% dei clienti ha assegnato un livello di gradimento compreso tra 8 e 10

Net Promoter Score (survey evaluating the tendency of clients to recommend their insurance company to third parties)

Country	Type/Frequency	Participation and results
Italy	Type: telephone interviews Frequency: annual	Participants: 11,227 clients Results: an NPS-type survey was also conducted under the scope of the general satisfaction survey. The results obtained are in line with previous ones
Austria	Type: telephone interviews Frequency: annual	Participants: 5,264 consumers of which 846 were Generali clients Results: the NPS index was higher than that of the main competitors
Germany	Type: telephone interviews Frequency: monthly	Participants: clients Results: the index shows an improving situation
Israel	Type: telephone interviews Frequency: sample surveys are carried out daily	Participants: 5,000 clients Results: the index is increasing
Spain	Type: interviews Frequency: quarterly	Participants: around 1,000 clients in a year Results: around 65% of respondents would recommend the company, a higher figure than in previous surveys
Switzerland	Type: telephone interviews Frequency: monthly starting from July 2011	Participants: 400 clients a month Results: under the scope of the general satisfaction survey, an NPS-type survey was also conducted which revealed clients were well disposed to recommend the company to other people

A project was launched in 2010 involving the main European countries in which the Generali Group operates and touching on various areas relating to client satisfaction and loyalty. One of the objectives of the project is to identify a joint method for conducting Net Promoter Score surveys, which give results which can be compared using shared criteria.

Europ Assistance companies are especially active in dialogue with clients, partly because of their specific type of business, and conduct interviews on a monthly basis with representative samples of clients who have used the **support services**. The satisfaction index for these companies was high in all countries considered in the area of the Sustainability Report. Specifically, it remained stable in Italy, Spain and Switzerland with figures of over 90%. In France, the surveys revealed a degree of satisfaction of higher than 80% for all services (medical support reaching 84%, roadside service 88%), identifying the critical areas to resolve as waiting times and communication with clients. In the Czech Republic, satisfaction with support services reached 97%, an increase compared with previous surveys.

Customer satisfaction with the claim management/handling department

Country	Type/frequency	Participation and results
Italy	Type: telephone interviews Frequency: monthly	Participants: 18,000 clients who have had a claim settled by Generali Business Solution Results: the data collected in 2011 are awaiting processing. In the previous survey, 83% of clients interviewed said they were satisfied with the service received throughout the entire compensation process (from the advice of claim to the damages)
	Type: telephone interview Frequency: ad hoc	Participants: 752 Assicurazioni Generali and INA Assitalia clients who suffered a loss caused by an electrical phenomenon Results: 85% of clients stated their degree of satisfaction was equal to or more than 8 (out of a maximum score of 10) for the way the claim was handled



Country	Type/frequency	Participation and results
Italy	Type: questionnaire on the internet Frequency: half-yearly	Participants: the questionnaire was sent to 7,938 clients of Genertel, with replies obtained from 16% of them Results: the survey, conducted on the theme of direct compensation, revealed a degree of client satisfaction of 65%
Austria	Type: telephone and internet interviews Frequency: annual	Participants: 3,670 clients and 115 brokers Results: the level of satisfaction revealed was very high; 45% of clients stated they were very happy and 30% were happy with the service received
France	Type: interviews Frequency: ad hoc	Participants: 8,000 clients Results: the survey made it possible to identify several reasons which led clients to leave the company following a claim. Specifically, critical areas identified were communication and information provided
Spain	Type: interviews Frequency: quarterly	Participants: around 1,000 clients in a year Results: the level of satisfaction was 85%, unchanged from the previous survey

In the last year, several Group companies also conducted surveys on available products, with a view to identifying satisfaction and planning actions aimed at improving the range.

In Italy, Genertel conducted a survey into the level of interest for the Quality Driver guarantee (already described under products with particular social value) which had a good degree of participation (54.2%).

In Austria, 341 clients of Generali Bank were interviewed by telephone about their appreciation of available banking products which was very high.

In Israel, in 2011, two focus groups were organised on the subject of product innovation which 20 clients took part in.

Brand perception surveys

Brand perception, image and advertising surveys are conducted in all countries. Surveys are conducted on clients drawn from representative samples of the population, generally selected by age and sometimes by more specific criteria (gender, profession, region, etc.); occasionally surveys are also conducted on the sales networks.

Surveys on **brand perception** have been carried out at variable intervals, depending on the country, often related to events such as the launching of a new product, a marketing message or mergers/acquisitions. The surveys conducted have shown improvement in brand perception in Italy, Germany, Israel and Spain, where surveys were conducted twice, one immediately before and the other after a specific advertising campaign. In Italy, a survey was also done on the Alleanza Toro company brand, which still turned out to be little known, although both earlier brands Alleanza and Toro remained well-known. The surveys conducted show that the Generali brand is well-known in Austria, while in Germany the Deutsche Bausparkasse Badenia brand is little known. In France, the surveys conducted by individual meetings, on the other hand, showed a decline in brand perception.

Company image and advertising surveys are only conducted in certain countries and use different methods and different participants. In Italy, Genertellife has conducted telephone interviews and polls using the web involving about 700 potential consumers, which are still in the processing phase. In Austria, surveys have been conducted annually and quarterly, showing an image perception in line with previous results and a good understanding of the advertising messages and communications initiatives. In Germany, annual studies have been carried out to improve and plan the communications strategies directed toward agents and brokers. Surveys are also conducted on representative samples of consumers to gauge reactions to the Group's advertising campaigns. In Israel, to test the advertising message before launching the campaign, consumers were polled on the website. In Spain, a survey conducted using telephone interviews both before and after the launch of the company's advertising campaign revealed an improved image positioning for the company.

Other survey activity

In 2011 research was specifically targeted towards understanding the needs, aspirations and attitudes of clients/ consumers in order to develop and further improve products and services in all Group companies. The results of these surveys have strengthened client relations in a number of ways.

The below tables provide a summary of the most significant surveys conducted in 2011.

Surveys to identify consumer needs and expectations

Country	Type/Topics/frequency	Participation and results
Italy	Type: web discussion Frequency: one-off	Participants: 40 consumers Results: the studies have shown that the agent is currently the preferred contact person, and often the only one, in relations with the company. The need for greater transparency and flexibility in terms of product and opportunities for contact has been shown
	Type: individual personal interviews Frequency: half-yearly	Participants: representative sampling of Alleanza Toro clients Results: a growing need for greater clarity in the documentation provided and transparency in the consulting relationship offered has been identified
	Type: interviews by telephone and the web carried out by Genertel Frequency: ad hoc	Participants: 1,000 people (home-owning families and families interested in improving home protection insurance coverage) Results: the studies have shown high interest in increasing the level of protection for one's own home
Austria	Type: individual personal interviews Topics: insurance documentation Frequency: ad hoc	Participants: 100 clients who have acquired certain product types Results: studies have been conducted to analyse the content of the documents in terms of ease of understanding and transparency to improve communications with clients
France	Type: web questionnaire Topics: direct sale Frequency: ad hoc	Participants: 540 new clients from direct channel (internet and call centre) Results: using this study, it has been possible to identify important topics during the product offering phases
	Type: focus group Frequency: ad hoc	Participants: newly-acquired clients Results: strong points and suggestions on new motor, home and life policies have been identified
	Type: focus groups and individual personal interviews Frequency: ad hoc	Participants: clients of the life business and sales networks Results: this study has enabled identification of the client perception of life policies and the way they are usually offered by the sales force
Germany	Type: web polling Frequency: annual	Participants: about 1,200 of the clients and consumers who surf the web Results: the information gathered has been taken as reference for introducing innovations into the website functions and sections
Israel	Type: telephone interviews Topics: pension plans Frequency: one-off	Participants: 500 clients Results: the surveys revealed a lack of knowledge about pension products and a desire to receive more information and to learn more about such products

The survey conducted in France on the needs and expectations of women is of particular note, involving both male and female clients between the ages of 25 and 69. Through the web questionnaires and focus groups it has been possible to identify the female perception of risk and of insurance products, and to compare it with the male perception.

Surveys on financial decisions by consumers

Country	Type/Topics/frequency	Participation and results
Italy	Type: personal interviews Frequency: half-yearly	Participants: 5,000 consumers representing financial decision-makers (people who make the financial decisions in their household) Results: the survey provided the complete data for assessing household financial choices
Austria	Type: telephone interviews Topics: consumer expenditure planning Frequency: annual	Participants: 1,280 consumers Results: the survey identified essential purchases and priorities

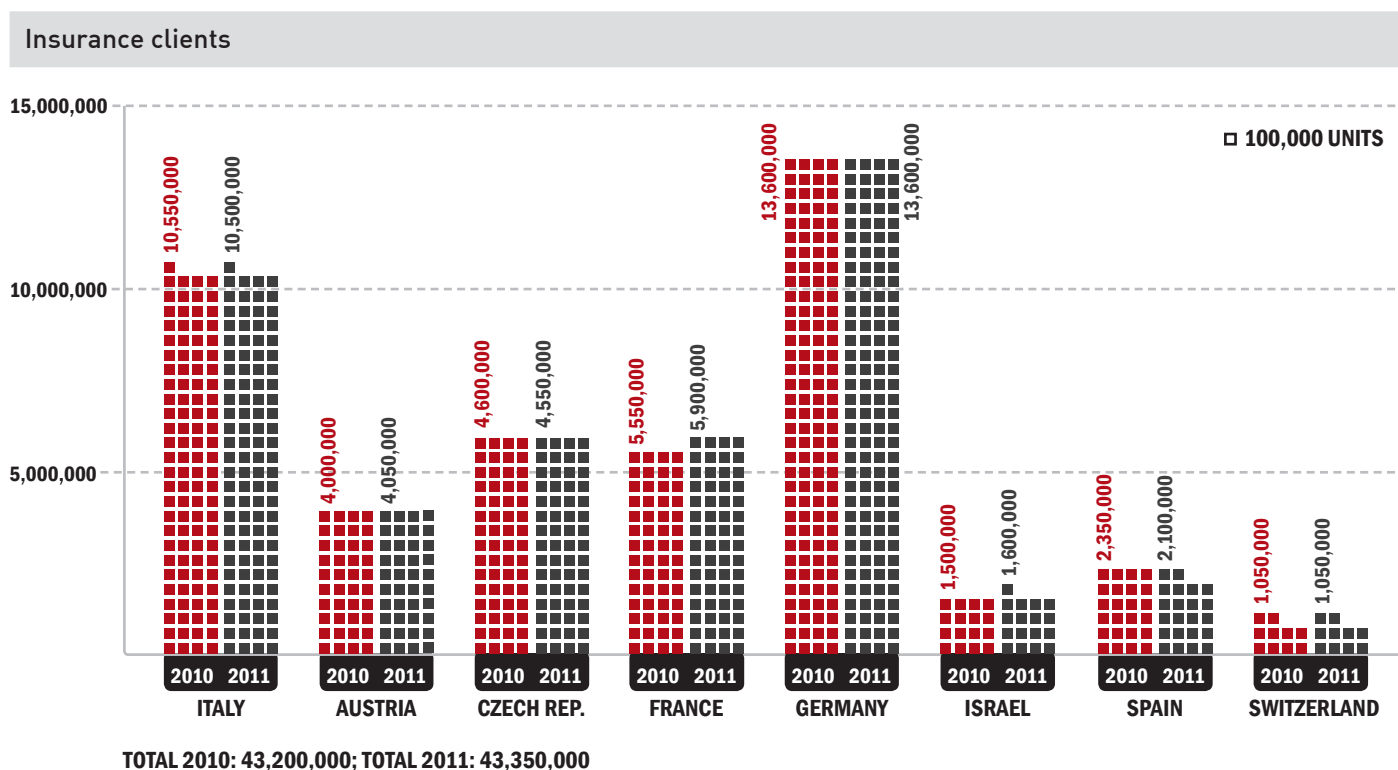
Surveys on services

Country	Type/Topics/frequency	Participation and results
Austria	Type: interviews Frequency: ad hoc	Participants: 1,632 customers and consumers Results: the data obtained identified the ideal opening times for branches and for call centre access
Israel	Type: telephone interviews Topics: direct sale of motor policies Frequency: ad hoc	Participants: 400 consumers Results: the information gathered identified the main criticisms of direct sales. In particular, two aspects of importance to the customers emerged: premiums and personal contact with the agent, which could represent an obstacle to direct sales development

Generali Group business sectors

The overall number of **clients** within the Sustainability Report area is estimated at nearly 45 million: more than 43.3 million insurance clients, nearly 1.6 million banking clients and nearly 14 thousand real estate clients.

Insurance business



- A slight increase in insurance clients was observed during the last year. The number of clients increased in Austria (+1.3%), France (+6.3%) and Israel (+6.7%), while it declined in the Czech Republic (-1.1%) and in Spain (-10.6%) and remained basically stable in Italy, Germany and Switzerland.
- As a result of the strategic move to focus its insurance business on individuals and small to medium enterprises, only 3.3% of Group insurance clients are medium to large enterprises.

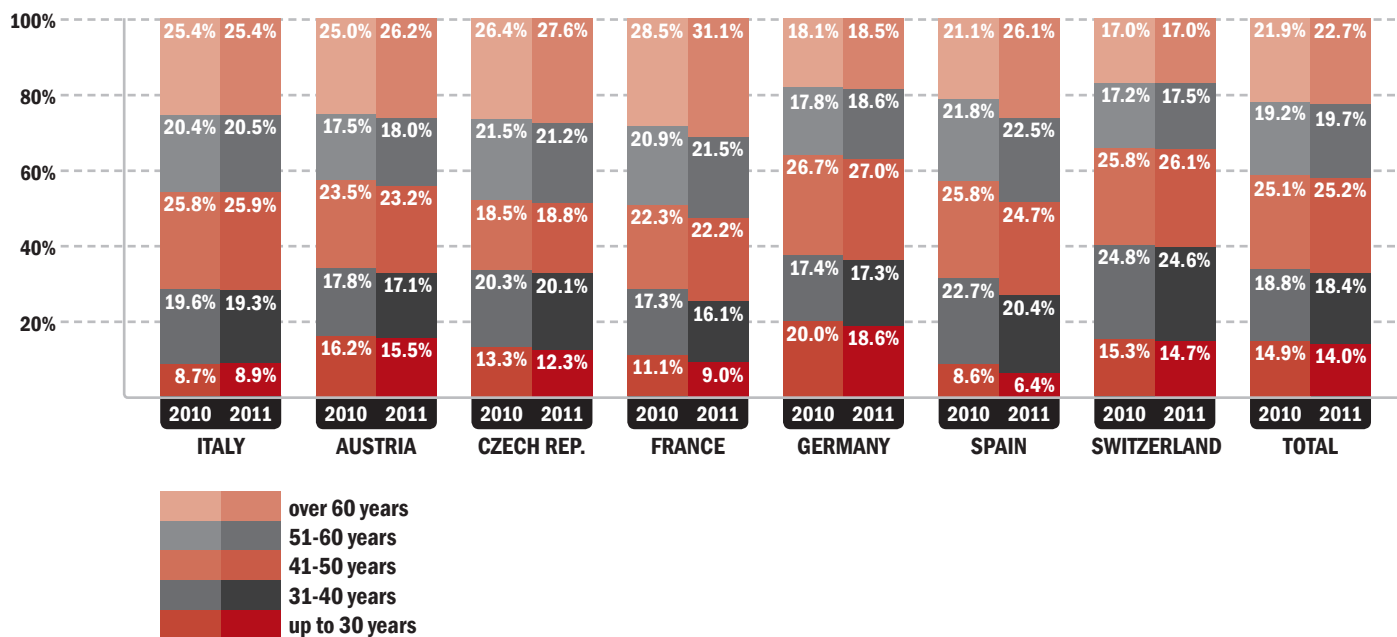
Number of clients by line of business

	LIFE		HEALTH		MOTOR		OTHER NON-LIFE LINES	
	2010	2011	2010	2011	2010	2011	2010	2011
ITALY	3,800,690	3,800,619	256,611	249,904	4,706,932	4,757,939	3,694,940	3,680,841
AUSTRIA	736,841	738,237	410,857	409,399	738,775	722,961	3,002,057	2,974,297
CZECH REPUBLIC	2,014,295	1,908,715	404,071	361,494	1,474,037	1,406,179	2,385,498	2,341,027
FRANCE	1,438,078	1,284,863	551,818	541,054	1,731,046	1,775,083	2,443,118	2,832,930
GERMANY	7,340,023	6,954,994	2,372,090	2,356,582	1,955,947	2,019,335	6,632,814	6,588,036
SPAIN	561,360	344,555	77,326	72,196	767,936	832,347	1,279,102	1,239,768
SWITZERLAND	452,338	462,831	69,286	9,343	309,197	308,823	445,201	447,735
TOTAL	16,343,625	15,494,814	4,142,059	3,999,972	11,683,870	11,822,667	19,882,730	20,104,634
INCIDENCE %	31.4%	30.1%	8.0%	7.8%	22.4%	23.0%	38.2%	39.1%

- The overall number of clients by line of business is greater than the total number of clients, as some clients have taken out multiple policies with Group companies to cover different risks.
- The life business proves to be the segment with the most clients, despite the reduction recorded overall (-5.2%). This decline is widespread, and particularly acute in percentage terms in Spain (-38.6%), while a countertrend was present only in Switzerland (+2.3%). The number of clients in Italy and Austria was stable.

- On the other hand, in 2011 there was an increase in clients in the motor line of business (+1.2%), breaking the trend observed in previous years. The increase is nearly a general one, peaking in Spain (+8.4%), followed by Germany (+3.2%) and France (+2.5%). The Czech Republic and Austria were exceptions, down 4.6% and 2.1%, respectively. Clients also increased in the other non-life lines of business (+1.1%), mostly due to the growth experienced in France (+16%).
- In the health line of business, where the overall level of clients declined 3.4%, this decline was particularly acute in the Czech Republic (-10.5%) and, above all, in Switzerland (-86.5%), where it was mainly attributable to the Eureka project, which changed the classification of many insurance policies that are now included among other non-life policies.

Percentage of clients by age bracket



- There has been no significant change in the distribution of Group clients since 2010, with the majority of policyholders falling under the 41-50 age bracket, which represents around one fourth of all clients.
- The youngest age bracket, consisting of clients under the age of 30, has the lowest number of policyholders; Germany is the exception, with clients spread out uniformly in all age brackets except the central bracket (between 41 and 50 years old) where more than a quarter of the clients is concentrated.
- In France, more than half the clients are over 50, and most of these are over 60.
- On the individual country level, the most significant change in client distribution per age bracket is in Spain, where the portion of over-50s has increased significantly, going from 21.1% to 26.1% at the expense of all others.

Policies by line of business

	LIFE		HEALTH		MOTOR		OTHER NON-LIFE LINES		TOTAL	
	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011
ITALY	5,246,556	5,265,031	281,397	272,858	6,688,248	6,714,899	5,038,277	4,876,266	17,254,478	17,129,054
AUSTRIA	1,107,485	1,086,725	758,117	764,185	2,363,921	2,310,127	4,033,544	4,293,574	8,263,067	8,454,611
CZECH REP.	2,123,310	1,993,056	407,710	364,647	3,062,296	2,966,900	4,176,470	4,103,445	9,769,786	9,428,048
FRANCE	2,106,379	2,139,855	809,942	805,681	2,049,767	2,090,392	2,729,755	2,897,248	7,695,843	7,933,176
GERMANY	12,428,235	12,266,565	1,576,159	1,622,028	4,513,231	4,672,324	12,739,156	12,770,489	31,256,781	31,331,406
SPAIN	614,998	670,757	87,708	81,559	1,094,614	1,184,417	1,753,052	1,849,666	3,550,372	3,786,399
SWITZERLAND	522,273	536,443	71,766	9,413	362,861	363,373	487,606	555,779	1,444,506	1,465,008
TOTAL	24,149,236	23,958,432	3,992,799	3,920,371	20,134,938	20,302,432	30,957,860	31,346,467	79,234,833	79,527,702
INCIDENCE%	30.5%	30.1%	5.0%	4.9%	25.4%	25.5%	39.1%	39.4%	100.0%	100.0%

- The number of policies increased overall by 0.4%, with a significant increase in Spain (+6.6%) and in France (+3.1%), while there was a decline only in the Czech Republic (-3.5%).
- Above all, this growth involved other non-life lines of business (+1.3%), resulting from the strong increase in Switzerland (+14%), where the other non-life lines of business benefited from the mentioned change in classification of policies previously counted within the health line of business. On the other hand, there was an overall decline in health policies (-1.8%), precisely concentrated in Switzerland.
- Comparison of the number of policies against the number of clients shows that, on average, clients hold more than one policy with Group companies. More specifically, each client has an average of 1.5 life policies, 1.6 other non-life policies and 1.7 motor policies.
- The breakdown of the insured portfolio in each country - calculated as the ratio of the number of policies taken out in the individual lines of business of each country to the total number of policies for the country - reveals significant differences. There is a general predominance of non-life contracts (taken as the sum of motor, health and other non-life policies); however, Germany has a significant share of life policies (39.2%).

The concentration of non-life policies is particularly high in Austria and Spain: 87.1% and 82.3%, respectively. The proportion of motor policies is particularly high in Italy and, on the other hand, very low in Germany.

In line with the Group's growth strategy for the Sustainability Report area, which primarily focuses on developing the individual risk segment, group policies represent just 2.2% of the total.

Management of non-life claims

In the non-life insurance segment, the quality of client service is mainly measured at the claim settlement stage. The Group has shared facilities in all countries to optimise claim management procedures and to facilitate the settlement of claims. In Italy, such management is almost entirely entrusted to Generali Business Solutions, with the exception of large claims for elementary and property lines of business and claims involving Genertel clients, which are handled by the company's own claim settlement department. In Germany, AMB Generali Schadenmanagement was established in 2007 to manage and settle claims on behalf of all group companies. Group companies have introduced simplified procedures for the settlement of 'simple' claims, namely those relating to damage to individual items involving small levels of compensation. This was done to improve customer service and, in particular, to reduce the amount of time it takes to settle a claim.

In particular, an agreement between Genertel and Car Clinic, whereby minor claims are managed directly without the intervention of an assessor, has been in effect in Italy since 2010.

Agreements with companies specialising in the repair and replacement of car windows are also widespread, offering high-quality service and handling the practicalities of damage compensation directly with the companies without requiring prepayments from clients.

With regard to the other phases of claim management, most Group companies have developed services for handling client needs.

In particular, clients can **receive information and assistance**:

- at the agency;
- through the call centres, in Italy, Assicurazioni Generali has introduced a 'call-back' system, which allows clients to schedule a return call if the line is busy;
- through the website, with several companies offering an online form for filing claims;
- making enquiries to approved body shops;
- making enquiries to independent brokers, that use IT systems able to provide full automated responses with all useful references (Austria).

The **advice of claim** can be forwarded through:

- the agency;
- call centres, which can provide client support, as is the case in Switzerland and for some companies in Italy, or which can assist the sales network in processing the claims collected by the agency, as is the case in France;
- websites with special online forms;
- smart phone applications in Italy, France and Germany, as described earlier.

Assessor contact details are available:

- from the agency when the advice of claim is made;
- from client call centres or, as in France, from sales network call centres;
- by sms, a system available in Italy only for Genertel clients, and in Spain, Switzerland and Austria, where a remote assessment system is available that reduces both the travel demands on the assessors and inconvenience to the client, as well as benefitting the environment, a service also available in France and Switzerland.

The Italian companies of the Group, in cooperation with the Generali Business Solutions settlements area, have launched a project that will be completed during 2012 involving review of the wording in communications sent to clients following a claim. With the aim of transparency for policyholders, the initiative has the purpose of making all information fully understandable and readily accessible so as to ensure proper and quick handling of the claim process. In all communications, an initial summary has been provided for that gives the main data on the claim and a box outlining the useful addresses and methods for sending out documentation and any eventual supplements required.

Agreements and conventions with healthcare facilities, doctors, roadside-assistance providers, body shops, car hire firms, etc. are in place to facilitate client access to the services provided. In all countries, agreements are in place with mobile body shops specialising in the repair and replacement of damaged windscreens. Group company supplier selection procedures aim to guarantee a high level of client service. Some agreements also envisage cover that does not require advanced payment and/or that fully reimburses losses without application of a deductible.

In Italy, Generali Group provides its clients with innovative services, which include a network of trusted body shops (Carrozzeria SiCura) to simplify claims handling and assistance. This network includes almost 1,500 body shops throughout the country, which undergo regular quality checks by the Centro Studi Auto Riparazioni (auto repairs research centre). This is the only research centre in Italy committed to testing vehicle vulnerability and reparability which, through greater care in the vehicle repair phase, is able to provide clients with excellent levels of service and contain the cost of claims. Information on Carrozzeria SiCura is available from all agencies, the approved body shops and the dedicated website, which contains useful information on road safety and how claims are managed. Moreover, the website allows clients to give their opinions on the service provided by the body repairers that they have used, and body repairers that want to join the approved network can send their applications using a dedicated function. In 2012, the website was further improved to include useful information on the home, health, family and pension lines of business, with a 'green' section dedicated to eco-sustainability topics and with advice on claim forms for motor, home and health claims. The new portal at www.epolizza.it has progressed from the previous website www.carrozzeriasicura.it and, besides allowing identification of agencies and body shops within the territory, it offers new functions for finding clinics and anti-theft device installers approved by Group companies.

In France, a project has been developed for improving client service and increasing the effectiveness of the approved body shop network, leading to a reorganisation of the network in September 2011. Among the advantages for clients there are a remote damages-assessment system, the provision of a courtesy car for as long as it takes to repair the vehicle, a two-year warranty on repairs and price reduction for repairs that are not covered under the insurance policy.

In Germany, in order to ensure clients receive a quick and efficient repair service at reduced costs, an agreement has been signed with insurer HUK Coburg, one of the country's leading operators, allowing Generali clients to use its network of trusted body shops. Moreover in 2011, in cooperation with several body shops, a project was launched to improve claim management processes using electronic document transition to speed up reimbursements and reduce the costs of claims.

In Israel as well, the clients of the Group are provided with a network of approved body shops that can provide service including a courtesy car to replace the damaged one and a two-year guarantee on the repairs made.

Non-life claims

	NUMBER OF CLAIMS REPORTED		NUMBER OF CLAIMS SETTLED		SUMS PAID FOR CLAIMS*	
	2010	2011	2010	2011	2010	2011
ITALY	2,149,730	2,005,908	1,933,814	1,836,643	4,715,975.1	4,426,741.5
AUSTRIA	815,784	812,871	884,210	878,066	942,660.0	881,350.0
CZECH REPUBLIC	580,417	503,073	468,799	445,269	593,954.1	542,439.5
FRANCE	737,905	708,075	727,347	673,529	1,734,306.2	1,654,581.7
GERMANY	3,647,577	3,685,917	3,033,682	3,128,146	2,621,736.0	2,711,633.6
ISRAEL	n.d.	n.d.	52,091	49,578	189,598.3	189,449.0
SPAIN	1,838,980	1,851,621	1,781,933	1,916,533	1,003,364.0	1,025,303.6
SWITZERLAND	236,460	246,279	236,534	245,214	392,418.2	402,000.2
TOTAL	10,006,853	9,813,744	9,118,410	9,172,978	12,194,012.0	11,833,499.1

*VALUES IN THOUSAND EUROS

- In 2011, Group companies received more than 9.8 million advices of claims, a decline of 1.9% from 2010. The number of claims reported declined in all countries except Switzerland (+4.2%), Germany (+1.1%) and Spain, where it remained at the levels of the previous year. The distribution of advices in the various countries displays a concentration in Germany (37.6%) and Italy (20.4%), countries where the greatest number of non-life policies have been signed, and it is also high in Spain (18.9%) where, on the other hand, it reflects a higher loss ratio.
- Last year, the Group paid more than 9.1 million in claims (+0.6% from 2010), for an overall sum in excess of 11.8 billion euros (-3% from 2010). Only some of the settlements were related to claims reported in the year, while the remainder of the claims were reported in previous years.
- 42% of claims were reported via call centres, an increase of 0.5% compared to 2010. This method was particularly popular in Spain, where 98% of claims were reported over the phone.

Speed of settling motor claims

	2010	2011
ITALY	63.9%	63.8%
AUSTRIA	70.6%	70.2%
CZECH REPUBLIC	79.6%	80.9%
FRANCE	60.3%	58.3%
GERMANY	69.5%	69.7%
ISRAEL	59.0%	60.2%
SPAIN	72.5%	71.2%
SWITZERLAND	73.1%	73.3%

- One of the factors of greatest influence on client/injured-party satisfaction at the time of the claim settlement is the time taken to receive compensation. The percentage of claims reported and not cancelled in the year, and which were settled in the same year, is shown in the table. The percentage recorded in the year under review is an indicator of the time taken to handle claims through to settlement with the relative payout to the assured/injured parties.

- The overall speed of settlement remained basically stable, but slowdowns were recorded in France (-2 basis points) and in Spain (-1.3 basis points), while it increased by 1.3 basis points in the Czech Republic and by 1.2 basis points in Israel.
- Accurate assessment of the efficiency of a company's settlement procedures in a given country would require more accurate information, which is currently not available, on the characteristics of insured risks for the various lines of business and the resulting types of loss, which can require fairly lengthy technical assessment timeframes to quantify the damage incurred.

Services for life insurance policyholders

The Group life insurance segment has also reached significant proportions in terms of amounts paid to policyholders (or their beneficiaries) for expiring policy or following a claim (death, permanent disability, etc.).

Claims and expiring life policies

	NUMBER OF CLAIMS		SUMS PAID FOR CLAIMS*		NUMBER OF EXPIRING POLICIES		SUMS PAID FOR EXPIRING POLICIES*	
	2010	2011	2010	2011	2010	2011	2010	2011
ITALY	13,922	15,084	320,144.4	330,626.6	298,804	251,871	5,320,630.4	3,916,169.1
AUSTRIA	5,723	3,068	45,530.0	38,934.0	49,561	49,918	586,367.0	592,561.0
CZECH REPUBLIC	165,002	166,847	68,617.3	72,080.3	139,948	132,060	203,800.9	207,019.9
FRANCE	63,517	70,506	1,524,215.1	1,591,844.7	n.d.	n.d.	617,706.2	631,335.5
GERMANY	78,141	73,976	495,522.0	484,373.1	455,720	504,612	3,826,441.1	4,673,569.1
ISRAEL	70,082	61,885	193,408.7	212,916.5	6,745	8,766	156,535.3	189,455.5
SPAIN	3,979	3,906	96,869.0	106,423.1	39,830	28,073	1,078,558.0	930,411.0
SWITZERLAND	3,480	3,380	64,551.8	67,717.3	6,978	7,087	261,328.3	248,644.0
TOTAL	403,846	398,652	2,808,858.1	2,904,915.6	997,586	982,387	12,051,367.2	11,389,165.1

*VALUES IN THOUSAND EUROS

- Nearly 1.4 million life policies were settled in 2011, a reduction of 1.5% due to a decline both in the number of expiring policies (-1.5%) as well as in the number of claims (-1.3%) compared to the previous year.
- In the life insurance segment, payments to policyholders/beneficiaries totalled nearly 14.3 billion euros (-3.8% compared to 2010); the majority of payments related to matured savings policies, for which a total of nearly 11.4 billion euros was settled (of which 86.4% were lump sums). Payouts for claims relating to death or permanent disability arising from illness totalled more than 2.9 billion euros.

Insurance complaints

Group insurance companies handle claims in full compliance with current regulations in the countries where they operate, and in application of internal procedures.

To promote dialogue, multiple channels have been set up for the forwarding of reports, as indicated in the terms of contract and on the websites. Clients can submit a complaint by letter, fax, telephone or email or by filling out the relevant form in the 'contact us' section of the website of certain companies.

Country	Complaints handling procedure
Italy	Each company has a dedicated organisational unit which handles complaints and monitors complaint processing activities. Each company has a specially designated department that is responsible for managing the complaints register. The head of Internal Audit is responsible for checking the fairness of claims management procedures and presents quarterly reports to Top Management, the Board of Directors and the Supervisory Board. Current legislation requires: adoption of internal complaints rules that govern the entire complaints management process, and sending of a response to the plaintiff within 45 days of receipt of the complaint.
Austria	Complaints are handled at a local level in order to provide the client with a rapid and precise response by resolving the problem directly in the branch. At Generali Versicherung, all reports are centrally monitored by a person employed in the Exklusiv Vertrieb department, and there are similar structures at the other companies which are responsible for providing periodic information to Top Management and for suggesting changes to improve the service.
France	There are five operating units, each with their own area of competence, which gather information, assess complaints and report to a dedicated department, which, among other things, monitors activities on a monthly basis. The ombudsman is also involved in analysing the reports made. The ombudsman is an independent person whom clients may contact if they are dissatisfied with the response they have received to a complaint. Generali France has prepared a complaint-handling policy to coordinate the various activities across all companies and to define commitments, objectives and responsibilities. Guidelines on managing complaints have been drawn up and distributed to all sales network employees.
Germany	Each individual company handles its own complaints through dedicated administrative departments which analyse requests, monitor activities and report regularly to Top Management. As required by current regulations, letters of response to complaints must be signed by a member of the Board of Directors. German companies are part of the Ombudsman Association, an independent institution that clients may contact to settle disputes out of court.
Israel	All complaints are recorded on receipt and are handled by a dedicated department, which works with the various areas and prepares monthly, quarterly and annual reports for Top Management. The complaint-handling structure also includes the ombudsman department, which checks and audits all complaints received by the company from clients and injured parties, suppliers, consumer associations, etc..
Spagna	The Customer Service Department (which includes the ombudsman) is an independent organisational unit that catalogues, analyses and processes complaints.
Switzerland	The Legal and Compliance department is responsible for all complaint-handling activities and prepares an annual report for the Managing Director of the insurance group in Switzerland. It is also involved in analysing problems in order to identify areas for improvement.

Insurance complaints

	RECEIVED		ACCEPTED		ACCEPTED/RECEIVED	
	2010	2011	2010	2011	2010	2011
ITALY	30,804	30,234	11,150	9,711	36.2%	32.1%
AUSTRIA	1,086	1,110	1,008	1,001	92.8%	90.2%
CZECH REPUBLIC	10,199	10,129	5,620	4,810	55.1%	47.5%
FRANCE	3,048	3,226	1,079	1,224	35.4%	37.9%
GERMANY	76,105	101,793	46,056	58,150	60.5%	57.1%
SPAIN	3,182	3,585	289	406	9.1%	11.3%
SWITZERLAND	86	86	28	26	32.6%	30.2%
TOTAL	124,510	150,163	65,230	75,328	52.4%	50.2%

- The data on the Czech Republic do not include information on the company Generali Pojistovna, which is not available.
- In 2011, insurance companies received 20.6% more complaints than in the previous year, numbering 18.9 for every 10,000 policies. The figure falls to 9.5 complaints in every 10,000 policies if only accepted complaints are taken into consideration, i.e. those which have been deemed as justified. It is noted that, although there was a 15.5% increase, accepted complaints accounted for about half of all complaints received.
- There is a strong concentration of accepted complaints: 77.2% were in Germany, which has 18.6 complaints for every 10,000 policies. It is also noted that, in that country, not only complaints, strictly speaking, but also mere reports of dissatisfaction or malfunctions were classified as such.
- In Germany, but also elsewhere, the increase in complaints was therefore not necessarily down to clients being less satisfied, but rather to companies being more willing to listen and sort out the problems and inefficiencies identified by clients. This was the case, for example, in Spain, where in 2011 there was a 12.7% jump in the number of complaints received, but only 406 of the complaints received were accepted.
- In France, the increase in complaints received (+5.8%) is due to the increased number of policies underwritten, to the sending of several erroneous communications in the first half of the year and to the negative performance of the financial markets.
- Compared to the previous year, the number of accepted complaints sharply decreased in the Czech Republic (-14.4%) and in Italy (-12.9%), while it remained basically stable in Austria (-0.7%).

In the majority of cases (93.4%), the complaint is made by the insured party/policyholder, whereas it is made by the injured party/beneficiary in only around 6.6% of all cases.

There is only partial information available on the average number of days it takes to process accepted complaints, but the reduction in the average time taken to process the paperwork shows that there has been an improvement in client service. For the countries where data are provided, the range is from the 3 days required in Austria for handling a complaint to the 27 days required in Italy. Of note is a significant reduction in Spain, where in 2011 a complaint averaged 22 days to process, compared to 39 days in 2010.

Considering the main reasons for complaints, one sees that more than half (56.4%) are lodged against the administrative area, which is the main target of complaints in Germany (70.6%) owing to shortfalls in service, difficulties on the part of the clients in understanding the contractual documentation and processing times believed to be too long, and in Austria (69.4%) owing to delays in sending contracts and dissatisfaction of the clients with the passing on of some collection costs connected with the payment of insurance premiums by payment form. 29.2% of complaints relate to the settlements area, where policyholders' grievances were primarily due to delays in payment of compensation or to the amount of the reimbursed sums being deemed to be insufficient. This area accounts for most of the dissatisfaction among clients in Italy, France, Spain and Switzerland, while in Austria only 1.7% of complaints involve this area. Overall, the underwriting area has been the one involved in the lowest number of complaints (14.4% of the total), and only in France does this category represent more than a third of complaints (35.2%), mainly because of sales not matching the needs stated.

Considering underwritten policies per lines of business, it is important to note that most complaints relate to life policies (44.7%) and are the direct result of the high concentration of complaints in this line in Germany. This is

due to a decision by the Federal Supreme Court in October 2005, which ruled that certain life policy clauses were not transparent and were therefore invalid. The Court ordered the company to replace the clauses with a minimum return calculated according to a formula defined by the Court itself. This decision gave rise to numerous complaints requesting recalculation of the interest applied to life policies underwritten between 1994 and 2001. Last year, the proportion of complaints remained basically stable on health line of business policies (4.3% compared to 4.1% in 2010) and on those in other non-life lines of business (23.5% compared to 23.3% in 2010), while the proportion of complaints on motor insurance policies declined 3.9 basis points (27.5% compared to 31.4% in 2010).

Insurance disputes

As at 31 December 2011 in the countries included in the Sustainability Report area, the Group was involved in 238,926 disputes relating to its insurance business, which remain pending. The number of disputes includes cases in which the Generali Group companies are the defendants (passive disputes) as well as cases where Group companies have initiated proceedings.

Passive insurance disputes

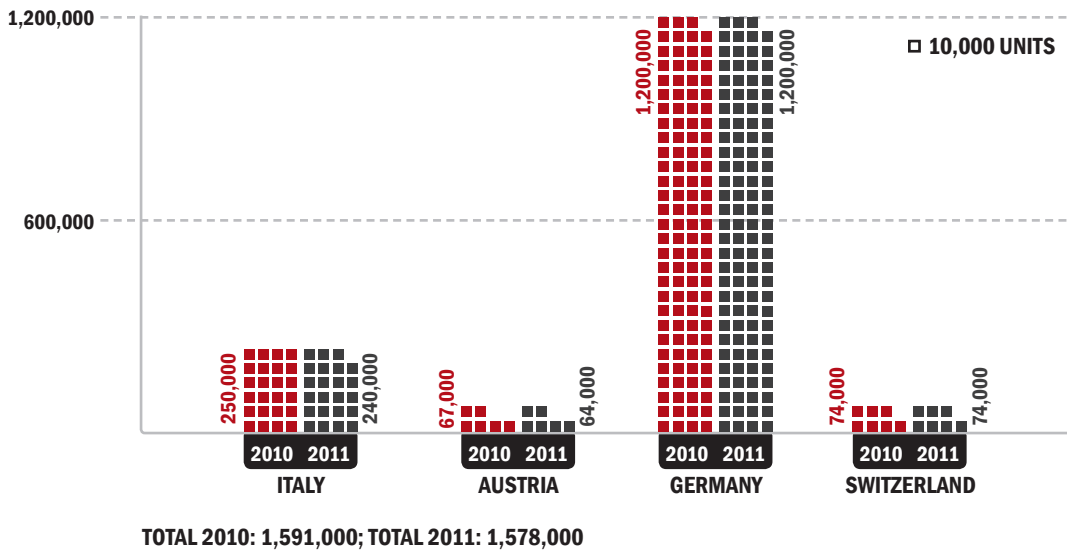
	NUMBER OF DISPUTES		VALUE OF DISPUTES*	
	2010	2011	2010	2011
ITALY	46,602	54,211	2,901,557.8	3,054,642.8
AUSTRIA	2,579	2,944	106,930.0	117,057.0
CZECH REPUBLIC	n.d.	1,838	n.d.	89,199.2
FRANCE	4,024	3,845	239,260.3	254,115.9
GERMANY	13,459	13,870	227,182.6	261,650.6
SPAIN	17,713	18,460	282,752.0	265,687.5
SWITZERLAND	146	153	30,941.2	34,179.1
TOTAL	84,523	95,321	3,788,624.0	4,076,532.1

*VALUES IN THOUSAND EUROS

- The number of pending passive disputes, which totalled 95,321, rose by 12.8%, contributed to mostly by motor cover disputes (64.4% of the total) and, to a lesser extent, general TPL cases (23.1% of the total).
- The biggest rise (16.9%) came in the motor insurance line of business, owing mainly to the increase of 20.6% in the number of disputes in Italy. As noted on several occasions, this situation is primarily attributable to the lack of legal mechanisms for assessing personal injuries, which are generally present in other countries, and to the lengthy timeframes of the Italian justice system. Only in France was there a reduction in disputes on motor coverage, equal to 4.6%.
- As for the value of disputes, recorded herein as the amount requested by the claimants, there was an overall increase of 7.6 % due to the increase in both the motor (+5.2%) and the general TPL lines of business (+8.3%).

Banking business

Bank clients



- The number of bank clients declined slightly (-0.8%) last year. In particular, a decline was noted in Italy (-4%) and in Austria (-4.5%).
- Businesses represent only 0.3% of bank clients, up 2% compared to 2010.

Bank complaints

Group banks are organised differently as far as the complaint-handling process is concerned, due in part to legislation in the various countries. All banks have various methods by which clients may lodge a complaint, such as: letter, fax, telephone, email and a department which is responsible for the handling and analysing of complaints and monitoring activities for the identification of possible improvement measures.

At the **Banca Generali** group, the *Contenzioso e Reclami* (disputes and complaints) unit is responsible for handling complaints relating to both investment services and banking products and services. The unit collects and analyses complaints received and forwards them to the appropriate organisational unit for resolution and it is responsible for managing complaints towards the bank and the companies participated by Banca Generali. Its duties include keeping a complaints register and preparing the relative supervisory authority notifications. Specific controls and a general monthly audit are performed to check the activities and report any anomalies in the various company structures. Since 2009, the Banca Generali group has been registered with the *Conciliatore Bancario Finanziario* - set up by the *Comitato Interministeriale per il Credito e il Risparmio* (CICR) - which is an alternative judge to which clients may turn free of charge, with the exception of a contribution towards procedural expenses.

In Austria, **Generali Bank** records complaints in a special register and, if a direct solution to a complaint cannot be found, the complaint is forwarded to *Ombudsstelle*, a specific unit in direct contact with the Board of Directors and managers of internal departments with a view to ensuring continual improvement in internal processes and client service. Complaint-management activities are monitored quarterly, and the results are included in the annual report. All telephone conversations with clients are recorded for security purposes.

In Germany, **Deutsche Bausparkasse Badenia** has set up a special complaints-handling unit which is part of the Internal Audit department. It follows all stages of the complaint-handling process through to compensation and carries out daily checks on the status of pending claims, working together with department heads. The unit also prepares a quarterly report for Top Management. Complaints addressed to the bank and received by the Ombudsman, part of the *Verband der privaten Bausparkassen* structure, are resolved within the bank by the unit that manages complaints in cooperation with the legal department.

In Switzerland, **BSI** has conferred the task of receiving and assessing complaints to the Regulatory Affairs unit, part of the Global Compliance Department. That unit combines, coordinates and monitors the different stages of collaboration with other units (Legal, Private Banking, Risk Management and Accounting) and prepares a quarterly report for Top Management, a summary of which is included in the Risk Report for the Board of Directors. Based on the type of complaint, the response is handled by the Regulatory Affairs unit or the Legal unit. In a move to improve products and client service, the Compliance unit participates in the BSI Quality Committee, to bring to the attention of the participants the issues requiring more complex resolution which, in order to be resolved, require contributions from various departments.

The time needed to process complaints varies a lot, depending on the situation: it can be from one day and a half required at Generali Bank to almost 37 days required at Banca Generali. The data for BSI, on the other hand, are not available

Bank complaints

	RECEIVED		ACCEPTED		ACCEPTED/RECEIVED	
	2010	2011	2010	2011	2010	2011
ITALY	448	347	115	41	25.7%	11.8%
AUSTRIA	133	142	51	42	38.3%	29.6%
GERMANY	8,812	9,134	2,504	2,416	28.4%	26.5%
SWITZERLAND	82	75	19	40	23.2%	53.3%
TOTAL	9,475	9,698	2,689	2,539	28.4%	26.2%

- In 2011, the number of bank complaints received increased by 2.4% compared to the previous year, while the number of accepted complaints declined by 5.6%. An important role in this significant decline was played by the number of complaints received (-22.5%) and by the number of complaints accepted (-64.3%) registered at Banca Generali.
- Only 26.2% of complaints received were justified. 95.2% of these related to Germany, where there was, however, a 3.5% reduction in the number of complaints accepted.
- The major reasons cited in the complaints are: errors, or presumed operating errors, committed by the bank in applying rates or delays in the execution of orders received; products failing to match client expectations or needs; lack of or incomplete information in the after-sales service; dissatisfaction with investment performance; lack of assistance provided at the branch, by telephone or by email, and fee expenses considered to be too high.

Bank disputes

As at 31 December 2011, Group banks in the countries of the area under consideration were involved in 492 disputes still pending at various jurisdictional levels. As already noted with regard to the insurance business, this number includes both passive and active disputes.

Passive bank disputes

	NUMBER OF DISPUTES		VALUE OF DISPUTES*	
	2010	2011	2010	2011
ITALY	20	17	2,667.0	2,517.7
AUSTRIA	0	0	0.0	0.0
GERMANY	422	312	68,951.0	31,342.1
SWITZERLAND	28	29	n.d.	n.d.
TOTAL	470	358	71,618.0	33,859.8

*VALUES IN THOUSAND EUROS

- Due to confidentiality, BSI bank dispute values are not available.
- There were 358 cases brought against Group banks, a fall of 23.8% in 2011. Of particular note, their total value, considered to be the same as the amounts claimed by the counterparty, fell by 52.7%.

- A decline in passive disputes continued in Germany in 2011 as well. Not only did their number go down (-26.1%), but also the value of the disputes (-54.5%). The majority of cases brought against the German bank relate to claims for losses from investors who hold the bank responsible for the negative performance of certain property investments in the early 1990s on account of not having adequately assessed the risks.
- The main sources of dispute relate to allegations of inefficiently managed banking products, presumed irregularities in investment services and operations performed by the bank and market losses that plaintiffs attribute to the banks.

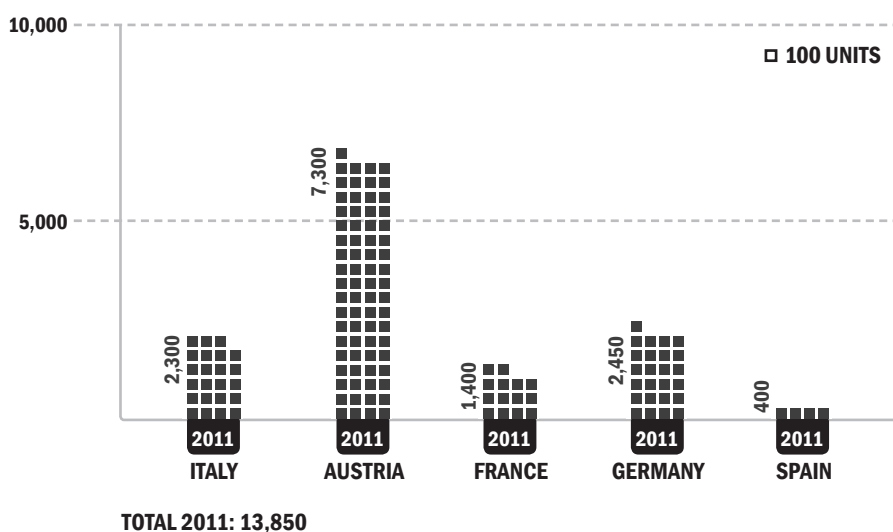
Real estate business

The Generali Group considers the real estate sector to be among its core businesses and in 1992 it launched a significant organisational and corporate restructuring process that, through various phases, led to the birth of Generali Immobiliare in 2008. This company, conferred the task of coordinating the real estate strategies of the Group, is to become part of Generali Real Estate as of 1 July 2012, which will concentrate the real estate business of Generali at an international level.

The business model adopted is divided into two areas: asset management business, focused on making use of and rotating assets, and real estate services, which are dedicated to managing real estate and are oriented toward always providing the greatest client care. The services provided mainly involve: tax and administrative management, technical documentation management (zoning and recording), sales and marketing, management of technical operations (building and facilities) for ordinary maintenance work (both scheduled and on-demand) and extraordinary maintenance work, significant conservation/improvement work on individual buildings or complexes and real estate development transactions.

Data are not available pertaining to real estate companies in Israel and in the Czech Republic.

Real estate clients



- In total, there are 13,850 clients in the real estate sector, more than one half concentrated in Austria (52.7%).
- Businesses represent 14.7% of clients. The real estate business is focused on that segment in Italy, above all, where 61.4% of clients are businesses.

Real estate disputes

Passive real estate disputes

	NUMBER OF DISPUTES		VALUE OF DISPUTES*	
	2010	2011	2010	2011
ITALY	16	19	80.0	130.0
AUSTRIA	19	13	152.0	104.0
FRANCE	89	83	11,650.0	6,100.0
GERMANY	2	2	3,671.0	4,165.0
SPAIN	21	24	121.0	153.5
TOTAL	147	141	15,674.0	10,652.5

***VALUES IN THOUSAND EUROS**

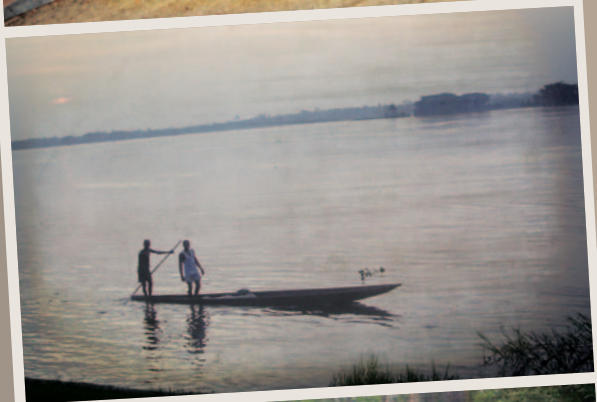
- In 2011, Group companies were involved in passive and active real estate disputes amounting to a total of nearly 28.6 million euros, down by 13% from the previous year.
- The number of pending passive disputes, at 141, was slightly down from 2010, while the reduction in the respective values of disputes was significant (-32%). This situation is mainly due to the significant decline in the values of disputes in France (-47.6%).

AFRICA

*DREAM - Drug Resource Enhancement against AIDS
and malnutrition, Comunità di Sant'Egidio.
Global AIDS treatment project.*



HEALTH



CONTRACTUAL PARTNERS

Contractual partners policies

The Generali Group believes that, in an increasingly globalised and integrated economy, the establishment of a network based on long-lasting and mutually satisfactory relations with contractual partner - that ensure high quality products and services for the Group - is a strategic objective and builds competitive success.

In the Ethical Code it therefore outlines its commitment in relations with contractual partners to uphold the principles of correctness, impartiality and transparency and, when choosing suppliers, to use only criteria relating to the competitiveness and quality of the services and products on offer.

Some countries (Italy, Austria, France and Germany) have developed and published special codes or documents providing more detailed rules on relations with suppliers, whereas others have formalized purchasing procedures and practices in internal regulations and circulars.

In December 2011, the Parent Company Board of Directors approved the **Ethical Code for suppliers of the Generali Group**, which was then distributed to all companies, and is available at the website www.generali.com.

The Code was drafted by a working group composed of Corporate Centre experts who, in the process of conceiving the document, checked its compatibility with whatever may be provided for by the local regulations and voluntary codes, and relative practices. This team is currently preparing several operational guidelines to be used throughout the Group for implementing the content of the Code to achieve a common approach to the various significant aspects. This includes, in particular, the introduction of satisfactory procedures for monitoring suppliers to check on compliance with the requirements demanded, which also are to take into account the risk profiles of the various categories, and the preparedness to take corrective actions and to apply sanctions in instance of non-compliance. In this regard, it is noted that the Generali Group proceeds to ask contractual partners that do not respect general standards to justify their conduct. Through dialogue, it then encourages ethical conduct and, only in cases where there is no reform and the unacceptable behaviour continues, it applies sanctions, which can even result in contract cancellation.

The Ethical Code for suppliers outlines the general principles that have to underpin fruitful relations with contractual partners, i.e. correctness and honesty, transparency and impartiality, avoiding conflict of interests, fair competition, and confidentiality.

The Generali Group works in compliance with the current legislation, professional ethics and internal rules. It does not accept any form of corruption, extortion or misappropriation and avoids any conflict of interests, providing that no employee can directly or indirectly draw any personal benefit from the award of a procurement contract. The Group therefore rejects any form of benefit or gift received or offered that may be intended as a tool influencing the independent judgment or conduct of the parties involved. Codes and internal regulations developed by some countries already contain measures aimed at avoiding conflict of interests - e.g. in Italy, Israel and Spain one person requests the order and another chooses the supplier and stipulates the contract - and rules on gifts.

The Group shall keep suppliers' information confidential and shall refrain from looking for confidential data, unless it is explicitly authorized to do so in compliance with the regulations in force. The Group employees are forbidden to use confidential information provided by suppliers for any purpose which is not related to the performance of their duties.

The Group is committed to promptly giving all the suppliers and potential suppliers access to the information needed to identify the goods and services to be provided, and to any changes or additions to specifications of the supply.

Overall, behaviour inspired by correctness, transparency and confidentiality is ensured to all contractual partners having relations with the Generali Group. In line with the sustainability principle, behaviour avoiding the abuse of dominant positions or the promotion of their creation is also ensured. Against this, the Group requires contractual partners to align with its policies while performing business and to ensure compliance also with all the levels of the relevant supply chain. Specifically, suppliers are required to comply with all national and international applicable rules and regulations, including the International Labour Organization's Declaration and the UN Universal Declaration of Human Rights.

Suppliers shall acknowledge the rights of their employees and treat them with dignity and respect. They shall be committed to:

- not using nor tolerating the use of child, forced, obliged or undeclared labour;
- not implementing nor tolerating any form of discrimination based on nationality, gender, racial and ethnical origins, religious beliefs, political opinions, age, sexuality, disability or health in recruitment and remuneration policies, access to training, career development, dismissal or staff retirement;
- granting the staff the right to set up and join trade union organisations of their own choice and to hold collective negotiations with the company in line with the rules, practices and cultures of the various countries;
- ensuring a safe and healthy working environment and adopting suitable measures to prevent any accident or damage to workers' health;
- complying with the laws and standards applicable in the relevant business sector on working hours and public holidays;
- respecting the staff's right to decent remuneration;
- providing suitable staff training.

When selecting and choosing contractual partners, there are clear, firm and non-discriminatory procedures and objective, verifiable and transparent criteria are used. The Group applies not only economic criteria but also preferential ones for the selection of its suppliers so as to encourage the adoption of responsible behaviour in the social field, in particular as regards respect for **human** and labour **rights**, and environmental area.

In the countries in the Sustainability Report scope and in other European countries, clauses in supply contracts oblige to comply with laws on employment, health and safety in the workplace and human rights, and with the Ethical Code of the Generali Group and the provisions of specific internal documents governing relations with suppliers, where established. Some companies, in particular those of the Europ Assistance operating in Germany and Austrian companies of the Generali Group, the latter only for purchases of textiles and advertising materials, prefer suppliers with SA 8000 international certification. In Belarus, Bulgaria, Croatia, Montenegro, Romania and Serbia preference is given to suppliers who show they are able to respect human rights. In Hungary, supply contracts contain specific clauses on respecting the principles of fair trade and social responsibility.

Compliance with laws on employment, health and safety, respect for human rights and good behaviour are important aspects when choosing and selecting suppliers also in South America, especially in Argentina, Guatemala, Mexico and Brazil. In the latter country, 6% of service contracts of Generali Brazil Seguros are monitored as for the abovementioned topics.

Group companies operating in Asia require their suppliers to behave in compliance with the law and to be respectful of human rights, mainly of the prohibition of child labour, forced or compulsory labour, otherwise the contract is terminated.

In selecting suppliers, some companies give preference to social cooperatives or companies with a social purpose as to support their activities in favour of disadvantaged people. For example, Europ Assistance in Italy uses cooperatives for cultural mediation, disposal of special waste and purchases of gadgets and stationery. In Austria, companies buy PC cleaning sets from the association for the blind and printing products from companies that employ former prisoners. Social cooperatives that integrate disadvantaged people, especially disabled one, into labour market provide goods and services to Group companies in France, Israel, Spain and the Czech Republic. In the latter country, Europ Assistance is supplied for office equipment by companies that have employees with disabilities for more than half.

As stated in the Ethical Code for suppliers, the Generali Group also requires its contractual partners to promote **environmental safeguard** by minimising the impact of their business through an efficient use of natural resources, preference to renewable energy, correct waste disposal and greenhouse gases reduction.

Most of the Group companies give therefore preference to suppliers with environmental policies and/or environmental certificates such as ISO 14001, EMAS and other (Italy, France and Hungary), and/or with a focus on the environment, i.e. suppliers using ecological products (France) or recycled ones (Israel) in their activities, providing services using vehicles with reduced or limited CO₂ emissions, like electric vehicles, in Europ Assistance in France and the Czech Republic, respectively.

In Indonesia and the Netherlands, the behaviour of suppliers must meet certain minimum requirements regarding environmental protection, otherwise the contract is terminated.

The Group gives preference to green procurement for purchases of office equipment, especially of paper, toner and stationery.

As for accreditation procedures, in Italy a specific portal is active, where suppliers enter their corporate information, view documents of the Generali Group (the Ethical Code, the Environmental Policy, etc.) and fill in a questionnaire that includes, among others, an indication of certificates. Suppliers are accredited on IT platforms also in Austria, where an e-tool is provided for the management of supplies and certificates. In France, suppliers fill in an assessment form on which they enter their corporate information and answer questions on issues such as solvency, quality, social and environmental certificates and adhesion to social initiatives.

In Israel, an internet platform is used to exchange information between the company and supplier on goods and services, costs and supply methods.

In consideration of the specific nature of the business, which envisages the direct involvement of suppliers in the service provided to the client, previous contacts with suppliers and management of supplier relations are particularly important to Europ Assistance group companies. A database is made accessible to all companies so that supplier information is available on a national level.

In almost all countries in the Sustainability Report scope, purchasing management is centralised either in a common services company (Italy, Austria, Germany and Spain) or in a central purchasing unit at the holding company (Italy for the Banca Generali group and Generali Real Estate, the Czech Republic, France and Switzerland for BSI). Other frameworks are adopted in:

- Israel, where purchasing management of insurance company is only partly centralised. It is in fact dealt with by the purchasing managers of the relative departments - IT, operations, property management, support systems (communication, archives, etc.), agent training and events, marketing and advertising, human resources and employee training, and professional services - who report to a group purchasing manager;
- in Switzerland, where all purchases are made by the individual insurance companies.

Size and characteristics of the suppliers

Number of suppliers

	NUMBER		OF WHICH EUROP ASSISTANCE	
	2010	2011	2010	2011
	ITALY	20,257	21,930	6,618
AUSTRIA	3,840	3,823	2,879	2,884
CZECH REPUBLIC	5,111	4,701	178	191
FRANCE	7,666	7,896	5,000	5,000
GERMANY	110,199	121,815	94,002	106,111
ISRAEL	3,757	3,806	0	0
SPAIN	16,266	20,002	15,944	19,603
SWITZERLAND	4,241	4,396	1,470	1,464
TOTAL	171,337	188,369	126,091	142,959

- In the countries within the Sustainability Report area, the Generali Group had relations with 188,369 suppliers, showing an increase of 9.9% on the previous year.
- The presence of certain Europ Assistance group companies in the scope, whose suppliers accounted for 75.9% of the total, is at the root of the high number of suppliers. This depends on the specific activity undertaken, which envisages the provision of various types of service and the consequent availability of suppliers (car hire companies, roadside assistance providers, plumbers, smiths, electricians, carpenters, clinics, hospitals, diagnostic centres, analysis laboratories, ambulances, doctors, nurses, physiotherapists, etc.) throughout the country.
- It is partly for this reason that most Group suppliers offer services connected with Group business, while a much smaller number of suppliers provide various services in support of company businesses (cleaning, maintenance, transport, etc.) and the supply of goods.

Supplies expenses

	TOTAL EXPENSES*		OF WHICH WITH LOCATION OF OPERATION IN THE COUNTRY
	2011	2011	
	ITALY	912,770.4	80.3%
AUSTRIA	74,521.0	98.0%	
CZECH REPUBLIC	121,965.0	90.8%	
FRANCE	434,080.0	97.5%	
GERMANY	361,018.7	97.2%	
ISRAEL	233,958.2	98.2%	
SPAIN	97,430.4	89.8%	
SWITZERLAND	67,900.2	83.3%	
TOTAL	2,303,644.0	89.6%	

*VALUES IN THOUSAND EUROS

- The companies in the countries within the Sustainability Report area bore supplies expenses for 2.3 billion euros.
- On average, 89.6% of supplies expenses were on locally-based suppliers, who are those based in the same city or country of the company, i.e. no transnational payments to them are made. In some countries local produce is also used: for example, company canteens are so supplied in Austria and in few sites in Italy. This policy is also good for the social and economic fabric of the communities where Group companies operate, because it creates jobs and stimulates economic growth, as well as it reduces the impact on the environment.



HEALTH

AFRICA

Malaria Day
AMREF Flying Doctors.
Prevention and medical treatment projects.

ISSUING COMPANIES

Investment policy

As stated in the Ethical Code, when pursuing its growth objectives the Generali Group remains faithful to the fundamental principles that have always been its trademark and that characterise its ethics: transparency, correctness and impartiality. The Group also believes that social interaction and environmental protection go hand in hand with good ethics.

Considering that investment is part of the core business and, therefore, it is important that the Group's commitment to ethics be expressed as a priority in this context, for several years now Generali has decided to adopt investment policies capable of influencing the behaviour of the issuers in which it invests. In other words, the Group knows that, as an institutional investor, it can play an active role in protecting the environment, respecting human rights and improving society as a whole, and it intends to do so by applying criteria that also take account of these aspects in its investment decision-making.

First of all, Group investment policy is dictated by the **safety** and **reliability** of the issuer: speculative investments are refused and great care is taken to avoid investments with a high risk of any type, including environmental and social risk. In the management of own investments it adopts prudent criteria and seeks the right balance between risk and medium-to long term profitability, which are the foundations of the capital and financial solidity that has always been a feature of the Group.

Furthermore, the Group bases its own investment choices on a consideration of environmental, social and corporate governance aspects that are combined with the usual economic and financial assessments. In this way, it has been possible to enhance investment safety and protect against the harmful effects - on its reputation and on the relationship of trust that has been built over the years with its stakeholders - that could arise from involvement, through investment, in activities contrary to the principles of the Group. By doing so, Generali ethically follows the investment policies that it has adopted, without sacrificing profitability, joining the ranks of investors that have adopted responsible conduct on the financial markets.

In order to strengthen and publicise its commitment to ethical investments, in 2011 the Group has also signed on to the **Principles for Responsible Investment (PRI)**, an initiative launched and backed by the UN that has the specific aim of spreading and integrating environmental, social and governance (ESG) issues in the assessment of investments by implementing six principles.

Ethical Guidelines and scope of application

In choosing investments, the Group considers the compliance of companies with its own Ethical Guidelines, which Generali decided to define in 2010 in order to fully express its own point of view on the fundamental prerequisites that should characterise investments, previously borrowed from the Norwegian Government Pension Fund. In particular, the Group has confirmed its intent to base its own choices on the conduct of individual enterprises in view of environmental, social and governance benchmarks, regardless of the industry involved, and thus not to adopt, as general criteria for exclusion, certain controversial moral issues likely to change over time (e.g. the use of nuclear energy or genetic engineering techniques, the production of alcohol or tobacco, etc.).

When assessing issuing companies according to its Ethical Guidelines, Generali aims to eliminate support, by investment, for companies that do not respect the principles set forth in the Ethical Code of the Group, which it is required to observe and promote by participating in the Global Compact.

In particular, the Group's **Ethical Guidelines** forbid investment in financial instruments issued by companies that, directly or through subsidiaries:

- produce weapons that, when used normally, may violate fundamental humanitarian principles (cluster bombs, anti-personnel mines, nuclear weapons, etc.);
- sell military equipment or weapons to countries on the United Nations arms embargo list published by the Stockholm International Peace Research Institute (SIPRI);

- are involved in:
 - serious or systematic violations of human rights, such as killings, torture, deprivation of freedom, forced labour and child labour;
 - severe environmental damage;
 - serious corruption;
 - other particularly serious violations of fundamental ethical norms.

The Ethical Guidelines are applied to all investments, with the exception of third-party assets; this means that not only investments using the Company's capital must meet the Group's ethical criteria but also investments made to cover technical reserves put aside to meet contractual commitments made with policyholders.

No unethical investments existed in the portfolio as of the end of 2011.

In defining its own investment ethics criteria, the Group takes advantage of know-how and skills acquired in the trade and through participation in numerous initiatives and networks aimed at establishing guidelines and promoting the adoption of best practices.

In particular, the Group participates in the **French Forum for Sustainable Finance (FIR)**, the **European Forum for Sustainable Finance (EUROSIF)** and the **Forum per la Finanza Sostenibile (FFS)** (Forum for Sustainable Finance), working groups that gather the most important European players in socially responsible investments. Among them, within the FIR the Group coordinates a sub-working group that concentrates on analysing environmental risk, committed to meeting and holding discussions with sixty French firms.

There is also Generali's participation in the **CRO Forum Sustainability Working Group**, created within the framework of the forum that gathers risk management experts from the major European insurance entities with the purpose of creating awareness, sharing know-how and developing best practices on the challenges of sustainability. During 2011, this working group drafted a document, finalised in early 2012, on the possible measures that an insurance company can adopt, both as an insurer as well as an investor, to handle the legal issues involving anti-personnel mines and cluster bombs, and to manage the related reputation risks.

Management system and operational approach

The Group aims to bring about change by asking companies that do not meet the aforementioned ethical criteria to justify their objectionable conduct. Dialogue therefore encourages companies to act responsibly in the interests of the environment, their employees, the community and other stakeholders. Companies are excluded from the Group's investment universe only if they fail to respond positively and they repeat the conduct detected.

In order to ensure impartiality during assessment and exclusion procedures, the Group set up the **Council on Ethics for Investments**, a consultative body comprising Group heads of the departments most involved in investments (Strategic Asset Allocation, Risk Management & ALM and Corporate Social Responsibility at the Corporate Centre, and General Investments) and two external academics.

The Council is charged with reviewing cases of companies whose conduct does not meet the minimum requirements defined in the Guidelines, assessing any eventual justifications given by the companies and, where such justifications are non-existent or unsatisfactory, drawing up reasoned proposals to exclude companies that violate the Group's ethics criteria. The proposals are sent to the General Manager of the Corporate Centre and CFO, whose task is to decide on exclusion.

If the reasons for exclusion no longer apply, the Council on Ethics for Investments may suggest the readmission of companies to the Group's investment universe.

The system provides for constant monitoring of investments, including checks designed to prevent the acquisition of securities issued by excluded companies. A half-yearly report is also sent to the Corporate Centre's Group Risk Management department.

As mentioned, an ethics filter is applied to all companies in the investment universe, resulting in the exclusion of those not meeting the Ethical Guidelines described above. As of today, by means of an analysis based on environmental, social and governance parameters, **some thirty companies** have been identified as not satisfying the minimum requirements established and their exclusion will be discussed with the Council on Ethics and brought to the attention of the General Manager and CFO for decision.

For the assessment of issuing companies, since 2010 the Group has had a team of five analysts specialised in Socially Responsible Investments (SRI) analysis and research, supported by a scientific committee.

This analysis involves identifying a list of companies susceptible to exclusion, continuously updated by means of a constant monitoring of information published by governments, international organisations, and NGO sources. The conduct of enterprises included on the list is assessed by using various sources of information, such as annual financial statements, social responsibility (or sustainability) reports, if any, websites and one-to-one interviews. If necessary, the analyst supplements his study with confidential documents provided by the companies under assessment.

Lastly, the ethics filter is applied, comprised of 34 ESG criteria that are reviewed and updated annually, attributing the company a point score for each aspect under consideration and thus making it possible to compare the companies with each other within the respective industries.

The interviews conducted with businesses always contain descriptions of the analysis method and results obtained, thus ensuring complete transparency and initiating dialogue with the companies so as to determine areas for improvement and enhance their awareness of the risks.

The analysis method used for negative screening of issuing companies derives from the approach developed in recent years for selecting socially responsible investments. This 'positive' approach has led to the creation of an internal database, called S.A.R.A. (Sustainability Analysis of Responsible Asset), thanks to which the Group is able to select the best in class businesses in terms of corporate social responsibility and sustainable development policies. This represents an important platform for the traceability of ESG ratings, which are focused on non-financial quantitative indicators, and also offers the ability to compare the performance of a business over time and in relation to other companies in the same industry. Ultimately, S.A.R.A. can be an effective alarm system that indicates, in real time, detection of conduct in violation of Group ethics criteria.

Besides identification of the aforementioned 34 criteria, ESG analysis for selecting investments also involves the mapping of non-financial risks that could have an impact on the company share price (e.g. reputation risk and harm to the brand image, class actions, legislative pressure, competitive advantage, intangible capital and the carbon footprint) and the way they are handled by company policies. The point scores given for each subject are then compared with

the SRI benchmark universe, comprised of more than 200 businesses, to arrive at a final selection of those of highest merit, and compatible with the meeting of criteria of a financial nature.

Socially responsible investments

In this past period, the method described above has enabled a further development of the offering of socially responsible investment products, which has been part of the Group investment strategy for several years now. In fact, in 2008 the Group created a fund under Luxembourg law, Generali Investments Sicav Future, which has become Generali Investments SICAV SARA SRI. The Generali offering of SRI investments currently includes several funds besides the Luxembourg SICAV, totalling **6.3 billion euros**, which are managed by Group companies in France, Italy, Austria and Switzerland.

The Group has also created the savings product AIR (Agir pour l'Investissement Responsable), developed in cooperation with Generali Patrimoine based on a selection of six long-term topical funds selected as a result of a rigorous, transparent assessment process that has also considered non-financial risks.

Believing that there has to be consistency between investment policy and voting policy, Generali Investments has integrated ESG criteria into its own **voting policy**. The company is promoting the presentation of proposals in its Shareholders' Meeting on the dissemination of best practices in governance, professional ethics, social cohesion and environmental protection and is committed to expressing itself, case by case, on proposals of a social, environmental and governance character that are presented by shareholders. The purpose is to establish a real dialogue on environmental, social and governance aspects with company directors and managers and to encourage the consideration of such topics in the performance of their activities.

Investments in renewable energy

Within the framework of socially responsible investments and consistent with the commitments made to safeguard the environment, the Generali Group is supporting, with private equity initiatives, several companies operating in the renewable energy sector.

As at 31 December 2011, the Group, through Generali Real Estate, is directly committed to two initiatives for the production of energy from renewable sources in Italy with an overall investment estimated at 40 million euros and a total installed capacity of about 28 MW to be reached within the next three years, 49% of which solar energy, 24% wind energy and 27% biomass.

SOCIAL- ENVIRONMENTAL STAKEHOLDERS

FOREWORD

CHAPTER 1

CHAPTER 2

CHAPTER 3

CHAPTER 4



WORK



EDUCATION



HEALTH



ENVIRONMENT



COMMUNITY

Community policies

Forging relations with local communities has always been a priority for Group companies, which have capitalised on local talent to develop their business in new areas. As a rule, the Group employs local staff members at both acquired and newly created companies, with the result that Generali's global expansion and consolidation have always been a source of growth for the local economy in the regions where it operates. In the countries where it now has a strong presence, the Generali Group is a key point of reference for cultural, environmental, sporting and volunteering associations which are supported through allocation of funds or other forms.

The Group also works actively with governmental institutions, both national and local, in the execution of individual projects. Initiatives directed toward schools are usually organised in cooperation with education authorities, while the companies of the Group work alongside the Ministry of the Interior and the national and local police on road safety campaigns.

In emergencies, including catastrophes such as floods and earthquakes, the Group is also active in the communities where it operates, both in first aid and participating in rebuilding, especially involving social infrastructures such as schools, hospitals and nursing homes. The purpose of this type of work is to provide the community a public service or materials for public use, without commercial incentive.

Guidelines for community initiatives

The Group has identified four **key areas** on which to focus its activities, that are described below.

Social area - initiatives aimed at improving all aspects of society, with a particular focus on those aimed at:

- providing **assistance** (covering primary needs, health and medical services, basic education, etc.) to those in difficulty (people suffering from poverty or illness, orphans, disaster- or war-stricken communities, etc.);
- **integrating** the disadvantaged into society and employment through rescue work and education;
- **raising awareness** among the community with regard to road safety, health and volunteer work;
- **supporting** mainly medical, scientific and economic research and educational training on topics related to the Group's activities.

Cultural area - initiatives aimed at enhancing and preserving the artistic, historical and cultural heritage of the areas in which Generali operates and helping citizens to benefit from it.

Environmental area - initiatives aimed at protecting the environment and raising awareness about issues such as climate change, energy saving, separate waste collection and pollution.

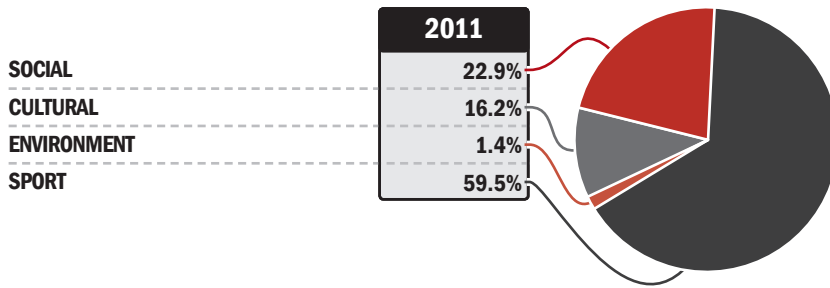
Sports area - sports-related initiatives for young people, amateurs and professionals alike.

More specifically, the Group gives priority to initiatives involving children and young people, who represent the future of society. The Group's unfailing attention to the changes taking place in society has also resulted in an increase in the number of projects involving senior citizens.

In addition to the Group's priority areas, the criteria used to choose which initiatives to support also take into account the social value of each proposed initiative and the reliability of its promoters. Checks are made at a later date to ensure that the funds actually arrive at the designated destination and long-term sponsorship may be available for those who demonstrate good use of the financial resources received. This is particularly important when the investment concerns long-term activities or targets that cannot be achieved within the space of a single year.

The Group favours initiatives that maximise the resources allocated so as to provide concrete and direct benefits for the communities in question.

Allocation to the community by area



- The largest part of the funds is allocated to sport, and in particular to a number of commercial events, that often attract considerable media attention.
- Social initiatives account for 22.9%, including a number of charitable projects that generally involve lower levels of unit expenditure.
- A large number of activities are also carried out via foundations present in Italy, Austria, the Czech Republic, Hungary and Mexico.

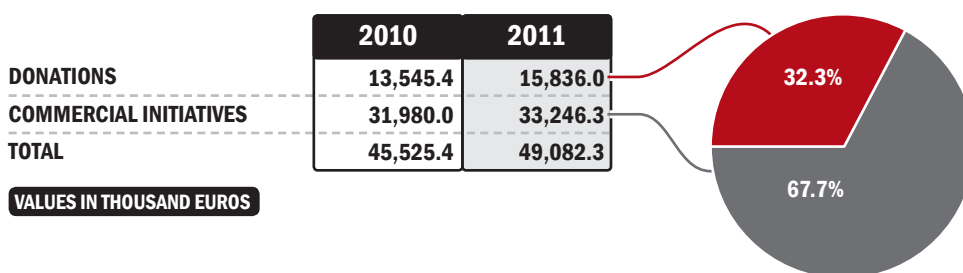
Based on their type, which may be either philanthropic or predominantly commercial, community-oriented initiatives implemented within the areas identified by the Group may be divided into two categories:

- **donations**, consisting of the allocation of funds or resources in kind to support a wide range of good causes in response to the needs and requests of volunteering organisations or local institutions;
- **commercial initiatives**, consisting of sponsorship of cultural, artistic, sporting, etc. activities directly aimed at promoting the brand or a particular company product or improving its image.

By their very nature, commercial initiatives are developed over time according to business requirements and may therefore present irregular patterns, peaking, for example, when important cultural or sporting events take place in countries where the Group is present (World championships, Olympic Games, etc.), and providing an opportunity for the Group to increase its brand familiarity. These initiatives form a fundamental part of the Group's communication policy thanks to their ability to combine commercial and social goals and offer the community the opportunity to enjoy high-quality cultural and sporting events.

The Group's policy of engagement in the community therefore relates exclusively to donations, which accounted for 32.3% of total funds allocated to community-oriented initiatives in 2011. They increased compared to 2010 (29.8%).

Allocation to the community by type

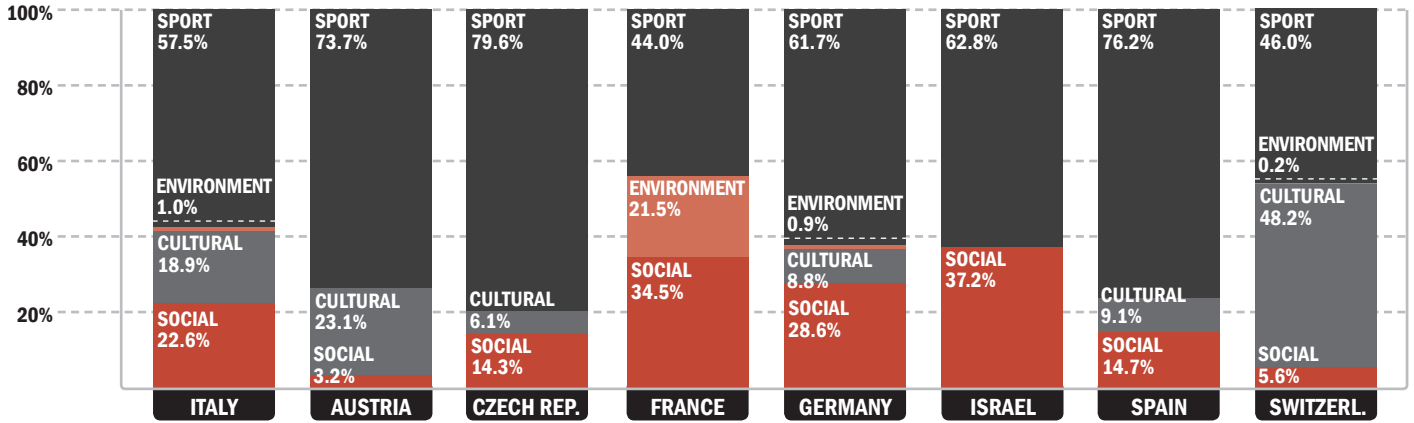


- In an ongoing difficult macroeconomic and financial climate, the Group's total funds allocated to the community increased by 7.8% compared to 2010.
- Both components showed an increase. Specifically, donations grew by 16.9% and commercial initiatives by 4%. The largest increase in donations reflects the Group's attention to the needy, that is higher in period of crisis like the actual one.
- Donations represented 1.8% of consolidated result of the period after taxes.

Keeping the criteria above-described in mind, each Group company decides autonomously which initiatives to support. Some companies prefer to concentrate the resources earmarked for the community on a single or a few large-scale

initiatives, or on one specific issue, while others split the funds between several initiatives covering various topics. In some cases, employees are involved in choosing which organisations should benefit from the resources available. The graphic below shows how the disbursed funds are allocated on the basis of the various requests and needs of individual countries.

Allocation to the community by area (Sustainability Report scope)



- In Austria, the Czech Republic and Spain, the sports area predominates with commercial initiatives. The disciplines sponsored within this area vary, reflecting the preferences of the various countries.
- A lot of emphasis is placed on the environment, above all in France.

Description of the initiatives

The initiatives supported by the Group are many and varied, ranging from occasional measures in support of individual projects to more structured initiatives involving a several-year-long commitment from the Group companies. The abovementioned areas are herein reported with some exemplifications.

Social area

The Group is strongly committed to supporting associations that provide assistance to those affected by poverty, disease, war, violence and social hardship.

The Group is particularly keen to support initiatives aimed at facilitating a lasting improvement in living conditions for the disadvantaged, and backs rescue and integration projects designed to offer people in difficulty for whatever reason equal opportunities for development and integration into society and the job market.

In **Italy**, the Generali Foundation focuses its own funds on this type of activity, supporting various associations that work toward integrating the disabled both in occupational and social terms along with associations committed to creating job opportunities and new hiring for youth encountering difficulties.

In **Israel** the Group supports organisations such as Elem and Musot, which operate educational and/or assistance programmes for teenagers at risk, and Tlaim association which provides educational assistance for young people forced to miss school for long periods due to illness, offering tools such as domiciliary lectures e-learning, call centres and closed-circuit connections.

Numerous projects of this type are supported in the countries of South America as well. Of particular note is Casa do Menor São Miguel Arcanjo, to which Generali gives support in **Brazil**. This is an organisation dedicated to providing assistance and encouraging the recovery of abandoned children with drug addictions or those afflicted by social traumas, offering a home, nourishment, education and vocational training with the goal of integrating these people into society. Generali's commitment is particularly focused on education and jobs for youth; the Young Apprentice programme was launched in November 2008, dedicated to low-income youth between 14 and 24 years old and providing both theoretical and practical technical and vocational training. In 2011 six young apprentices trained in that programme did internships at Generali offices.

The Group also expresses its social commitment by playing a vital role, alongside public and private associations and institutions, in raising awareness in the community about insurance-related topics, such as health and road-safety education, and issues of social importance, such as promoting volunteer work by citizens and businesses.

With regard to road traffic, the Group works with government institutions, schools, state and local police and various associations to organise programmes aimed at preventing accidents caused by violation of road-safety rules. Most of these are aimed at children and young people in order to help them become careful drivers in the future.

Central-Eastern European countries are particularly active in this respect. Specifically, in the **Czech Republic**, the programme Gentleman silnick (Gentlemen of the road), carried out in cooperation with the national police, has the aim of motivating drivers and pedestrians not to be indifferent to traffic accidents when they happen. Each year this initiative awards a prize and a certificate of merit to someone who has intervened, when a traffic accident occurs, to provide assistance to the people involved. Furthermore, in cooperation with the Ministry of Education, a programme directed toward elementary school children and their parents has been organised for preventing traffic accidents; in 2011 several lectures were given by teachers trained by Generali - using educational materials offered by the Company - on how to prevent accidents at the 250 schools involved.

In **Serbia**, in partnership with the state police, the Group organises Alma-Citrom (Apple and lemon), an annual road-safety education campaign aimed at adults and children aged between 10 and 14. The campaign is divided into a theory part, in which road-safety rules are taught, and a practical part, in which the children participate in traffic control by rewarding safe drivers with an apple and punishing those who break the rules with a lemon. In 2011, a total of 61 schools located in 51 cities took part in the initiative.

In **Slovenia**, Generali assisted Zavoda Varna pot, the traffic safety association, in its traffic safety campaign, Varni na Poti (safe road), aimed at new parents and promoting the correct use of children's car seats and seatbelts.

In **Bulgaria**, in cooperation with several schools and the local police in Montana, Gotze Delchev and Karlovo, an event was organised with the purpose of promoting the safety of children on the road. With the help of performers, the children participated in educational games about pedestrian crossings, were given lectures on road hazards and participated in a contest on the rules of the road.

In **Hungary**, support has been given to the Szimba initiative, a drawing competition aimed at nursery, primary and secondary school children entitled: How do you ride a bicycle safely?

The Group also supports a number of road-safety activities aimed at young drivers in South America. These include in **Argentina** the Guarda con la previa initiative (previa is the term young people use to describe the time they spend drinking spirits before going out in the evening), a Buenos Aires-based project that aims to educate and inform people about the consequences of drink-driving and driving under the influence of drugs. The company has helped to distribute leaflets on beaches, in bars and in nightclubs containing information on good driving, the effects of alcohol, who to turn to in case of need, etc..

In **Guatemala**, a programme on road signs and safe driving has been sponsored, directed toward all residents of the Quetzaltenango and Cobán area, identified as hazardous in conjunction with neighbourhood organisations.

There is particular commitment in **Germany** and France to the development of a culture of active citizenship through several large-scale social and entrepreneurial programmes.

In Germany the Generali Zukunftsfonds (Generali fund for the future) project is focused on promoting social commitment among the citizens, particularly the over-55s, who represent a growing proportion of the population due to ongoing demographic changes and offer great potential in terms of knowledge, energy and, once they are retired, time. Zukunftsfonds plays an active role by collaborating with national, regional and local institutions and supporting the coordination, disclosure of information and integration of the different voluntary organisations. All community-oriented social responsibility initiatives are channelled into the Bürger unternehmen Zukunft (Citizens for the future) programme, which sponsors a number of local and regional projects and provides support to associations and institutions committed to involving the general public in each kind of community work.

From the entrepreneurial viewpoint, there is cooperation in both countries with the international organisation Ashoka which, along with its partners, identifies, selects and supports new and innovative social entrepreneurs, assisting them both financially as well as through the involvement of specialists to help them launch their enterprises. In France, the programme provides for three years of cooperative work during which Generali will provide specialised support to the ten enterprises selected, supplying general and technical skills and connecting entrepreneurs to strategic and operational contacts in their own business areas, including journalists, partners, potential financiers, etc., along with economic support. In Germany, cooperation with Ashoka has been in progress since 2010, through Zukunftsfonds. In France, Generali has been supporting the Entrepreneurs d'avenir - Les pionnières d'une économie plus humaine (Future entrepreneurs - pioneers of a sustainable economy) programme since 2009; its purpose is to promote a new model for business and society where global performance and competitiveness are linked with individual responsibility, with wellbeing at the work place and with ethical, social and environmental standards. The programme includes a charter on the values of future entrepreneurs and a Parlement des Entrepreneurs d'avenir (a parliament of future entrepreneurs) and 576 entrepreneurs have already become members. It meets every two years to share experiences and ideas, and to plan future activities.

In terms of health, the initiatives backed by the Group aim mainly to prevent and cure diseases, particularly those that represent the biggest causes of death and have a severe impact on people's quality of life and independence.

In **Portugal**, Generali has since December 2006 been the main sponsor of the training initiatives run by the Associação Portuguesa de Familiares e Amigos de Doentes de Alzheimer (portuguese association of friends and family members of alzheimer's sufferers), which provides care for people suffering from the disease and is involved in research aimed at finding a cure.

In **Italy**, Generali supports through various initiatives the Associazione Italiana Sclerosi Multipla (Italian association for multiple sclerosis), active in research into this disease.

The companies also maintain valuable relations with universities and postgraduate education institutions, involving a number of exchanges: work placements, class talks by Group employees, study grants, etc. In so doing, the companies both show interest in, and contribute directly to training highly specialised individuals whom they will consider when looking to hire new staff.

Cultural area

The Group has always supported activities that aim to enhance and preserve the artistic and cultural heritage of the areas in which it operates, with a view to promoting knowledge and healthy recreation to encourage reflection and lift spirits. The Group has been involved in a great many initiatives, which testify to the important role it plays in the region. These cover a wide range of activities, including providing support both to major cultural institutions, particularly the leading theatres, which increasingly need financing from private sponsors, and to initiatives promoted by local organisations aimed specifically at helping **young artists**.

Generali is also involved in the world of art, both through the pieces it owns, such as the BSI collections, the works of the Generali Foundation in Vienna and the collection at the Česká Pojišťovna gallery in Prague, and by supporting the activities of museums, theatres, schools, foundations and cultural associations.

The Generali brand is also promoted thanks to the sponsorship of exhibitions that attract large audiences and/or considerable media attention.

The Group also supports shows, musical events and theatre works by leading artists, composers and musicians, as well as sponsoring musical, literary and artistic festivals and awards on a national and international scale.

Different choices are made in each country, depending on its cultural characteristics. In Italy, the Group sponsors a number of **art** and cultural history **exhibits**, including the following in 2011: Espressionismo; Matisse. La seduzione di Michelangelo; Arte Contemporanea in Friuli Venezia Giulia 1961-2011; Trieste Liberty. Costruire e abitare l'alba del Novecento; Regioni e Testimonianze d'Italia; Palazzo Farnèse - Dalle collezioni rinascimentali ad Ambasciata di Francia.

In Austria, France, Switzerland, the Czech Republic and Romania, Generali is particularly active in the **music sector**, sponsoring three concerts at Musikverein (Austria), the Pablo Casals de Prades chamber music festival and the Saint-Denis festival (France), the musical event dedicated to famous Argentinian pianist Martha Argerich, the Montebello international chamber music festival, the BSI Engadin Festival and the BSI Monaco Music Master (Switzerland), the tour by renowned violinist Pavel Šporcl (the Czech Republic), as well as the concert by the famous pianist Balazs Havasi (Romania).

In Germany, on the other hand, Generali is focusing its attention on **literature and film**, sponsoring the Max Ophüls Preis film festival and the LitKöln international literature festival, while in the Czech Republic and Slovakia it is supporting Letní shakespearovské slavnost, the theatre festival dedicated to Shakespeare.

Finally, activities intended to boost Generali's brand visibility include a multi-year partnership with shipping company Alster, which operates boat tours on the Alster river in Hamburg.

Environmental area

The Group has funded a series of activities in this area of varying type and scope, aimed at protecting the environment, developing and promoting alternative energies, and providing education on environmental matters.

In **Bulgaria**, the Rose Festival has been supported for years. This event, organised in the city of Kazanlak in the Rose Valley, originally celebrated the start of the harvesting of petals and, today, it has evolved into a series of spectacles of various sorts relating to safeguarding the rose.

In **Hong Kong**, for the ninth year running, a team of workers took part in the annual Green Power Hike organised by Green Power, an independent environmental association that is particularly committed to promoting renewable energies. The hike helps to raise funds which are then used to finance environmental education programmes in nurseries and primary and middle schools.

In **France**, Generali sponsors skipper Nicolas Lunven, who promotes the Surfrider Foundation Europe, a non-profit organisation for the protection of the ocean and coastlines. The aim here is both to make yachtsmen more sensitive to navigational practices that respect maritime ecology as well as to involve the public, organising operations for cleaning up coastlines, as took place in the 2011 Generali Solo, a solo sailing race in the Mediterranean validated for the French Championship. Furthermore, in cooperation with the top French school for actuarial sciences, for a period of four years Generali will finance a programme of studies on climate changes.

In **Germany**, there has been support for the programme The Nature: a Matter of the Heart in cooperation with the German nature parks association, which covers 97 of the 101 nature parks in Germany. The initiative by Generali is among the initiatives implemented for the European Year of Volunteering and it makes Generali's own employees available to the association, with their various types of experience, including care and protection of the countryside and guidance for visitors.

In **Romania**, sponsorship is provided to the Padina Fest - eco project, a festival promoting high-altitude tourism in the Bucegi mountains and improvement in ecology education for the preservation of natural heritage. During the 2011 event, more than 20,000 people aged between 20 and 40 were able to attend concerts, see films and photographic exhibitions and participate in various sports activities without damage to the environment; in fact, the participants were required to adhere to an eco-policy that committed them to conduct respectful of the environment. Along this line a whole series of initiatives has been developed for increasing awareness of separate waste collection, the use of alternative vehicles to reduce CO2 emissions and promoting mountain tourism and eco-tourism.

Sports area

Generali considers sport an educational and training tool that imparts sound principles and values. That is why it supports **youth and amateur sports** through a number of initiatives, which often consist simply of providing sports kits or equipment which enable a great many young people and communities to enjoy a wide range of sporting disciplines, such as: tennis, golf, football, swimming, volleyball, basketball, rugby, sailing, motorcycle racing, triathlon, cycling, marathon running, etc..

In particular, among countless initiatives, there is **Bricks on the Move** (Italy), a programme involving employees of the Generali Real Estate company and bearing the motto 'run for those who cannot run', a relay race from the Mogliano Veneto office to the Trieste office (150 km in total, 5 km for each participant). This initiative is aimed at raising funds to be contributed to the non-profit organisation Art4Sport, which has the purpose of promoting, economically assisting and supporting, at a practical and organisational level, the families of children with prosthetics so that they can play and have fun on a daily basis through sports activities.

The Group companies play an active role in sponsoring **professional sports** and popular events in the areas where they operate. With the Group's assistance, communities can stage national and international events with positive effects on both the local economy and city image. In developing markets, this can mean a chance for great economic growth, with implications on a number of levels.

Sponsoring famous teams and athletes can also encourage young people to take up sports and emulate great champions. In many cases, companies welcome popular sporting and cultural events as an opportunity to enhance loyalty among their clients, employees and sales networks.

As stressed earlier, the various geographical zones have differing sports interests and traditions, and these are reflected in the choice of initiatives to be sponsored. In particular, the geographical areas with the most focus on sports are in Europe, above all those in the Sustainability Report countries and Central Europe.

The Group's main sporting sponsorships of 2011 involved international professional events, federations, national teams and Olympic committees, club teams and famous athletes.

The Group supports a wide range of sports, with a particular emphasis on winter sports through its sponsorship of the 2012 Alpine Skiing World Cup (Austria, Germany and Slovenia), champion of freestyle snowboarding Klaudia Medlov (Slovakia), skiers Tina Maze (Slovenia) and Federica Brignone (Italy). In ice hockey, the Group sponsors the Spengler Cup, the sports' oldest international tournament for clubs (Switzerland), the Czech Ice Hockey Extraleague (Czech Republic), HC Medveščak teams (Croatia), Tilia Olimpia (Slovenia), Aquile FVG (Italy) and Eishockey Team (Austria). Generali is also a great supporter of equestrian events, sponsoring CHIO in Aachen (Germany) for more than 50 years, and the steeplechase Skokový pohár in the Czech Republic. In France it sponsors the Generali Open de France championship, an amateur riding contest involving thousands of competitors, most of whom are under 18, along with the Jumping Bordeaux, Complet de Fontainebleau, Jumping la Baule, Jumping de Cannes and Jumping de Lyon events. Among other disciplines, it is noted the marathon in Belgrade (Serbia), the Run Warsavia (Poland), the Relay Marathon in Milan and Maratona d'Europa in Trieste (Italy); as for water sports, there are Barcolana, the popular regatta in Trieste (Italy), the Easter Regatta (Croatia), the Generali Regatta (Portugal), the Generali Solo and La Solitaire du Figaro (France) and Roman Paszke, the famous sailor who participated in the solo race around the world named Against The Wind (Westbound) - Alone.

Professional and amateur football teams, including women teams, are sponsored in almost all countries. Over the last few years sponsorship of golf tournaments have also increased, especially in Italy and France.

Finally, the Group's sponsorship of Ducati team (Italy), which competes in the MotoGP World Championships, has boosted its involvement in this sport in the various countries on the MotoGP circuit: Spain, Indonesia and the Czech Republic.

Other kinds of initiatives

In addition to the projects implemented using the funds set aside by Group companies, there are some in which the companies' participation consists not of cash donations, but of providing material goods or direct services. Employees have been involved in a number of initiatives by collecting money or goods or doing voluntary work to help the less fortunate. Some of these are individual projects, while others are promoted by the companies.

Donations in kind

This form of donating involves providing goods and/or services instead of money. The services donated often consist of various types of insurance cover. For example, in 2011, in Turkey the Museum of Modern Art in Istanbul was insured,

in Poland the Palace Museum in Wilanów and in Greece numerous instances of insurance coverage were donated to volunteer associations.

Country	Description of the initiative
Italy	By law, in-kind prizes in competitions held by companies, if not allotted, must be contributed to non-profit organisations identified in advance in the competition rules. In 2011 numerous items (PCs, telephones, petrol coupons, etc.) were provided under this system to various associations, among them: Comitato Telethon Fondazione Onlus; non-profit Parent Project, active in muscular dystrophy; non-profit Save The Children, active in the defence of the rights of children; Associazione Italiana Sclerosi Multipla; Fondazione aiutare i bambini, with the purpose of assisting children who are poor, ill, marginalised or uneducated; and many others.
Argentina	Discarded computers are regularly donated to various organisations and schools.
Austria	The computers discarded in 2011 were donated to SOS Children's Village of Vienna, to UNICEF Austria and to various schools.
China	For each policy sold, one book is donated to the Shanghai Cherished Dream Foundation, active in education in the rural areas of the country. Computers, stationery and books were donated to economically disadvantaged students of the Shanchegou Primary School. 2,000 books were donated to the new Shadi Primary School library with the aim of encouraging children to devote themselves to cultural activities. Educational materials were also donated to that school to improve the teaching on environmental subjects. Moreover an economic support has been provided to students experiencing financial hardship.
Ireland	A computer was given by lottery, the proceeds of which were contributed to the Barrettstown Association, active in recreational programmes for seriously ill children. In addition, 10 discarded computers and office supplies were donated to several schools.
The Netherlands	During the visit of several employees to the Heerhugowaard nursing home, devices for listening to music were donated.
Panama	193 pairs of gym and football shoes were donated to several associations active in disadvantaged areas of Panama City to promote sports activities.
Serbia	As a result of an agreement with the Ministry of Internal Affairs, two printers were donated to the Nis city police station, two to the Sabac and one to the Paracin stations.
Slovakia	The outfitting and furnishings of the company's old office, about 50 desks and more than 100 chairs were donated to several villages and primary schools.

Gift-matching initiatives

Gift matching is a concept that originated in the English-speaking world and is used by companies to support the charitable donations of their employees by adding to the sums they give to non-profit organisations. It is based on an employee's choice to make cash donations to one or more non-profit organisations, which the company will then add to with an amount equal to or greater than the employee's donations.

In 2011 gift-matching initiatives were implemented in **Canada** for the Heart & Stroke foundation, which is committed to fighting cardiovascular disease; in the **United States**, for United Way, an organisation that takes care of poor children and their families, helping them to develop their potential in a safe, loving and educational environment; in **Ireland** for different organizations such as the Children's Sunshine Hospice in Dublin, which cares of seriously ill children; and in **Japan**, for victims of the Tohoku earthquake.

Payroll-giving schemes

These involve donations made regularly over a period of time or on a one-off basis by employees of a company by setting aside a given portion of their salary - for example, one hour's pay - to be deducted directly from their pay slip, with their employer/withholding agent being liable for the tax payable on the donations.

During the December Festa del bambino (children's festival) in **Italy**, Group employees were given the chance to donate to charity all or some of the money set aside by the company for gifts to employees' children. The funds raised were divided between three non-profit organisations: A.B.C. Burlo, which provides care for children suffering from severe deformities requiring multiple and complex operations; Abio Trieste - Associazione per il bambino in ospedale (association for hospitalised children), active in improving the quality of life for children and parents who come into

contact with the hospital system, reducing to a minimum the risk of trauma associated with recovery, through play, laughter, and assistance; and Save the Children, the world's largest independent international organisation dedicated to defending and promoting children's rights. This year, the sums donated by employees who gave up all or part of the money set aside for gifts for their children were added to with the funds that all employees decided to have deducted from their salary to be given to one or more of the three aforementioned organizations to fund important aid projects aimed in particular at protecting children, young people and the disabled.

In India, 68 employees made use of payroll giving, utilising the specialised association Give India Payroll Team to donate funds to NGOs supported by that association.

Employee-secondment initiatives

These projects involve activities carried out by employees for non-profit organisations during their working hours. This particular type of initiative is developing gradually among the businesses, due in part to the commitment by governments to promote active citizenship. In 2011 the European Council decreed a European Year of Volunteering to create favourable conditions for volunteering in civil society and increase the visibility of such activities.

Germany places particular focus on this. Already in 2009 the companies started to develop this type of activity, increasing the number of participants over the years. In the last week of September, more than 400 employees took part in a national corporate volunteering scheme (Freiwilligentag 2011). Using the motto 'Helfen hilft - Gemeinsam stark' (To help help - together we are strong), they personally contributed to 39 different social projects, spending an entire day doing activities in collaboration with several associations in Aachen, Frankfurt, Hamburg, Karlsruhe, Cologne and Munich.

In some cases, initiatives are supported where employees serve as teachers of economic and financial subjects, as has occurred in **Panama** and in the **United States**, where this activity has been carried out with local offices of the Junior Achievement association, active in youth education, where 12 and 4 employees volunteered, respectively. The same sort of initiative has been developed in the **Netherlands** at primary schools, through Verbond, i.e. the association of insurance company employees.

In **Poland** two employees dedicated 15 working hours to organising a Christmas party at the Dom Dziecka orphanage, during which gifts were given out to the children.

In **India**, as a result of the serious flooding that hit the Orissa area, a group of employees travelled to villages affected by the disaster, carrying people in need to safety in dinghy boats and distributing staples such as crackers, bread, candles, etc..



ENVIRONMENT

GERMANY

VDN - Verband Deutscher Naturparke.
Protection project for German natural parks.

ENVIRONMENT

Environmental Policy and Environmental Management System

Safeguarding the environment as a primary asset is one of the guiding values of the Generali Group. As stated in the Ethical Code and Environmental Policy, the Group is committed to gearing its own choices towards guaranteeing compatibility between business initiative and environmental needs.

As of 2009, the Group decided to deal with environmental matters in a more structured and systematic way. The first step was for the Board of Directors of the Parent Company, Assicurazioni Generali S.p.A., to draw up and approve the **Environmental Policy of the Generali Group**. The document is public, voluntary and applies to all Group companies. The Environmental Policy sets out the objectives that the Group intends to pursue and its commitments to ensure the protection of the environment and the prevention of pollution, and to contribute to sustainable development. The defined objectives and commitments refer both to **direct environmental impacts**, which are related to the Group's financial and insurance activities, and to **indirect impacts**, which are linked to supply, planning and distribution activities for financial and insurance products, as well as to institutional investment activities. In order to identify the significant effects of business activity on the environment, an environmental analysis was conducted on the main buildings of the Group companies.

At management level, Generali has been implementing a **Group Environmental Management System (EMS)** which complies with the requirements of the ISO 14001 standard. The principal goal of the System is to manage the most important environmental issues, thereby implementing the Environmental Policy.

Six of the most important countries for corporate business are involved in the implementation of the EMS: Italy, Austria, France, Germany, Spain and Switzerland, excluding companies in the Europ Assistance group. The System involves 78 insurance and banking sites, including related service activities, covering 38.8% of total Group workforce and 81.5% of total premiums.

With the aim of implementing and maintaining the objectives contained in the Environmental Policy, the document **Group Objectives and Targets for Environmental Improvement** was drafted, which defines specific targets that the countries involved in the EMS are committed to attaining within three years. The initial values to which the targets refer are those reported on 31 December 2009.

The table below shows the objectives and targets that the Group set itself and the progress made in achieving the goals compared to 2009. Good progress has been made for all aspects except water consumption where, despite the major improvement last year, the results are still at 2009 levels due to some losses suffered in 2010.

Group Objectives and Targets for Environmental Improvement

Direct environmental aspects	Objective/target 2009-2012	Achievement of objective/target in 2011
Energy	5% reduction of per capita electricity consumption	-4,1%
	Introduction of electricity from renewable sources	69% compared to 35.7% in 2009
Paper	5% reduction of total paper consumption	-6,7%
	10% increase in the amount of ecological paper	65.8% compared to 34.1% in 2009
Water	5% reduction of per capita water consumption	-0,1%
Greenhouse gas emissions	10% reduction of emissions from Scope1 (heating fuels and kilometres travelled by company fleet) and Scope2 (electricity and district heating)	-14,5%
Waste	10% increase in separate waste collection	75.4% compared to 69.6% in 2009

The greenhouse gas emissions (GHG) objective has been amended and extended in relation to the goal set out in the 2010 Sustainability Report. While it formerly related only to reducing GHG emissions from corporate mobility, it now covers more environmental aspects.

Indirect environmental aspects	Objective/target 2009-2012	Achievement of objective/target in 2011
Procurement ecology	Introduction of environmental aspects in suppliers' assessment	860 suppliers with environmental policies and/or environmental certifications compared to 777 in 2009
Product ecology	Development and enhancement of the range of 'green' insurance and financial products/ services	Premiums for insurance products with a particular environmental value amounting to 351.7 million euros compared to 203.8 million euros in 2009
Investment ecology	Exclusion of non eco-sustainable investments according to the Ethical Guidelines of the Group	No exposure since 2009

In order to provide a more extensive database to use for decisions on the areas for improvement, a general objective was also established to extend the scope of environmental accountability, both in terms of countries/companies, and in terms of indicators.

The **Group Environmental Programme**, drawn up in October 2011, brings together the specific targets and actions set out in the individual Country Environmental Programmes that every country involved in the EMS has set in order to work towards attaining the Group objectives and targets.

The **organisational structure** underpinning the System was also set up during 2011. Specifically, the Social and Environmental Sustainability Committee was instituted within the Board of Directors of Assicurazioni Generali, made up of three non-executive directors and the General Manager and CFO. It is responsible for performing consultative, recommendatory and preparatory activities on environmental and social matters. The organisational structure is also comprised of the Sustainability Committee and the EMS Committee. The Sustainability Committee is the decision-making body which defines, evaluates and reviews the Group's environmental policies, objectives and targets. The EMS Committee, meanwhile, is the operating body made up of the Group's EMS Representative and EMS Country Representatives. It is responsible for disseminating and achieving the objectives of the Environmental Policy. Its responsibilities include evaluating the EMS's performances according to the terms set out in the Group Objectives and Targets for Environmental Improvement document. In the event of failure to attain these goals, it shall also put forward possible corrective actions.

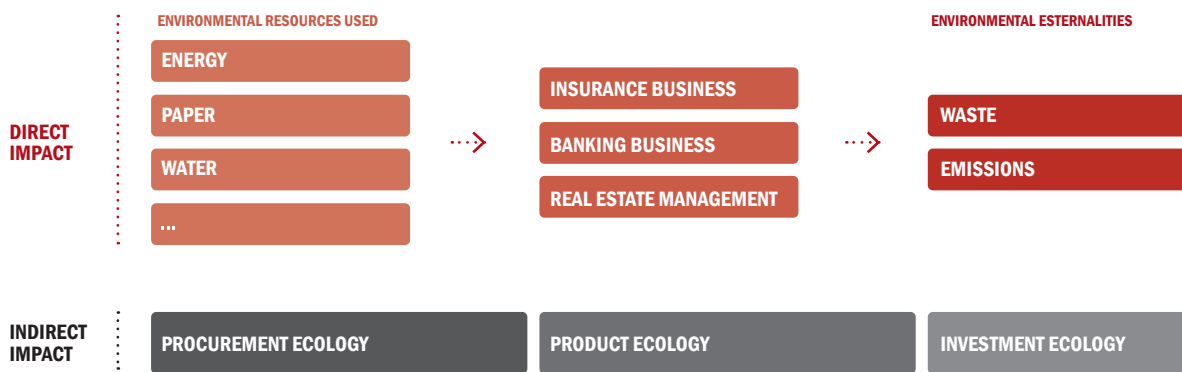
The Corporate Social Responsibility department is tasked with coordinating the Committees and drafting documentation for the System at Group level.

Each country also has a Country CSR Committee, which is an operating body that coordinates the dissemination and adoption of the Environmental Policy, approves the Country Environmental Programme, and evaluates the compatibility of the actions proposed by the individual companies with the country's policies, objectives and targets. Furthermore, in certain countries, there are national support structures for the Country CSR Committees which only have power over environmental issues.

During 2011, new procedures were drawn up to enable a common implementation of the System, including a procedure for the internal audit, which will be conducted in 2012. The document system supporting environmental management at Group level is in the final stage.

The proper implementation of the EMS and the attainment of the objectives are guaranteed by **periodic monitoring** and by an **internal information system** which provides for an interim report and an annual report, in order to evaluate the position as at 30 June and 31 December. As is the case every year, the EMS Committee met in the autumn to discuss and approve the **Report for management review**. In January 2012, the Sustainability Committee met to review the System with a view to driving continual improvement. In this meeting, the decision was taken to adopt the ISO 14064 standard for the quantification and reporting of greenhouse gas emissions.

Direct environmental impact



For the purposes of continual improvement, in 2011 all the countries involved in the Environmental Management System (EMS) completed the process of collecting data and information on the consumption of energy, paper and water, and on waste collection and disposal methods.

The data published in this Report refer to the companies involved in the EMS, so as to allow a comparison with the objectives and targets contained in the Group Objectives and Targets for Environmental Improvement document. For certain countries, the 2010 data may differ from the data published in the previous Sustainability Report. This is due to the fact that the scope of the reporting activities was larger than in 2010, and the 2010 data have been recalculated in order to bring them into line with 2011 data.

Energy

Energy consumption

	CONSUMPTION (TJ)		CHANGE	PER CAPITA CONSUMPTION (TJ)		CHANGE PER CAPITA
	2010	2011	2011/2010	2010	2011	2011/2010
ITALY	228.0	200.8	-11.9%	0.035	0.031	-12.0%
AUSTRIA	66.4	70.0	5.4%	0.013	0.014	6.7%
FRANCE	130.2	123.2	-5.4%	0.029	0.027	-8.1%
GERMANY	333.3	303.7	-8.9%	0.032	0.027	-15.2%
SPAIN	46.9	41.4	-11.7%	0.025	0.022	-12.9%
SWITZERLAND	102.7	96.8	-5.7%	0.038	0.037	-3.8%
TOTAL	907.6	836.0	-7.9%	0.029	0.026	-10.3%

- In 2011, the companies in the EMS consumed a total of 836 terajoules (TJ) of energy, a reduction of 7.9% compared to 2010, due mainly to good property management, constant monitoring and maintenance of systems, and the introduction of new technologies.
- Electricity accounts for 66.5% of total consumption, while energy consumption from district heating accounts for 20.6%. The remaining 12.9% refers to the direct consumption of energy from fuel (natural gas and diesel oil).
- The per capita energy consumption, calculated as the ratio of overall consumption to total number of employees that work in sites monitored under the EMS, shows a 10.3% decrease, due mostly to the optimisation of working environments.

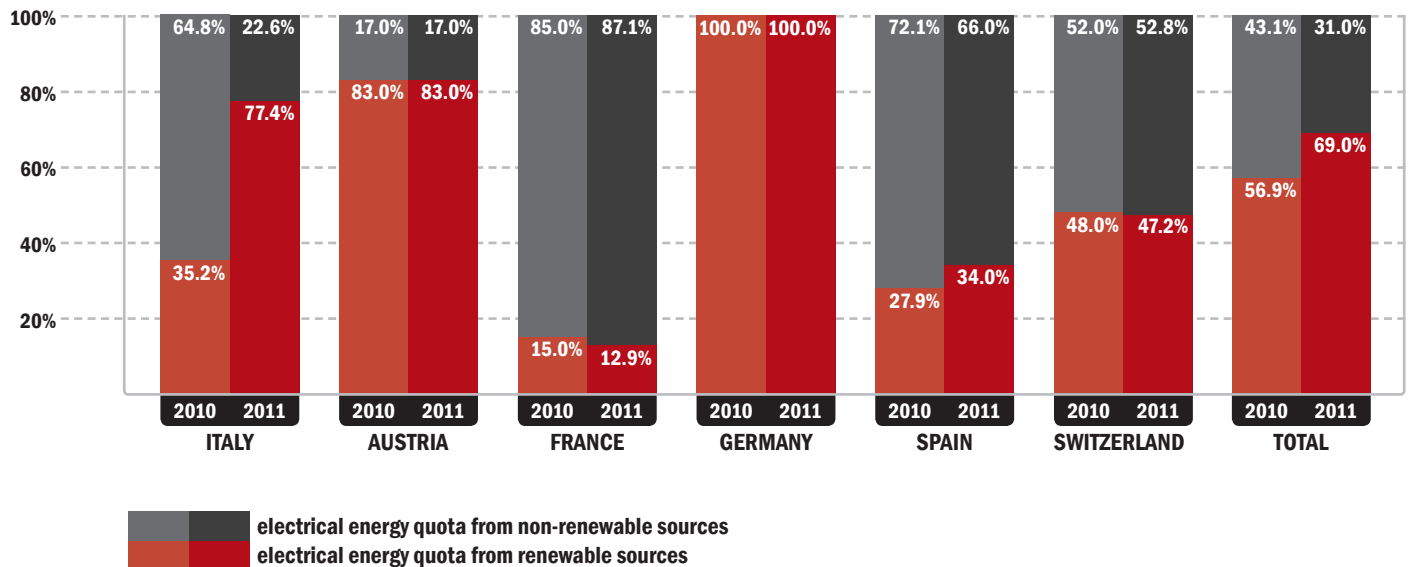
At the current time, no company included in the System independently produces energy, which is therefore purchased from suppliers or directly from producers. In almost all of the countries, a decision was taken to use electricity from renewable sources and to decrease the use of highly polluting fuels.

Electricity consumption

	CONSUMPTION (kWh)			CHANGE 2011/2010	PER CAPITA CONSUMPTION (kWh)			CHANGE PER CAPITA 2011/2010
	2010	2011			2010	2011		
ITALY	43,967,148.0	40,659,195.5	-7.5%	6,745.5	6,235.1	-7.6%		
AUSTRIA	10,701,461.9	11,431,169.0	6.8%	2,098.3	2,268.1	8.1%		
FRANCE	23,128,492.0	21,424,494.0	-7.4%	5,123.7	4,608.4	-10.1%		
GERMANY	50,993,029.0	49,591,960.0	-2.7%	4,867.1	4,407.0	-9.5%		
SPAIN	13,040,581.0	11,511,590.0	-11.7%	6,999.8	6,094.0	-12.9%		
SWITZERLAND	19,835,526.0	19,810,465.0	-0.1%	7,434.6	7,572.8	1.9%		
TOTAL	161,666,237.9	154,428,873.5	-4.5%	5,191.6	4,830.7	-7.0%		

- During 2011, the Group's objective of containing the environmental effect of its electricity consumption was pursued through a 7% overall reduction in per capita consumption, calculated as the ratio of overall consumption to total number of employees that work in sites monitored under the EMS. Almost all countries contributed towards the reduction, except for Austria and Switzerland, where per capita consumption increased.
- The companies in the System use electricity primarily for lighting, operating machinery, air conditioning and, in some countries, for heating as well.
- The total electricity consumption also includes the consumption of data processing centres (DPCs), which in 2011 was equivalent to 37.6 GWh (40.1 GWh in 2010). The DPCs, which also carry out ancillary activities on behalf of Group companies located in other countries, caused a slight over-estimation of per capita consumption in Italy and Germany.
- The sizeable decreases seen in France and Spain are mainly the result of good weather conditions, which made it possible to use less electricity, which is also needed in these countries for heating. The lower consumption levels in Italy are related to the new Programmable Logic Controller (PLC) system installed in the Mogliano Veneto complex, which makes it possible to manage lighting and heating automatically. In Germany, meanwhile, the drop in per capita consumption was caused by higher staff numbers in the buildings monitored. The increased consumption seen in Austria is mainly down to enhancements to the centralised printing service and the transfer of information to the new hardware installed in the data centre.

Electricity quota from renewable sources



- In order to reduce environmental impact, the Group also committed to introducing increasing quotas of electricity from renewable sources. During 2011, in all of the countries involved in the System, part of the electricity consumed was from renewable sources (69% in 2011 compared to 56.9% in 2010).

- In Germany, the TÜV SÜD certification organisation attests that all electricity came from a hydroelectric source, while in Italy the electricity used in the Mogliano Veneto and Via Bissolati (Rome) buildings, totalling 26.5 GWh, was offset with RECS certificates (Renewable Energy Certificate System). RECS certification is a voluntary international certification system designed to promote and develop the market in energy from renewable sources.

Heating fuels consumption

	NATURAL GAS CONSUMPTION (m ³)			DIESEL OIL CONSUMPTION (m ³)		
	2010	2011	CHANGE 2011/2010	2010	2011	CHANGE 2011/2010
ITALY	1,454,547.0	1,136,281.7	-21.9%	352.0	273.0	-22.4%
AUSTRIA	80,000.0	78,087.1	-2.4%	0.0	0.0	0.0%
FRANCE	0.0	0.0	0.0%	0.0	0.0	0.0%
GERMANY	803,854.5	632,391.1	-21.3%	17.3	9.8	-43.4%
SPAIN	0.0	0.0	0.0%	0.0	0.0	0.0%
SWITZERLAND	649,068.0	545,225.0	-16.0%	162.0	115.3	-28.8%
TOTAL	2,987,469.5	2,391,984.9	-19.9%	531.3	398.1	-25.1%

- During 2011, the countries involved in the EMS consumed a total of 2,391,984.9 m³ of natural gas and 398.1 m³ of diesel oil in order to heat working environments. No fuels were used for heating in France or Spain.
- The significant decrease in natural gas consumption in all countries is due above all to good weather conditions. Meanwhile, the reduction in diesel oil consumption is due, aside from the weather conditions, to the replacement of more polluting diesel oil boilers with the latest generation of natural gas boilers.
- No other types of fuel were used for heating in any country.

In Austria, France and Germany, energy from **district heating** systems was also used. Overall, these three countries consumed 47.8 GWh (-9.2% from 2010) of district heating energy, of which 27.8 GWh (-15%) was in Germany, 12.8 GWh (-1.8%) in France and 7.2 GWh (+4.3%) in Austria.

In Austria, Generali is also participating in the project run by Fernwärme Wien AG (the Viennese district heating company) aimed at using this type of energy for air conditioning as well.

Management of buildings and corporate structures

The objectives of Generali Group in the real estate sector are identical those in its other operating sectors: growth, product enhancement, and improved economic results.

Hence, constructing new buildings and redeveloping old premises of existing assets are aimed at increasing qualitative standards with a view to minimising environmental impacts and consistently improving the well-being of the occupants. To this end, eco-friendly criteria are applied whenever possible, paying special attention to energy savings, limiting greenhouse gas emissions and the materials used.

In all Group companies, the management of buildings, corporate structures and real estate in use by third parties is in full compliance with the current national standards in the country. Generally, representatives from the primary corporate and technical units are responsible for managing building structures and facilities, and also for managing health and safety in the workplace and purchases.

In **Italy**, the number of buildings with energy certification increased during 2011 and the possibility of certifying some materials used in construction/renovation works is being considered. A feasibility study was also conducted for the construction of a trigeneration plant in the Mogliano Veneto complex and various studies are underway in an attempt to cut energy and water consumption, greenhouse gases emissions, and to make all waste produced by the Italian companies traceable.

The two company nurseries in Trieste and Mogliano Veneto were planned with particular care for the environment. Both nurseries have an under floor heating system, condensing boiler, LED lighting and ecological furniture. Notably, the Mogliano Veneto nursery - which covers an area of 500 m² - attained energy class A, thanks to it being equipped with photovoltaic and solar panels, which allow the structure to be completely energy self-sufficient. It is also equipped with a wooden ventilated roof, an insulating cover and light sensors (dusk sensors).

In **Austria**, the majority of the buildings owned - including those used directly and those in use by third parties - are Energieausweis certified, attesting to the buildings' energy performance.

In **France**, the Wilo and Innovatis operating sites in Saint-Denis were HQE (High-Quality Environment) certified during 2011, as already achieved by all the French group's new properties.

In **Germany**, the Energy Management project is under way, which concerns all German companies, and has the following objectives: implementing of an integrated and sustainable energy management system; reducing energy consumption and harmful emissions; business optimisation, with consequent reduction in costs; choice of energy supply at advantageous conditions, based on the medium/long-term contracts; and supply of data required to implement the Group's EMS.

In **Spain**, the consulting company Gestiona Soluciones Energéticas S.L. informs Generali of the various services offered by energy suppliers so that the best ones may be selected. Furthermore, a feasibility study on possible LEED (Leadership in Energy and Environmental Design) certification for some buildings in Spain has been undertaken. It is an international certificate used in more than 140 countries that sets out new criteria for building design.

In **Switzerland**, Generali is working with the city of Zurich - which is active in the reduction of greenhouse gas emissions - to cut energy consumption by 2% every year for 10 years.

Since 2010, the Group has been working on the european **Green Building Workshop** project through Generali Real Estate, which was set up in the Corporate Centre to develop and coordinate property activities, bringing together the Group's main property operators. The aim of the initiative is to draw up and implement the Green Building Guidelines (GBG) with a view to ensuring that the Group's real estate assets, valuing about 25 billion euros, comply with high environmental standards. The objectives of this initiative include the anticipation of future regulations, in order to limit the future obsolescence of the properties and use 'green' initiatives to involve tenants and property management agencies in the eco-sustainable running of the buildings, thus helping to build good relations with clients.

In order to measure the energy and environmental sustainability of the buildings, an initial representative sample of 21 buildings has been identified, comprising three properties for each country involved in the project (Italy, Austria, Belgium, France, Germany, Spain and Switzerland), one of which partly or entirely designated for own use.

The sample was compared against a benchmark made up of more than 300 buildings in 60 cities in 12 European countries using a tool known as the Green Rating, which measures and evaluates the environmental performance of each building on the following criteria: energy, transport, environmental footprint, water, well-being/comfort, waste. In March 2012, the initiative was awarded within the Milano Finanza Insurance Awards for the Best Corporate Social Responsibility Project.

Main actions undertaken to improve energy efficiency

- Installation of **devices to automatically turn on/off lighting fixtures**: in many offices in all six of the countries, movement sensors or clocks/timers were installed to control the lights, including those on external walls. Furthermore, in some buildings in France, Germany and Switzerland, light sensors were installed.
- Installation of **devices to automatically turn on/off/control air conditioning equipment**: in many Group buildings there are systems such as timer, movement sensors, external temperature detectors, thermostatic valves and thermostats to control the turning on/off of the heating and air conditioning systems, as well as the temperature, humidity and rate of ventilation. In Italy, France and Switzerland, movement sensors connected to the heating systems have also been installed.
- Use of **building covers and other energy saving solutions**: insulation and thermal doors and windows are installed in many buildings in all of the countries. In particular, in certain buildings in Italy, Austria, Germany, Spain and Switzerland, external solar screening has been installed.
- Installation of **systems for eco-efficient heating/cooling**: in Italy and Germany, most of the diesel boilers have been replaced with new, latest-generation condensing boilers. In Germany, 38% of buildings have ceiling or under floor heating, while in Italy this kind of system has only been installed in the nurseries in Trieste and Mogliano Veneto. In Italy and Germany, there is direct expansion heating equipment in certain buildings, such as a heat pump. In many buildings - except those in Spain and those occupied by the Swiss insurance companies - there are refrigeration and/or multi-split units for the climate-control systems.

- Use of **energy-saving light bulbs**: in all countries except Switzerland, light bulbs are replaced once spent by low-energy absorbency light-emitting diodes. Furthermore, in Italy, Austria, France, Germany and Spain, LED lighting systems have been partially introduced in certain offices, which offer significant advantages compared to traditional light sources, such as greater reliability, high efficiency and notable durability. In Italy in particular, the fluorescent tubes in the luminous signs at Assicurazioni Generali agencies have been replaced with LED lights.
- Improvements in **data processing centres** (DPC): in Italy, France, Germany and Switzerland, various steps have been taken to reduce the amount of electricity consumed by the machines. More specifically, the cold corridor system is used in France, requiring the machines to be set up in a line so that only the corridor has to be cooled and not the entire room. In Switzerland, the DPC has been completely restructured, bringing in the latest IT equipment in an effort to increase capacity and security while also reducing consumption. To this end, the Technische Sanierung Sood Adliswil (TSSA) project has been launched in Switzerland, which reuses the heat produced by the IT equipment in the DPC, which would otherwise be dispersed into the atmosphere, through a heat pump system. This system allows for savings of up to 75% of natural gas consumption during the winter months. In Italy, various studies are underway with a view to making the Mogliano Veneto DPC more energy efficient. Furthermore, virtual servers are increasingly used in Italy, France and Germany.

CityLife

CityLife is the company that is redeveloping approximately 366,000 m² at the heart of the historic Fiera di Milano quarter. In 2004, the area was the subject of an international urban regeneration tender, which attracted the interest of businesses, financiers and big-name international architects. CityLife won the contract with an architectural design by Arata Isozaki, Daniel Libeskind and Zaha Hadid, involving the creation of a residential, retail and business area built entirely to the highest standards of sustainability.

CityLife can guarantee that the project will be executed thanks to an extremely solid shareholding structure, including two of the main insurance groups in Italy: Generali (with a 68.5% stake) and Allianz (31.5%).

CityLife is one of the most significant redevelopment projects currently underway across Europe. It will conclude in 2015 with the completion of:

- a 170,000 m² park, which will become Milan's third largest park by area;
- three skyscrapers (The Hadid Skyscraper at 170 m, The Isozaki Skyscraper at 202 m and the Libeskind Skyscraper at 150 m);
- a number of residential buildings;
- around 18,000 m² of retail and service space;
- approximately 7,000 underground parking spaces for residents, workers and visitors of CityLife, which will also help to meet a sizeable portion of external requirements;
- a pedestrian-cycleway bridge connecting CityLife with the artificial hills to be built in the area and the three main skyscrapers;
- a stop in the heart of the area on the new line 5 of Milan's metro system;
- a museum of contemporary art;
- a cultural centre in Palazzo delle Scintille for children and young people;
- a nursery;
- a police station.

CityLife will be an eco-sustainable, zero-emissions district, since heating and cooling in the buildings will not be provided by boilers fed by natural gas or other fuels, but via a district heating system.

The residential and office buildings have also been designed to ensure maximum efficiency and containment of energy costs. In particular, they will be equipped with photovoltaic panels and groundwater will be used for both cooling and heating. In confirmation of the high environmental sustainability of the project, all the buildings will be certified in energy class A. Two of the skyscrapers have already achieved Gold LEED (Leadership in Energy and Environmental Design) pre-certification.

As well as being the major shareholder in the project, Generali has also purchased one of the three skyscrapers, where it intends to concentrate the Group's activities running in Milan. The new office will be at the cutting edge of technology as well as in terms of the facilities available to employees, including a nursery, canteen, numerous refreshment areas, an infirmary, gym, post office, bank and various nearby shops, all nestled among green space.

Paper

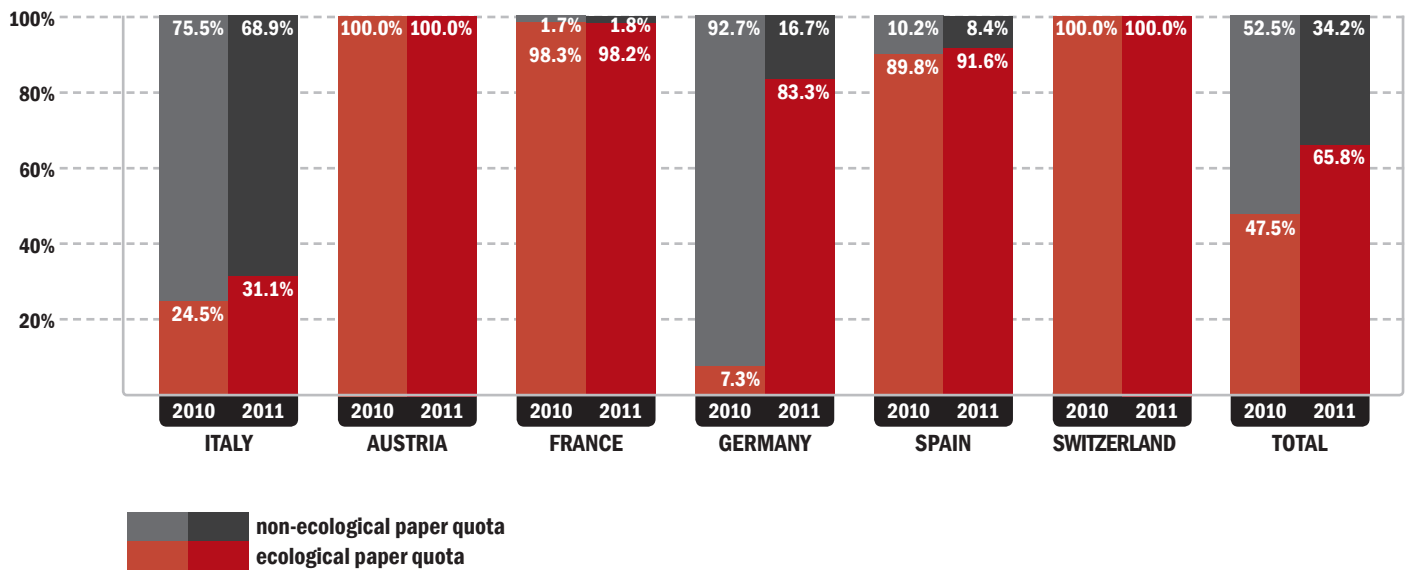
Paper consumption

	QUINTALS	10	20	30	
ITALY				29,886.4	2010
				30,523.9 [2.1%]	2011
AUSTRIA		3,566.0			2010
		3,078.6 [-13.7%]			2011
FRANCE		10,621.0			2010
		10,110.0 [-4.8%]			2011
GERMANY		15,098.6			2010
		16,246.2 [7.6%]			2011
SPAIN		6,362.9			2010
		5,741.0 [-9.8%]			2011
SWITZERLAND		5,753.0			2010
		5,614.0 [-2.4%]			2011

TOTAL 2010: 71,287.9; TOTAL 2011: 71,313.8; CHANGE 2011/2010: 0.0%

- In terms of paper, which is still the main medium for doing business in the insurance and financial world, the Group has set the objective of cutting total consumption by 5%. This includes both white paper and printed paper, which is paper purchased from suppliers in order to print Group documents and publications such as policies, reports, studies, bulletins, etc.
- In 2011, the companies in the System consumed a total of 71,313.8 quintals of paper, of which 24,709.6 quintals (34.6%) was white paper and 46,604.1 quintals (65.4%) was printed paper.
- As a result of targeted actions, almost all countries except for Italy and Germany managed to reduce their paper consumption. Specifically, the good results achieved in Austria and France can be attributed to the fall in the number of printers and the new initiatives to replace paper communications used for customers and sales networks with electronic communications. In Spain, meanwhile, the drop in consumption is a return to normality after the major increase in 2010 caused by the merger of Estrella Seguros and Vitalicio Seguros in Generali España, which made all pre-existing forms and documentation useless. Printer optimisation also contributed to the fall in the amount of paper used. In Italy, the increase mentioned is due to the implementation of a new regulation of the Insurance Regulator, which resulted in a rise in consumption of printed paper that was only partially offset by reduced use of white paper.
- In Switzerland, Generali offset 43 tonnes of GHG emissions associated with a portion of paper consumption via a re-forestation initiative in Brazil.

Ecological paper quota



- The Group is committed to increasing the portion of ecological paper out of the total used, which rose in 2011 to 65.8% from 47.5% in 2010. Ecological paper means paper that in all of its processes, from forest management for the retrieval of raw material to its production, has a limited and controlled impact on the environment. Currently, 100% of the paper purchased in Austria and Switzerland is ecological and certified, and satisfies the eco-friendly criteria established by national and international systems such as European Ecolabel, The Nordic Swan, Der Blaue Engel (German blue angel), Umweltzeichen Baume (Austrian Ecolabel), the FSC (Forest Stewardship Council) and the PEFC (Programme for Endorsement of Forest Certification).
- Moreover, 8.1% of paper purchased by the Group companies included in the System is recycled paper.

All the countries in the EMS are furthermore committed to purchasing not only ecological paper, but also stationery and toner that have a low environmental impact. Indeed, many countries have a **catalogue with 'green' products**, which include, for example, pens with water-based ink and without solvents, pencils made out of wood that comes from sustainably managed forests, toner produced with recycled and/or recharged materials. In 2011, the countries in the System bought 664.2 quintals of toner cartridges (-26% compared to 2010), of which 36.5% are recharged and 9.5% recycled. In this context, in Italy, the network of Alleanza Toro agencies is equipped with EcoBoxes, which are containers provided directly by their toner supplier, who manages the delivery and removal of the boxes and the recharging of the cartridges.

In some buildings in Italy, Austria, Germany and Spain, even the office furniture is made with eco-friendly materials purchased from suppliers focused on environmental issues.

Main actions undertaken to improve paper management

- Use of **multi-functional equipment**: in most of the Group's sites/companies, individual printers, photocopiers and fax machines have been replaced with multi-functional equipment or centralised printers per office/floor. Multi-functional equipment has various benefits, since it not only reduces the consumption of paper and electricity but also helps streamline workspaces, increase service levels for users and cut IT waste. In many cases, the introduction of such equipment is accompanied by the adoption of **managed printing systems**, which involve printing via personal badges, reducing consumption and also increasing the confidentiality and security of printed information. Sometimes, further measures are added to these systems in order to limit paper and toner usage, such as limiting the quantity of paper and the number of colour printouts available, or **duplex printing** by default.
- **Electronic archiving** of documents: this is being carried out more and more extensively in Italy, Austria, Germany and Switzerland, since it enables greater accessibility as well as greater document confidentiality and security. In Austria, any post that is received is centrally scanned and distributed electronically to addressees, while in Italy a document **digitisation** project has also been put into action.
- Use of **low-grammage** ecological paper: in Italy, France and Switzerland, paper with a lower than normal unit weight is used, at 75 g/m². From 2012, Austria and Germany will also replace the paper that is currently in use with paper of a lower grammage, while Italy will move to 70 g/m² paper, ensuring savings in terms of the natural resources used, even if current levels of consumption in number of sheets are maintained.

- Use of **alternative systems to paper for communications between companies/agencies/customers**: in Italy, some companies communicate via SMS when the policy is completed; in Austria, SMS and email are used to inform customers about claims management and the payment of indemnities; in Spain, email alone is used for internal correspondence and paper letters are sent only when strictly necessary. The results achieved in terms of the management of communications and the reduction in the paper consumption at agencies was encouraging in all countries. It is noted, however, that many communications in the insurance-banking sector must, by law, be made in paper.
- Introduction of measures to **reduce agency paper consumption**: in Italy, many agencies print policies when they are issued, eliminating pre-printed forms; in Austria, policy conditions, viewable on the internet, are only sent to the customer in paper form upon specific request; in France, the amount of printed materials has been rationalised.
- **Other initiatives**: in Austria, some work stations were equipped with two monitors, so as to avoid printing documents, and cloth handtowels were used in the restrooms rather than paper ones. In many countries, it was decided to substitute paper Christmas cards with electronic ones and to use electronic forms for employee requests, such as expense reimbursements, payments for overtime, holidays, paid leaves, etc.. In Germany, tablet computers have been introduced in some meeting rooms to avoid using sheets of paper. In almost all countries, subscriptions to newspapers and magazines are shared by a number of offices and are sometimes delivered through online subscriptions. Lastly, in Italy, Austria and Germany, a number of projects are underway to reduce paper consumption, including involving employees in raising awareness among their colleagues.

A majority of the measures described above have positive effects on paper consumption as well as toner and energy consumption. This decrease in consumption adds to the decrease resulting from changes already made or underway in the Group's real estate assets.

Water

Water consumption

	CONSUMPTION (m ³)			CHANGE 2011/2010	PER CAPITA CONSUMPTION (m ³)			CHANGE PER CAPITA 2011/2010
	2010	2011			2010	2011		
ITALY	298,766.0	259,803.0	-13.0%	45.8	39.8	-13.1%		
AUSTRIA	47,111.0	45,428.0	-3.6%	9.2	9.0	-2.4%		
FRANCE	37,643.0	38,038.0	1.0%	10.8	10.7	-1.3%		
GERMANY	140,784.2	139,100.2	-1.2%	13.4	12.4	-8.0%		
SPAIN	32,310.0	32,456.0	0.5%	17.3	17.2	-0.9%		
SWITZERLAND	64,054.0	66,663.0	4.1%	24.0	25.5	6.1%		
TOTAL	620,668.2	581,488.2	-6.3%	20.6	18.8	-8.7%		

- With regard to water consumption, the Group has set the objective of reducing per capita consumption by 5%, calculated in 2011, 1,070,140.2 m³ of water was withdrawn, of which 581,488.2 m³ (-6.3% compared to 2010) was consumed mainly for hygienic and sanitary purposes and for the operation and cooling of air conditioning equipment and 488,652 m³ was taken from the Po River in Italy and from Lake Lugano in Switzerland, used as industrial water for cooling systems. Only at some sites was water used to water the green spaces as well.
- In general, there has been a reduction in water consumption in all countries, except Switzerland, where the increase is attributable to greater water use for the cooling of the data processing centre. The decline in consumption has benefited from employee awareness initiatives and, in Germany, good climate conditions, which have enabled lower usage of air conditioning equipment. In Italy, consumption returned to normal in 2011, after the losses that occurred in the water mains of some establishments in 2010.
- Almost all of the water consumed comes from local or state water mains; only an extremely small quantity of consumption, equal to 0.1%, is ground water, which is used only rarely, above all in summer, in Austria (200 m³) and Germany (255 m³). It is noted that in Germany, furthermore, 972 m³ of recycled rainwater was used.
- The insurance-banking activity essentially produces wastewater, which washes into the urban sewage systems.

Main actions undertaken to improve water management

- Installation of equipment that **mixes water and air** (aerators): at several buildings in Italy, Germany and Spain.
- Installation of equipment for **recovery and reuse of water**: at several buildings in Germany, tanks have been installed for recovering rainwater.
- **Cooling equipment that uses air** instead of water: this type of equipment is in use in Italy, Austria, Germany and the buildings of the Swiss company BSI.
- **Water flow adjustment devices** in restrooms: in Italy and Germany many buildings have photocells that effectively control the flow of water; in Switzerland, on the other hand, there are timers for regulating tap water to reduce the waste of this resource to a minimum.

In order to reinforce and provide a public verification of the commitment to reduce water consumption, in 2011 the Group signed the Carbon Disclosure Project (CDP) Water Disclosure, an international initiative the objective of which is to raise company awareness about sustainable management of water.

Waste

Quintals of waste subject to separate waste collection

	TOTAL SEPARATE WASTE		OF WHICH PAPER-CARDBOARD		OF WHICH IT		OF WHICH TONER	
	2010	2011	2010	2011	2010	2011	2010	2011
ITALY	5,663.5	4,922.9	2,154.9	2,112.6	609.0	106.5	102.3	92.6
AUSTRIA	4,811.8	4,545.7	2,720.0	2,520.0	69.5	15.8	90.9	72.0
FRANCE	2,694.5	3,770.0	562.0	953.2	459.3	947.9	48.8	73.3
GERMANY	37,436.6	35,795.8	21,966.5	17,404.9	124.0	310.5	n.d.	n.d.
SPAIN	4,850.8	1,317.7	4,787.4	1,207.6	4.0	6.3	13.7	13.2
SWITZERLAND	6,638.1	5,709.1	3,442.9	4,319.5	64.3	70.4	34.0	22.1
TOTAL	62,095.4	56,061.3	35,633.6	28,517.8	1,330.1	1,457.4	289.7	273.3

- With regard to waste, the Group has set the objective of increasing the proportion of separate waste collection by 10%. To reach this goal in all countries, actions have been undertaken to improve waste management, such as increasing the number of separate waste collection containers and new specifications for collection and recycling of materials, given that most of this waste is recycled. In order to increase the effectiveness of the actions, many companies have carried out special campaigns to raise employees' awareness about separated collection. Furthermore, all countries are working on improving data reporting.
- In the period under consideration, the countries involved in the System traced a total of 74,344.1 quintals of waste [-6.6% compared to 2010], of which 56,061.3 [-9.7%] were subject to separate waste collection and 18,282.8 were destined for incineration or disposal at landfill sites [+4.3%]. **Paper and cardboard**, plastic, glass, aluminium and other metals, wood, wet waste, used oil, sanitary waste, hazardous waste and IT and toner waste are subject to separate waste collection, and together represent 75.4% of all waste traced, while the remaining 24.6% are incinerated or disposed of at landfill sites.
- Per capita waste, calculated as the ratio of total waste to total number of employees that work in the sites monitored under the EMS, is about 2.3 quintals per employee [-9% compared to 2010].
- The majority of the waste collected using separate methods consist of paper and cardboard (50.9%), which are collected in all countries for recycling. In Austria and Germany, there is an extremely high level of separate waste collection for these materials as a result of very stringent rules in force in these countries, to avoid wasting resources.
- In Italy, Austria, Germany, Spain and Switzerland, the same containers or envelopes are used for internal movements of miscellaneous materials.
- Wherever possible, **IT waste** comprised of discarded electronic devices is returned to suppliers or to plants that carry out the disposal and recovery of reusable parts. The IT waste data may show peaks insofar as computers, monitors and other IT materials are replaced on a cyclical basis with new devices that are more sustainable from an environmental point of view. In Germany and Austria, in certain cases, the replaced electronic devices are donated to schools and charitable organisations. In France, obsolete IT devices are taken back by a supplier, which carries out the sale of the devices and the recycling of parts utilising only disabled personnel.

- 74.5% of discarded **toner** cartridges are returned to the supplier to be recycled or, as in Italy, Austria, France and Switzerland, to be recharged, while the remaining 26.5% are disposed of in accordance with the regulations. For Germany, the data are not yet available for all companies but the reporting criteria are being standardised to achieve that goal.
- **Hazardous** waste (neon tubes, batteries, etc.) represents only 0.5% of the waste subject to separated collection and is disposed of separately in an appropriate manner, according to the current relevant regulations in the various countries, using specialised companies and by maintaining registries and mandatory documentation. In 2011, 283 quintals of hazardous waste (+44.6%) and 3.5 quintals of sanitary waste (+9.3%) such as gauze, bandages, etc. were collected, which was used in the offices that have an infirmary.
- In some sites in Italy and Austria wood is also collected, which is entirely sent for recycling. In Austria, used oil from company canteens is recycled as biofuel.

Mobility

Within the Group, in recent years increasing importance has been given to mobility management, an approach oriented toward managing the demand for mobility in terms of developing and implementing strategies to ensure that the transport of personnel and cargo is done efficiently and sustainably.

The Group's objective is to reduce employee travel as much as possible, above all reducing the use of private vehicles and increasing the use of public transport in order to reduce air and noise pollution in cities.

In 2011, the Group's employees made work-related journeys totalling 212,344,328.5 km (-0.9% compared to 2010) of which approximately 59.3% were by car, 26.2% by air and 14.5% by train.

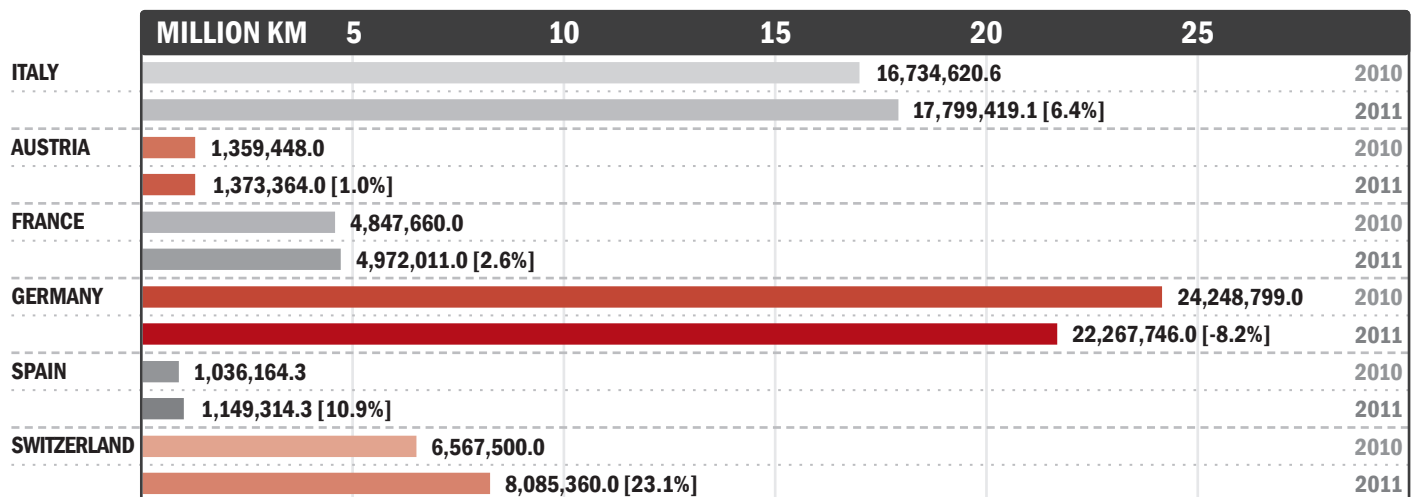
Road kilometres travelled by employees on duty

	MILLION KM	10	20	30	40	50	
ITALY						44,397,163.8	2010
						43,799,457.7 [-1.3%]	2011
AUSTRIA		12,702,000.0					2010
		13,587,000.0 [7.0%]					2011
FRANCE			25,692,720.0				2010
			26,244,610.0 [2.1%]				2011
GERMANY					39,427,798.3		2010
					34,916,555.0 [-11.4%]		2011
SPAIN		5,084,556.3					2010
		5,347,246.0 [5.2%]					2011
SWITZERLAND		2,268,332.0					2010
		2,011,883.0 [-11.3%]					2011

TOTAL 2010: 129,572,570.4 KM; TOTAL 2011: 125,906,751.7 KM; CHANGE 2011/2010: -2.8%

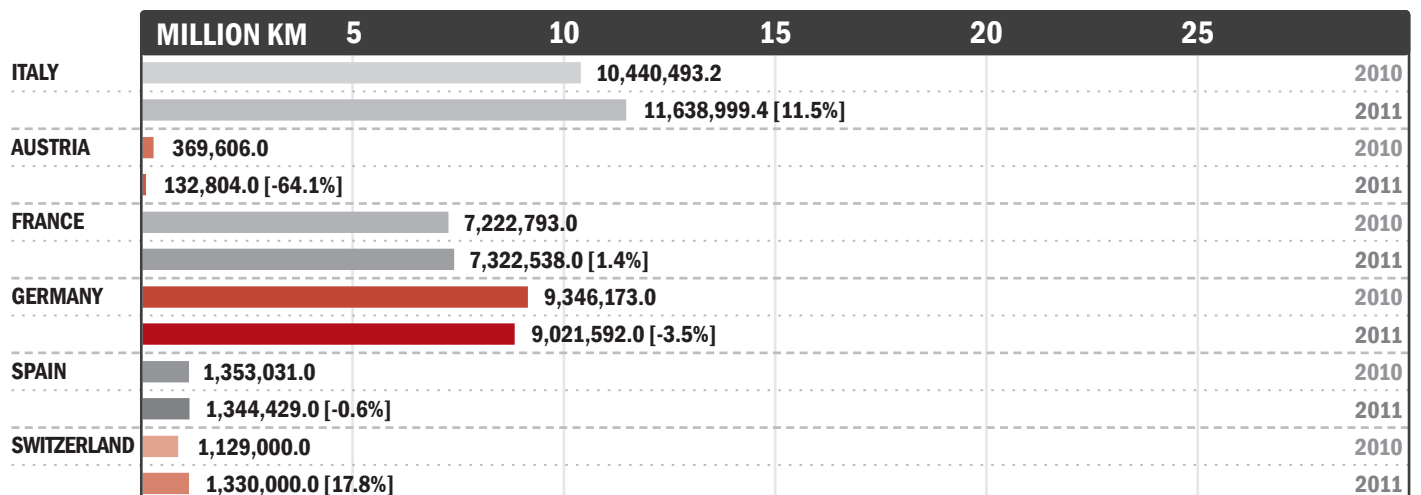
- For Austria, France and Swiss insurance companies it was only possible to measure the mileage travelled for journeys made by corporate fleet.
- In 2011, Group employees travelled a total of 125,906,751.7 km by car [-2.8% compared to 2010], of which 61,706,959 km was by corporate fleet of cars. The decline is due to various mobility management initiatives.
- The greatest contribution to this reduction came from Germany (-11.4%), where corporate fleet travel declined, and from Switzerland (-11.3%), thanks to preference for selecting trains over cars.
- On the other hand, there was an increase in travel in Austria due to the creation of a new sales structure within the company BAWAG PSK Versicherung AG, which required sales supervisors to travel more across the territory, while the increase registered in Spain was due to the need for several managers to travel more for organisational purposes.

Flight kilometres travelled by employees on duty



TOTAL 2010: 54,794,191.9 KM; TOTAL 2011: 55,647,214.4 KM; CHANGE 2011/2010: 1.6%

Train kilometres travelled by employees on duty



TOTAL 2010: 29,861,096.2 KM; TOTAL 2011: 30,790,362.4 KM; CHANGE 2011/2010: 3.1%

- The process of improving the reporting systems for air and train travel continued in 2011, taking the information directly from the travel agencies that make the bookings for employees.
- In all countries, each company policy has made the train the preferred means of travel, but the preferences for different methods of transport for work-related journeys are linked to the distances between the Group's sites in the country, as well as the quality of the existing rail and air connections.
- With regard to air mileage, there has been an increase in all countries, particularly in Spain and Switzerland. The increase in Spain is connected with trips made to Italy for training purposes and very attractive ticket prices offered by the Spanish airline, making air travel better than train travel. The increase in Switzerland, on the other hand, is attributable to work journeys made by BSI employees to Asian countries, mostly.
- In Austria, journeys by train have decreased considerably from 2010 as a result of the completed reorganisation of the Generali Versicherung company.

Main actions undertaken for improving mobility

- Presence of a **mobility/travel manager**: in most countries there is a job position dedicated to mobility management. In Italy, in Trieste, the mobility manager is active and has the task of planning sustainability initiatives and improving home/work journeys and maintaining relations on these topics with the municipal authorities. In Austria and in BSI in Switzerland, there is a mobility manager with the job of managing the corporate fleet. A mobility manager has been instituted in France as well since 2011 and, in the future, a whole series of tasks now performed by various functions

will be assigned to that job position. In Spain, there is a travel manager who deals with work-related journeys. In Germany, there are both a mobility manager and a travel manager; the latter's responsibilities include handling contractual conditions with suppliers of transport services and checking and reviewing the travel policy as well as entering and updating the information on the company intranet space dedicated to mobility and to the implementation of new IT tools for bookings, etc..

- Adoption of a **travel policy** that favours the use of public transport and promotes the methods that create the least pollution: it is present in all countries. In particular, in 2011 this was reviewed and modified in France and Germany. In Austria, all air journeys have to be authorised by the Top Management of the company.
- Adoption of a **car policy** which sets out maximum carbon dioxide (CO₂) limits for company cars: in Italy, Austria, France and, beginning this year, in Germany as well.
- Provision of **shuttle services** connecting several sites located in various parts of the same town or connecting sites with the railway station or the nearest public transport stop: this service exists in Italy within the Rome and Mogliano Veneto sites.
- Reduction of **public transport costs** for employees: in Italy, several companies have contributed to an annual public transport travel pass; in France, Generali covers 60% of the cost of the annual travel pass, valid for all public transport carriers in Paris and the suburbs; in Switzerland, the banking company BSI contributes to the rail network travel pass.
- Installation of **videoconferencing/teleconferencing** systems: in all countries there are incentives for such communications systems, which enable travel by Group employees to be reduced and, at the same time, provide a visual connection. In 2011, the number of videoconference calls was equal, in total, to 25,605, an increase of 40.5% compared to 2010. The increase mainly involved Germany (+69.7%) and Switzerland (+61.6%). In France, videoconferencing can also be done from individual work stations.
- Promoting the use of **bicycles**: to promote the use of bicycles in Italy, Austria and France, some sites have bicycle racks.
- Purchase of **electric or hybrid cars** for company use: in France, an electric car is used for transporting packages and post between the three buildings located at Saint-Denis and a hybrid car has been purchased for a member of the company's Top Management.
- Promotion of **car pooling/car sharing**: in France, employees have access to an internet portal so that car sharing can be organised if there is a public transport strike. In Italy, employees can offer/take lifts from colleagues who make the same journey through a special application; an agreement has also been signed for transporting employees via a transfer-sharing shuttle from the sites to the airports. The service is provided in conjunction with other companies and/or private individuals. In Austria, Generali encourages employees to organise travelling together.
- Implementation of a **tele-expertise** system for claims, to limit the number of car journeys by an assessor: these systems are active in Austria, France and Switzerland.
- Use of **telework**: in Switzerland, some employees have the opportunity of working from home, reducing both home-work journeys, and journeys to customers, with a reduction in greenhouse gas emissions. In Austria, this possibility is offered to those who have just had children.
- Initiatives for **low CO₂ or other greenhouse gas emission journeys**: in Germany, Generali has concluded an agreement with Deutsche Bahn (the German national railway company) whereby all journeys made by train by employees on duty are carbon neutral. In Austria, journeys by train are environmentally friendly because most of the energy used by the Austrian railway network comes from hydroelectric power.

Greenhouse gas emissions

As far as the emission of greenhouse gases (GHG) from direct or indirect consumption of energy is concerned, there have been estimates of the emissions from the consumption of fuels for heating (natural gas and diesel oil), electricity purchased, energy from district heating and corporate mobility, where corporate mobility refers to mileage travelled by car, train or aeroplane by employees on duty.

In 2011, total GHG emissions, comprised of carbon dioxide (CO₂), nitrous oxide (N₂O) and methane (CH₄) were 92,273.3 tonnes of carbon dioxide equivalents (CO₂e) (-5.6% compared to 2010), obtained by converting the quantities of N₂O and CH₄ emitted using the appropriate coefficients. The above-mentioned emissions derive 49.1% from the consumption of electricity, 13.3% from thermal energy and 37.6% from corporate mobility.

The following shows GHG emissions produced in the countries included in the System, grouped together into three different categories (scopes) adopted according to the Greenhouse Gas Protocol approach from the World Business Council on Sustainable Development (WBCSD) and the World Resources Institute (WRI).

Greenhouse gas emissions

	GHG EMISSIONS (CO ₂ e)		CHANGE
	2010	2011	2011/2010
SCOPE 1*	20,342.0	18,215.6	-10.5%
SCOPE 2**	55,201.4	51,944.4	-5.9%
SCOPE 3***	22,195.2	22,113.3	-0.4%
TOTAL	97,738.5	92,273.3	-5.6%

* DIRECT EMISSIONS, PRODUCED BY HEATING FUELS AND THE CORPORATE FLEET OF CARS

** INDIRECT EMISSIONS FROM ENERGY CONSUMPTION, ASSOCIATED WITH THE USE OF ELECTRICITY AND DISTRICT HEATING

*** OTHER INDIRECT EMISSIONS NOT FROM ENERGY CONSUMPTION, CONNECTED TO THE EMPLOYEE WORK JOURNEYS

- Scope 1 emissions were estimated at 18,215.6 tonnes of CO₂e [-10.5% compared to 2010], of which 5,591 tonnes of CO₂e [-21%] derived from natural gas and diesel oil energy consumption and 12,624.6 tonnes of CO₂e [-4.8%] were directly produced by the corporate fleet.
- Indirect emissions from energy consumption, associated with the use of electricity and district heating (Scope 2), were estimated at 51,944.4 tonnes of CO₂e [-5.9% compared to 2010]. Of that amount, 45,291.9 tonnes of CO₂e [-5%] derived from the consumption of electricity acquired by Group companies in 2011, totalling 154.4 GWh, while 6,652.5 tonnes of CO₂e [-11.6%] derived from the consumption of 47.8 GWh of district heating energy.
- Within Scope 3, emissions connected with the work duties of employees were estimated at 22,113.3 tonnes of CO₂e [-0.4% compared to 2010], of which 13,134.6 tonnes of CO₂e related to car journeys, 8,318 tonnes of CO₂e related to air trips, stable in relation to 2010, and 660.7 tonnes of CO₂e related to train travel (+6.5%). The low emissions for train travel are mainly the result of the choice made by Germany, as mentioned, to make train travel carbon neutral.

The emissions have been estimated using the Greenhouse Gas Protocol guidelines, from the WBCSD and WRI, and the emission factors in the calculation tools. A distance-based methodology approach has been adopted for emissions relating to corporate mobility.

Initiatives for reducing greenhouse gas emissions

In addition to the measures already described in the paragraph Energy, aimed at limiting energy consumption and emissions from heating/air conditioning and lighting, and in the paragraph Mobility, aimed at reducing greenhouse gas emissions from corporate mobility, all sites have a monitoring system which also checks the correct operation of the systems. In compliance with the regulations in force, it includes regular checks both by outside firms and by Group technicians, as well as all other measures necessary for ensuring the efficiency of the systems and preventing the release of harmful emissions into the atmosphere.

In all countries under the System, the process for eliminating **refrigerant gases (R22)** from all air conditioning systems is in progress; this process has already been completed by the companies in France, while in Italy, Austria, Germany, Spain and Switzerland it should reach completion by 2014.

Initiatives aimed at **offsetting emissions** have been activated in various countries. In Germany, in particular, through the effect of the GoGreen agreement with Deutsche Post/DHL, CO₂ emissions relating to every package sent are offset by the purchase of certificates that neutralise them through environmental actions.

To reduce GHG emissions, in Italy, Austria, Spain and Switzerland events or initiatives are organised, when possible, with the involvement of local suppliers.

The Generali Group has joined the **Carbon Disclosure Project (CDP)**, an international initiative supported by more than 500 large corporate investors aimed at gathering information at major companies worldwide about their greenhouse gas emissions and the strategies adopted to deal with the risks and opportunities from climate change. In 2011 as well, the Group supplied the CDP database with its information and managed to access the entire database, as a signatory investor, to find out about the environmental performance of the companies that it has invested in or intends to invest in.

In order to further promote the integration of sustainable development in corporate processes, the German group has joined the **VfU - Verein für Umweltmanagement und Nachhaltigkeit in Finanzinstituten e.V.** (the association for

environmental management and sustainability in financial institutions). The purpose of the association is to act as a forum for the exchange of opinions and information to create new strategies and tools for sustainable development. The VfU organises meetings with experts on specific subjects and, through seminars, conferences and publications, makes the results available, not only to members of the association, but also to other external parties.

Expenditures and investments for environmental protection

In 2011, improvement has continued in the process of determining the expenditures and investments for environmental protection and management. As this is a process that was only recently implemented, not all of the companies included in the System have been able to provide full data on the expenditures and investments, so the data published are still partial. The data available show that, within the scope of the System, 150,300 euros have been spent on waste disposal, emissions treatment and the purchase and use of certificates to offset greenhouse gas emissions. Added to that amount, more than 18.5 million euros were spent on environmental management, including the costs of environmental training, external consulting, installation of cleaner technologies, 'green' procurement expenses and other environmental management costs.

Education and awareness initiatives

As it is felt that education is a fundamental element in furthering eco-sustainable behaviour, the Group is promoting numerous education and awareness initiatives about the environment, directed at both its employees, through various kinds of programmes and schemes, and also at its customers and the general public, through awareness campaigns, conferences on the subject, guides and information booklets giving useful advice and suggestions.

Specifically, there are documents, guidelines and information about current social and environmental initiatives on the majority of company intranets. There are also posters or brochures in public areas designed to make workers aware about respecting the environment, saving energy, reducing the consumption of paper and water, and separate waste collection aimed at reusing and recycling natural resources.

There is the tendency everywhere to provide an increasing number of e-learning training courses, which has a dual benefit for the environment: decreasing the consumption of paper linked to the distribution of hard copies and saving CO₂ emissions by reducing journeys.

Major education and awareness initiatives

Country	Initiative/Addressees	Description	Main objectives and/or contents
Italy	5 tappe per l'ambiente • employees	• seminar held in the five main Italian cities where the Group operates (Trieste, Mogliano Veneto, Milan, Turin and Rome) divided into two meetings: the first, on energy, water and waste, and the second, on paper and mobility	<ul style="list-style-type: none"> • information, training and awareness about environmental topics and sustainable management of resources • information on initiatives and projects in progress and/or to be launched soon for reducing the environmental impact of Group activities • involvement from both participants (employees) as well as guests (teachers, suppliers and institutions) • dissemination of an e-learning course for all Italian employees to provide information supplementing the classroom seminar
	Quaderno di sostenibilità • clients	• a brochure distributed at agencies of all Italian companies	• information on the main Group sustainability activities
Austria	Environmental protection • general public	• at shops in a small Upper Austrian town, Generali has sponsored replacing plastic bags with ecological bags derived from maize	• promoting awareness of environmental issues



Country	Addressees	Description	Main objectives and/or contents
Austria	Vienna bikes to work • general public	• as part of this initiative, promoted by the municipality of Vienna, the Bikebusterboys team, consisting of 4 Generali employees, travelled 2,915 km in 30 days, going to work by bicycle every day	• promoting awareness of the bicycle as a means of travel in cities
France	Generation in action • general public	• website www.generation-en-action.com	• promoting or taking part in environmental projects • encouraging the development of a company that adopts sustainable behaviour aimed at improving the society and the environment and creating a better future
	Generali Arctic Observer • general public	• website www.jeanlouisetienne.com/generali_artic_observer	• describing solo balloon flight by explorer Jean-Louis Etienne and of resulting initiatives • promoting awareness of environmental issues • encouraging conduct more respectful of the environment • promoting awareness of climate change risks
Germany	Environmental Day Greenerali • employees and the general public	• day dedicated to the environment, organised by Generali and other businesses outside of the Group in Cologne and Munich	• information and awareness about natural resources and greenhouse gas emissions • information about measures to be adopted to save energy and reduce waste
	The Nature: a Matter of the Heart • general public	• partnership between Generali and the German nature parks association • website www.ehrensache-naturparke.de	• promotion of conduct respectful of the environment • creation of employee secondment opportunities • support of national and regional environmental initiatives
	Econsense • general public	• Econsense membership, a forum for the sustainable development of the German Business and V. association	• promoting and introducing social responsibility into companies' core businesses • encouraging investments in innovation, technologies and sustainable products and services • providing incentives for dialogue and sustainable culture among different businesses
Spain	Awareness campaign • employees	• including recommendations on the company intranet for reducing CO ₂ atmospheric emissions • poster hanging	• promotion of eco-compatible behaviour • building awareness of environmental issues
Switzerland	Generali Energiewochen (Energy weeks) • employees	• various activities in cooperation with Power Utility, an energy supplier in the Canton of Zurich	• information and awareness about efficient energy use • motivating employees to respect the environment

Current initiatives in other countries

The countries which do not belong to the Environmental Management System deserve a separate mention. They are working in various ways on important environmental themes, through committees and a variety of initiatives.

In some countries, the Environmental Policy of the Generali Group has been published on the intranets, portals and websites of the companies.

There are special committees that have formalised policies on environmental themes in Argentina, Brazil, the Czech Republic, Hong Kong, Hungary, India, Panama and Poland.

In 2011, many companies conducted **awareness campaigns** through the internet, intranet, and portals or by sending information by email to reduce the consumption of energy, water and paper and for separated waste management. In Brazil, the initiative continued in 2011 for the donation of different species of seeds and small plants to employees, brokers and suppliers with the aim of contributing to the recovery of Brazilian vegetation, and at the same time, reducing CO₂ emissions. In Guernsey, a project called Eco-Generali has been launched with the task of promoting a series of initiatives within the company to spread sustainable behaviour among employees and limit negative impacts on the environment. A periodic dissemination of statistical data on energy, water and paper consumption, as well as on corporate mobility, is also among the various awareness initiatives. The Eco-Generali team also constantly works in cooperation with governmental agencies to jointly contribute to sustainable development. The commitment demonstrated by Generali Guernsey was given the Guernsey Green Award in 2011.

A large number of companies in various countries are active in associations or organisations for safeguarding the environment. Among them is the Hong Kong branch, which, since 2002, has been involved with environmental problems and education with several employees taking part in the Green Power Hike in support of the non-profit Green Power organisation.

In China, Guatemala and Hong Kong, Generali has taken part in Earth Hour, the initiative promoted annually by the WWF which involves turning all the lights off for one hour.

With regard to the main actions undertaken for **energy improvement**, it is noted that ever more countries have been installing automated devices for regulating temperature and for turning lights off and on. Energy saving light bulbs are available everywhere and LED lighting is used in Argentina, Belgium, Brazil, Guernsey and Mexico. In Guatemala, all computer monitors have been replaced with LED monitors.

In Argentina, China and Guatemala, an energy savings policy has also been introduced providing that all employees must turn off electronic devices and lights before leaving. In Argentina, in particular, before the lunch break and toward the end of the work day, an email is sent to remind all workers to turn off electronic devices and lights. In Israel, with that same objective, special stickers have been applied to attract the employees' attention as much as possible. Filtering film or external solar screening has been installed in windows to reduce air conditioning consumption in Brazil, the Czech Republic, Mexico and Portugal.

Two buildings in China have earned LEED certification (Leadership in Energy and Environmental Design).

Many initiatives regarding **paper management** are also in progress in all countries. Ever more companies are purchasing ecological paper: in nearly all European countries and in Brazil, Colombia, Guatemala, Hong Kong and India this paper is commonly used. In recent years, ever more offices are using duplex printing and electronic storage has become the norm at a very large number of companies.

All Group companies encourage employees to communicate by email and/or telephone rather than using hard copy. In Belgium, Brazil and Colombia, there is an electronic newsletter directed toward staff and the sales force; in Poland, clients are given CDs rather than printed material. In Romania, the Responsible for Nature project has been launched to make employees aware of paper consumption reduction.

In most countries, individual printers have been replaced with multifunction IT equipment in designated locations on different floors.

In Ireland, the Top Management and the sales force have been given tablets to avoid consuming sheets of paper. By collecting paper for pulp, in 2011 the Hong Kong office obtained VER-Verified Emissions Reduction certificates from the company Carbon Care Asia offsetting 0.8 tonnes of CO₂ emissions.

Furthermore, in recent years ever more companies in Argentina, Brazil, China, Colombia, Guernsey, Hungary, Portugal, and Russia have purchased **eco-friendly stationery** and, in some cases, such as China, even the furnishings of offices derive from sustainably managed forests. In India and Panama, envelopes and packaging are reused several times internally; in Guatemala, paper towels in the restrooms have been produced from recycled material, while in Argentina they have been replaced by cloth handtowels. In Brazil, all cleaning materials are biodegradable.

In various countries, actions are continuing for improving **water consumption management**. In particular, equipment for reducing water consumption has been installed in Argentina, Brazil, Colombia, the Czech Republic and Guernsey, including photocells, timers and taps that mix water and air.

In Guatemala, the redevelopment or construction of buildings takes place in compliance with ecological systems: for example, the new parking area has been coated with a special material that allows the collection of rainwater and its recycling for domestic use. In Ireland too, rainwater is collected and reused.

Waste is another important aspect of environmental management. Separate waste collection has become good practice in many countries. Paper and cardboard are recycled in most of the companies.

The rules in force regarding hazardous, IT and sanitary waste disposal are adhered to everywhere.

Often, IT equipment is returned to the supplier to be recycled but in various instances, as in many South American countries and in Belgium, Croatia, the Czech Republic, Guernsey, Hong Kong, Ireland, the Netherlands, Panama, Poland, Serbia, the UK and the United States, it is good practice to donate computers and other small equipment to schools and charities.

Ever more frequently, discarded toners cartridges are returned to the supplier for recycling or recharging. As an indication of the interest and commitment shown by the employees in separate waste collection and materials recycling, in Romania 17 employees have participated in a national ecology project.

Initiatives aimed at **corporate mobility** have also been activated in many countries. In particular, there is a mobility manager in Brazil who manages the company fleet; in China and Belgium there is a job position specifically for managing corporate mobility and in Ireland the mobility initiatives are coordinated by human resources and facility management. Travel policies and car policies are present in various countries, such as Arab Emirates, Belgium, the Czech Republic, Portugal, Slovenia and Thailand.

In Belgium, a car pooling scheme with nearby businesses has been launched and a feasibility study is under way for telework, in order to reduce travel by employees.

In the Netherlands and Ireland, bicycling as a means for going to work is encouraged.

Indirect environmental impact

The Group's activities also have an indirect impact on the environment, especially through purchasing processes, the planning and provision of insurance products and company investment activities.

As far as **procurement ecology** is concerned, refer to the chapter Competitive Stakeholders - Contractual partners, and for **product ecology** refer to the chapter Competitive Stakeholders - Clients, and for **investment ecology**, refer to the chapter Competitive Stakeholders - Issuing companies.

GRI CONTENT INDEX

GRI 3.1 GUIDELINES - PRINCIPLES OF GLOBAL COMPACT



WORK



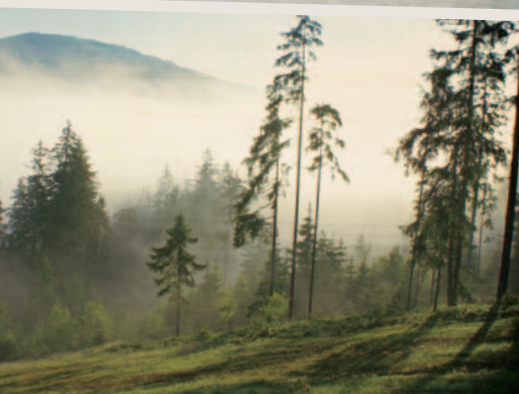
EDUCATION



HEALTH



ENVIRONMENT



GRI 3.1 GUIDELINES - PRINCIPLES OF GLOBAL COMPACT

GRI INDICATORS

PROFILE

1. Strategy and analysis

- 1.1 Statement from the most senior decision-maker of the organization about the relevance of sustainability to the organization and its strategy.
- 1.2 Description of key impacts, risks, and opportunities.

2. Organizational profile

- 2.1 Name of the organization.
- 2.2 Primary brands, products, and/or services.
- 2.3 Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.
- 2.4 Location of organization's headquarters.
- 2.5 Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.
- 2.6 Nature of ownership and legal form.
- 2.7 Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).
- 2.8 Scale of the reporting organization.
- 2.9 Significant changes during the reporting period regarding size, structure, or ownership.
- 2.10 Awards received in the reporting period.

3. Report parameters

- 3.1 Reporting period (e.g., fiscal/calendar year) for information provided.
- 3.2 Date of most recent previous report (if any).
- 3.3 Reporting cycle (annual, biennial, etc.)
- 3.4 Contact point for questions regarding the report or its contents.
- 3.5 Process for defining report content.
- 3.6 Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers).
- 3.7 State any specific limitations on the scope or boundary of the report.
- 3.8 Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.
- 3.9 Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report.
- 3.10 Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/acquisitions, change of base years/periods, nature of business, measurement methods).
- 3.11 Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.
- 3.12 Table identifying the location of the Standard Disclosures in the report.
- 3.13 Policy and current practice with regard to seeking external assurance for the report.

4. Governance, commitments, and engagement

- 4.1 Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.
- 4.2 Indicate whether the Chair of the highest governance body is also an executive officer.
- 4.3 For organizations that have a unitary board structure, state the number and gender of members of the highest governance body that are independent and/or non-executive members.
- 4.4 Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.
- 4.5 Linkage between compensation for members of the highest governance body, senior managers, and executives, and the organization's performance.
- 4.6 Processes in place for the highest governance body to ensure conflicts of interest are avoided.
- 4.7 Process for determining the composition, qualifications, and expertise of the members of the highest governance body and its committees, including any consideration of gender and other indicators of diversity.
- 4.8 Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.
- 4.9 Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.
- 4.10 Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.
- 4.11 Explanation of whether and how the precautionary approach or principle is addressed by the organization.
- 4.12 Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.
- 4.13 Memberships in associations (such as industry associations) and/or national/international advocacy organizations.
- 4.14 List of stakeholder groups engaged by the organization.
- 4.15 Basis for identification and selection of stakeholders with whom to engage.
- 4.16 Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.
- 4.17 Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.

REPORTED	GLOBAL COMPACT PRINCIPLES	CROSS-REFERENCE/DIRECT ANSWER
fully		Sustainability Report 2011, p. 3; 148-149 http://www.generali.com/Generali-Group/Sustainability/Environment/Statistics
fully		Sustainability Report 2011, p. 3; 35-36
fully		Sustainability Report 2011, p. 34
fully		Sustainability Report 2011, p. 34-35
fully		Sustainability Report 2011, p. 26; 34
fully		Sustainability Report 2011, p. 34
fully		Sustainability Report 2011, p. 4-5; 34
fully		Management Report and Consolidated Financial Statements 2011, p. 246-247
fully		Sustainability Report 2011, p. 96
fully		Corporate Governance and Share Ownership Report 2011, p. 12-14
fully		Sustainability Report 2011, p. 34
fully		Sustainability Report 2011, p. 45-46
fully		Management Report and Consolidated Financial Statements 2011, p. 15
fully		Sustainability Report 2011, p. 35; 93
fully		Sustainability Report 2011, p. 36
fully		Quantitative information is as at 31 December 2011 whereas qualitative information may also refer to events after that date.
fully		The most recent previous Sustainability Report, that was approved by the Board of Directors of the Parent Company and later published on the Group website, dates at May 2011.
fully		The reporting cycle is annual.
fully		Sustainability Report 2011, p. 187
fully		http://www.generali.com/Generali-Group/Sustainability/Contacts
fully		Sustainability Report 2011, p. 4
fully		Sustainability Report 2011, p. 4-5
fully		Sustainability Report 2011, p. 4
fully		Sustainability Report 2011, p. 4
fully		Sustainability Report 2011, p. 4
fully		Sustainability Report 2011, p. 4
fully		Sustainability Report 2011, p. 169-184
fully		Sustainability Report 2011, p. 4
fully		Sustainability Report 2011, p. 26-29
fully		Corporate Governance and Share Ownership Report 2011, p. 16-75
fully		http://www.generali.com/Generali-Group/About-us/Management
fully		http://www.generali.com/Generali-Group/Governance/Corporate-bodies/Corporate-bodies-functions
fully		http://www.generali.com/Generali-Group/Governance/Corporate-bodies
fully		Sustainability Report 2011, p. 27
fully		Sustainability Report 2011, p. 28
fully		Sustainability Report 2011, p. 28; 65
fully		http://www.generali.com/Generali-Group/Careers/Human-resources/European-Works-Council-EWC
fully		Sustainability Report 2011, p. 29
fully		2012 questionnaire of the Carbon Disclosure Project (CDP)
fully		Sustainability Report 2011, p. 27
fully		Sustainability Report 2011, p. 27
fully		Corporate Governance and Share Ownership Report 2011, p. 23
fully		Sustainability Report 2011, p. 23-25; 38-41
fully		Sustainability Report 2011, p. 30-33
fully		Corporate Governance and Share Ownership Report 2011, p. 60
fully		The Sustainability Report of the Group as well as Group codes, policies and their updates are subject to the approval of the Board of Directors of the Parent Company.
fully		Corporate Governance and Share Ownership Report 2011, p. 32
fully		Sustainability Report 2011, p. 3
fully		Sustainability Report 2011, p. 42-43
fully		Sustainability Report 2011, p. 42-43; 104-105
fully		The Generali Group provides routine membership dues and views memberships in associations as strategic.
fully		Sustainability Report 2011, p. 52
fully		Sustainability Report 2011, p. 52
fully		Sustainability Report 2011, p. 52
fully		Sustainability Report 2011, p. 87-91; 109-113

ECONOMIC PERFORMANCE INDICATORS

Disclosure on management approach

The Generali Group pursues an objective of long-term sustainable business development through a geographical and distributional diversification. Thus, the drivers of its growth are its solid distribution model based on proprietary networks, its leadership in core markets and its excellent positioning on markets with high growth potential. One of the Group goals is to create value for all its stakeholders and to properly let them share in the wealth generated. Economic and financial information is managed through planning, controlling and reporting systems. The Generali Group also considers the climate change. This topic was identified as one of the key strategic risks to the insurance business

that can also offer new business opportunity. As clearly stated in the Environmental Policy, the Group commits to integration of climate protection prevention measures into its strategies. As a provider of specific insurances covering losses from natural phenomena, specifically from atmospheric ones, the Group constantly monitors the evolution of the situation, both with regard to existing and emerging risks, using specific stochastic simulation models of natural phenomena, in order to ensure that its products and risk mitigation tools are always suitable to the contingent situation. The attention to the topic of the climate change is confirmed by the Group adhesion to the Carbon Disclosure Project (CDP).

GRI INDICATORS

ASPECT: Economic performance

EC1. Core Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.

EC2. Core Financial implications and other risks and opportunities for the organization's activities due to climate change.

EC3. Core Coverage of the organization's defined benefit plan obligations.

EC4. Core Significant financial assistance received from government.

ASPECT: Market presence

EC5. Additional Range of ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation.

EC6. Core Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.

EC7. Core Procedures for local hiring and proportion of senior management hired from the local community at locations of significant operation.

ASPECT: Indirect economic impacts

EC8. Core Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.

EC9. Additional Understanding and describing significant indirect economic impacts, including the extent of impacts.

ENVIRONMENTAL PERFORMANCE INDICATORS

Disclosure on management approach

Safeguarding the environment as a primary asset is one of the guiding values of the Generali Group, which is committed to gearing its own choices towards guaranteeing compatibility between economic initiatives and environmental requirements. Objectives and commitments with the aim of making a positive contribution to sustainable development are defined in the Environmental Policy of the Generali Group. Specific targets for both direct and indirect environmental impacts are defined in the document Group objectives and targets for environmental improvement. Actions to work towards

attaining the Group objectives and targets are included in the Environmental Programme.

The key environmental aspects are managed through an Environmental Management System (EMS) which complies with the requirements of the ISO 14001 standard and meets some ethical requirements. Such System currently involves six of the most important countries for corporate business, i.e. Italy, Austria, France, Germany, Spain and Switzerland.

The System is supported by an organizational structure in the

GRI INDICATORS

ASPECT: Materials

EN1. Core Materials used by weight or volume.

EN2. Core Percentage of materials used that are recycled input materials.

ASPECT: Energy

EN3. Core Direct energy consumption by primary energy source.

EN4. Core Indirect energy consumption by primary source.

EN5. Additional Energy saved due to conservation and efficiency improvements.

EN6. Additional Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.

EN7. Additional Initiatives to reduce indirect energy consumption and reductions achieved.

The Generali Group has always linked its growth to the development of the local communities where it operates and adopted employee policies that do not discriminate anybody and aim at enhancing local abilities, giving importance to the contribution of local people in terms of market knowledge. This approach is also adopted by companies recently acquired or newly created, whose workforce almost entirely numbers local employees, in the management positions as well. As for the supplies, local suppliers are largely preferred. Indirect economic impacts are mainly linked to corporate citizenship initiatives. In order to improve life conditions in the countries where Group companies operate, they themselves work together with

local institutions and non-profit associations, providing one-shot or, most often, recurrent financial support for different public utilities (educational services, health services, social integration services, professional integration of the disabled, etc.) and/or for infrastructures such as schools, day care centres and health care centres. Zukunftsfonds in Germany represents a great, structured example of collaboration with local institutions and non-profit associations. In order to contribute to the alleviation of poverty among disadvantaged inhabitants, the Group has recently financed the launch of some business ventures and microinsurance initiatives in India, where it entered only few years ago.

REPORTED	GLOBAL COMPACT PRINCIPLES	CROSS-REFERENCE/DIRECT ANSWER
fully		Sustainability Report 2011, p. 47; 139; 144-145 Information on community investments by in-kind and time is qualitatively reported. The tax rate of the main countries is reported in the Management Report and Consolidated Financial Statement 2011, p. 183
fully	7	Sustainability Report 2011, p. 3; 33; 105 2012 questionnaire of the Carbon Disclosure Project (CDP)
fully		Sustainability Report 2011, p. 59 Management Report and Consolidated Financial Statement 2011, p. 174-177
fully		The Generali Group did not receive any significant financial assistance from government in 2011.
fully	1	Sustainability Report 2011, p. 57
fully		Sustainability Report 2011, p. 129-131
fully	6	Sustainability Report 2011, p. 62
fully		Sustainability Report 2011, p. 138-139; 144-145 Initiatives result from assessments of community needs.
fully		Sustainability Report 2011, p. 141-142 DMA EC

Corporate Centre that is composed of a Sustainability Committee and an EMS Committee. The task of coordinating these Committees and drafting documentation for the System at Group level is carried out by the Corporate Social Responsibility unit. Each country has also a Country CSR Committee, sometimes supported by national structures which have solely environmental powers. The proper implementation of the EMS and the specific attainment of the objectives are guaranteed by periodic monitoring of several indicators which cover all of the most significant environmental

aspects directly or indirectly impacting on the business, i.e. materials, energy, water, emissions, waste, corporate mobility, products and services, procurement processes and investment activities. Data obtained feeds an internal information system which provides for a report for a review by the Top Management, in order to constantly assess the efficiency and effectiveness of the EMS with a view towards continual improvement.

REPORTED	GLOBAL COMPACT PRINCIPLES	CROSS-REFERENCE/DIRECT ANSWER
fully	8	Sustainability Report 2011, p. 155 Materials mean paper that the Generali Group purchases from external suppliers. Information about non-renewable and direct materials used is therefore not applicable to the financial sector.
fully	8, 9	Sustainability Report 2011, p. 156
fully	8	Sustainability Report 2011, p. 150-152
fully	8	Sustainability Report 2011, p. 150; 152 Primary energy consumed in its production is not relevant for the core business of the Group.
fully	8, 9	Sustainability Report 2011, p. 150-152
fully	8, 9	Sustainability Report 2011, p. 103-105 Reductions in the energy requirements of products and services cannot be quantified in the financial sector. The products of the Generali Group are mainly policies.
fully	8, 9	Sustainability Report 2011, p. 153-154; 160-163

ASPECT: Water

EN8. Core	Total water withdrawal by source.
EN9. Additional	Water sources significantly affected by withdrawal of water.
EN10. Additional	Percentage and total volume of water recycled and reused.

ASPECT: Biodiversity

EN11. Core	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.
EN12. Core	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.
EN13. Additional	Habitats protected or restored.
EN14. Additional	Strategies, current actions, and future plans for managing impacts on biodiversity.
EN15. Additional	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.

ASPECT: Emissions, effluents and waste

EN16. Core	Total direct and indirect greenhouse gas emissions by weight.
EN17. Core	Other relevant indirect greenhouse gas emissions by weight.
EN18. Additional	Initiatives to reduce greenhouse gas emissions and reductions achieved.
EN19. Core	Emissions of ozone-depleting substances by weight.
EN20. Core	NOx, SOx and other significant air emissions by type and weight.
EN21. Core	Total water discharge by quality and destination.
EN22. Core	Total weight of waste by type and disposal method.
EN23. Core	Total number and volume of significant spills.
EN24. Additional	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.
EN25. Additional	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff.

ASPECT: Products and services

EN26. Core	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.
EN27. Core	Percentage of products sold and their packaging materials that are reclaimed by category.

ASPECT: Compliance

EN28. Core	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.
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ASPECT: Transport

EN29. Additional	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.
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ASPECT: Overall

EN30. Additional	Total environmental protection expenditures and investments by type.
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REPORTED	GLOBAL COMPACT PRINCIPLES	CROSS-REFERENCE/DIRECT ANSWER
fully	8	Sustainability Report 2011, p. 157
fully	8	Group companies do not draw sufficient quantities of water to significantly affect water sources.
fully	8, 9	Sustainability Report 2011, p. 157
fully	8	In Italy, an area of 110,675 m ² in the Mogliano Veneto site is located within a zone subject to the Dese River restrictions pursuant to Art. 142 of Legislative Decree No.42/2004. This zone, designated as a park, has no protected species and no Company activities are carried out there.
fully	8	There are no significant direct and indirect impacts on biodiversity in the area subject to restrictions. It is designated as a park and therefore unspoiled.
not	8	Information required is not material for the core business of the Generali Group.
not	8	Information required is not material for the core business of the Generali Group.
not	8	Information required is not material for the core business of the Generali Group.
fully	8	Sustainability Report 2011, p. 162
fully	8	Sustainability Report 2011, p. 162
fully	7, 8, 9	Sustainability Report 2011, p. 162-163
not	8	Emissions of ozone-depleting substances are not measured, as immaterial for the Group activities.
fully	8	Discharged water is not measured, since water effluents from insurance-banking activities are similar to domestic sewage. Only in Switzerland water is returned to the Lugano lake without harming the environment.
not	8	Discharged water is not measured, since water effluents from insurance-banking activities are similar to domestic sewage. Only in Switzerland water is returned to the Lugano lake without harming the environment.
fully	8	Sustainability Report 2011, p. 158-159 56,061.3 quintals of total waste are separately collected, 13,854 quintals are incinerated and 4,428.8 quintals are disposed of at landfill sites. Therefore, waste disposal methods applied are only separate collection, incineration and landfill.
not	8	The risk of potential spills of hazardous substances is not significant, when considering the insurance-banking activities of the Generali Group.
not	8	Total weight of transported, imported, exported and treated hazardous waste are managed by suppliers of Group companies.
not	8	Discharged water from the Group activities washes into the urban sewage systems without significantly harming the environment.
fully	7, 8, 9	Sustainability Report 2011, p. 156-157 The measures described have positive impacts on paper, toner and energy consumption. However, impacts are not quantified.
not	8, 9	There is no recycling and reuse system for the products in the Group.
fully	8	From the information available in 2011, there are no fines or monetary sanctions imposed on Group companies for non-compliance with environmental laws and regulations.
fully	8	Sustainability Report 2011, p. 159-161 Environmental impacts of transportation used for logistical purposes are not relevant for the Group business.
fully	7, 8, 9	Sustainability Report 2011, p. 163

SOCIAL PERFORMANCE INDICATORS LABOR PRACTICES AND DECENT WORK

Disclosure on management approach

The Group's employee policies, which are set out by the Group CEO, are characterized by enhancement of employees' opportunities, development of their potential and respect for their rights. The workers' fundamental rights are stated in the Ethical Code of the Generali Group and in the European Social Charter that are based on the Universal Declaration of Human Rights and the International Labour Organization's Declaration. All staff are given a formal written

employment contract. Exploitation, forced or compulsory labour and child labour are not tolerated in any form. The Group also recognises the right of its employees to join a trade union, to appoint workers' representatives and to exercise the relative functions, in accordance with local regulations and practices. The personal and professional growth of its employees and the improvement of their competencies are encouraged through intense

GRI INDICATORS

ASPECT: Employment

LA1. Core	Total workforce by employment type, employment contract, and region, broken down by gender.
LA2. Core	Total number and rate of new employee hires and employee turnover by age group, gender, and region.
LA3. Additional	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation.
LA15. Core	Return to work and retention rates after parental leave, by gender.

ASPECT: Labor/management relations

LA4. Core	Percentage of employees covered by collective bargaining agreements.
LA5. Core	Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements.

ASPECT: Occupational health and safety

LA6. Additional	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.
LA7. Core	Rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities by region and by gender.
LA8. Core	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.
LA9. Additional	Health and safety topics covered in formal agreements with trade unions.

ASPECT: Training and education

LA10. Core	Average hours of training per year per employee by gender, and by employee category.
LA11. Additional	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.
LA12. Additional	Percentage of employees receiving regular performance and career development reviews, by gender.

ASPECT: Diversity and equal opportunity

LA13. Core	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity.
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ASPECT: Equal remuneration for women and men

LA14. Core	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation.
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training activities that are managed by the Generali Group Innovation Academy (GGIA) and developed as to guide training investment in accordance with the Group's objectives and strategies. The Group values its employees and considers diversity as an opportunity for enrichment. The individual contribution to its success is recognized, also through appropriate and equal remuneration. Employees regularly receive performance appraisal through

appropriate methods, also with a view of developing their carrier. The policies guaranteeing equal opportunities to specific categories such as women, the disabled, etc. aim at reducing possible barriers through actions that are defined with them. The Group protects and guarantees working conditions that are respectful of individual dignity in safe, healthful working environments.

REPORTED	GLOBAL COMPACT PRINCIPLES	CROSS-REFERENCE/DIRECT ANSWER
fully		Sustainability Report 2011, p. 66-70 Employment number is not affected by significant seasonal variation.
fully	6	Sustainability Report 2011, p. 72
fully		Sustainability Report 2011, p. 59-60
partially		Sustainability Report 2011, p. 61 All the Generali Group employees can make use of parental leave in accordance with local laws and regulations in force. The Generali Group is implementing procedures to gather information on employees who returned to work after parental leave ended and on employees who returned to work after parental leave ended who were still employed twelve months after their return to work.
fully	1, 3	Sustainability Report 2011, p. 75
fully	3	Sustainability Report 2011, p. 65 Most of the collective bargaining agreements include the notice period and/or provisions for consultation and negotiations.
fully	1	Sustainability Report 2011, p. 63
fully	1	Sustainability Report 2011, p. 65; 73 No information on independent contractors is given in the Sustainability Report, since this category is not relevant for the core business of the Group.
fully	1	Sustainability Report 2011, p. 64 Information on workers who are involved in occupational activities who have a high incidence or high risk of specific disease is not relevant for the financial sector.
fully	1	Sustainability Report 2011, p. 64
partially		Sustainability Report 2011, p. 86 The Generali Group is implementing the procedures to gather information on average hours of training per year per employee by gender.
fully		Sustainability Report 2011, p. 56; 85 http://www.generali.com/Generali-Group/Careers/Training The Generali Group is mainly in line with the European legislation on transition assistance programs to support employees who are retiring or who have been terminated.
fully		Sustainability Report 2011, p. 58
fully	1, 6	Sustainability Report 2011, p. 27; 67-68; 71-72
fully	1, 6	Sustainability Report 2011, p. 70

HUMAN RIGHTS

Disclosure on management approach

The Generali Group commits to ensure and promote fundamental human and labour rights in all its spheres of influence. Such commitment is stated in the Ethical Code of the Generali Group, in the Ethical Code for suppliers of the Generali Group, in the Ethical Guidelines for investments and in the European Social Charter. It is further confirmed by the support of the UN Global Compact initiative. The topic of human rights lies with the Group CEO.

Respect for human and labour rights is a top priority for the Group. Its main spheres of influence, where human rights may be violated, are employees and suppliers. As for the former, the risk is related to locations of companies and to employees policies adopted. Annually the Corporate Social Responsibility unit monitors through questionnaires the prohibition of child, forced and compulsory

labour, non-discrimination and freedom of association and collective bargaining in all Group companies. In order to create awareness of fundamental human rights, respect for which must be guaranteed, the Group offers a widespread training through an e-learning course. It will gradually involve all employees over a period of time that will continue through the end of 2013. The number of employees who have done the course is constantly monitored.

Respect for fundamental human and labour rights is also key in the supply chain. The risk of human rights violation is related to locations and type of activities. Its assessment is started in 2012 and it implies the future monitoring. As stated in the Ethical Code for suppliers, the Group requires the contractual partners to comply with all national and international applicable rules and regulations,

GRI INDICATORS

ASPECT: Investment and procurement practices

HR1. Core Percentage and total number of significant investment agreements and contracts that include clauses incorporating human rights concerns, or that have undergone human rights screening.

HR2. Core Percentage of significant suppliers, contractors and other business partners that have undergone human rights screening, and actions taken.

HR3. Core Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.

ASPECT: Non-discrimination

HR4. Core Total number of incidents of discrimination and corrective actions taken.

ASPECT: Freedom of association and collective bargaining

HR5. Core Operations and significant suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and actions taken to support these rights.

ASPECT: Child labor

HR6. Core Operations and significant suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor.

ASPECT: Forced and compulsory labor

HR7. Core Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor.

ASPECT: Security practices

HR8. Additional Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.

ASPECT: Indigenous rights

HR9. Additional Total number of incidents of violations involving rights of indigenous people and actions taken.

ASPECT: Assessment

HR10. Core Percentage and total number of operations that have been subject to human rights reviews and/or impact assessments.

ASPECT: Remediation

HR11. Core Number of grievances related to human rights filed, addressed, and resolved through formal grievance mechanisms.

including the International Labour Organization's Declaration and the Universal Declaration of Human Rights. It also requires them to align with the Group policies while performing business and to ensure compliance with all the levels of the relevant supply chain. As an institutional investor, the Generali Group adopts Ethical Guidelines that forbid investment in financial instruments issued by companies that do not respect the fundamental human rights. On the one hand, it thus avoids being involved, through investments, in serious violations of human rights and, on the other, it persuades issuing companies to act responsibly. The Group set up a Council on Ethics, a consultative body to CFO for possible exclusion procedures from the investment universe of companies that violate the Group's ethical criteria. Investments are constantly monitored and checks

designed to prevent the acquisition of securities issued by excluded companies are made. A half-yearly report is sent to the Corporate Centre's Group Risk Management department. The procedures by which to manage lack of respect for human rights are those implemented for reports of violation of the Ethical Code. They require reports to be notified to the Corporate Social Responsibility unit and to be analyzed, on the basis of elements revealed during the preliminary investigation, by the Ethics Commission, that consists of an outsider, too. Suitable disciplinary measures against people responsible for the violation of human rights are taken if the violation is ascertained. Said measures can also entail the removal of said people from the company.

REPORTED	GLOBAL COMPACT PRINCIPLES	CROSS-REFERENCE/DIRECT ANSWER
fully	1, 2, 3, 4, 5, 6	Sustainability Report 2011, p. 134 Premiums paid by clients for all insurance contracts are invested in accordance with the Group's Ethical Guidelines which forbid investments in financial instruments issued by companies that do not respect the fundamental human rights.
not	1, 2, 3, 4, 5, 6	In December 2011, the Parent Company Board of Directors approved the Ethical Code for suppliers of the Generali Group. The document was drafted by a working group composed of Corporate Centre experts who are currently preparing several common operational guidelines. They include, in particular, the introduction of satisfactory procedures for monitoring compliance with the requirements demanded, which are also to take into account the risk profiles of the various categories.
fully	1, 2, 3, 4, 5, 6	Sustainability Report 2011, p. 75
fully	1, 2, 6	Sustainability Report 2011, p. 75
partially	1, 2, 3	Sustainability Report 2011, p. 65; 75-77 Information required is not available for suppliers. In December 2011, the Parent Company Board of Directors approved the Ethical Code for suppliers of the Generali Group. The document was drafted by a working group composed of Corporate Centre experts who are currently preparing several common operational guidelines for implementing the content of the Code. They include, in particular, the introduction of satisfactory procedures for monitoring compliance with the requirements demanded, which are also to take into account the risk profiles of the various categories, and the preparedness to take corrective actions and to apply sanctions in instance of non-compliance.
partially	1, 2, 5	Sustainability Report 2011, p. 75-77; 129 Information required is not available for suppliers. In December 2011, the Parent Company Board of Directors approved the Ethical Code for suppliers of the Generali Group. The document was drafted by a working group composed of Corporate Centre experts who are currently preparing several common operational guidelines for implementing the content of the Code. They include, in particular, the introduction of satisfactory procedures for monitoring compliance with the requirements demanded, which are also to take into account the risk profiles of the various categories, and the preparedness to take corrective actions and to apply sanctions in instance of non-compliance.
partially	1, 2, 4	Sustainability Report 2011, p. 75-77; 129 Information required is not available for suppliers. In December 2011, the Parent Company Board of Directors approved the Ethical Code for suppliers of the Generali Group. The document was drafted by a working group composed of Corporate Centre experts who are currently preparing several common operational guidelines for implementing the content of the Code. They include, in particular, the introduction of satisfactory procedures for monitoring compliance with the requirements demanded, which are also to take into account the risk profiles of the various categories, and the preparedness to take corrective actions and to apply sanctions in instance of non-compliance.
fully	1, 2	From analysis conducted there was no security personnel in the workforce. Security services, that mainly concern night surveillance of the buildings, are provided by external organizations. There are no evidence on training provided by them.
fully	1, 2	There were no incidents of violations involving rights of indigenous people in 2011.
fully		Sustainability Report 2011, p. 75
fully		Reports of human rights violation, or alleged violation, can be notified in written and not anonymous form to the Corporate Social Responsibility department of Assicurazioni Generali. It assesses them under the procedures for reports of violation of the Ethical Code of the Generali Group. Also in 2011 no reports of human rights violation were received through this channel.

SOCIETY

Disclosure on management approach

The impacts of activities on local communities have not only an economic nature, i.e. those associated to job offer and purchase of goods and services from local suppliers, but mainly concern logistic and environmental aspects. The former are, in fact, linked to commutes and transfers for duty whereas the latter are due to both transfers and building management.

Before starting new activities – specifically, before entering new markets or moving a significant number of employees to new buildings, that are usually located in the same country or even in the same city – impacts from commutes in terms of their direct management or facilitation are carefully assessed.

The impact on the social fabric of the communities where Group companies operate is also taken into consideration. The Group interacts with the local communities through several cultural, educational, etc. initiatives as to create a collaborative mood to favour integration and to have positive effects on both Group companies

and the communities where they operate. In the main cities the Group constantly works together with institutions as to promote new initiatives with the aim of reducing traffic and emissions from commutes.

An economic and eco-friendly management of the corporate mobility also contributes to limit the impact of operations on the communities. As for the access to products and services, sales and claims settlement networks of the Group are widespread in several markets and in low-populated areas, too. The distributional diversification of the Group and the possibility of communicating by phone or internet with the companies, not only in case of underwriting but also in the claim settlement process, contribute to reduce barriers to access to services.

One of the Group goals is to provide those who would otherwise be excluded from the traditional market with insurance products. It is pursued through some specific microinsurance projects.

GRI INDICATORS

ASPECT: Community

S01. Core Percentage of operations with implemented local community engagement, impact assessments, and development programs.

S09. Core Operations with significant potential or actual negative impacts on local communities.

S10. Core Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities.

FS13. Core Access points in low-populated or economically disadvantaged areas by type.

FS14. Core Initiatives to improve access to financial services for disadvantaged people.

ASPECT: Corruption

S02. Core Percentage and total number of business units analyzed for risks related to corruption.

S03. Core Percentage of employees trained in organization's anti-corruption policies and procedures.

S04. Core Actions taken in response to incidents of corruption.

ASPECT: Public policy

S05. Core Public policy positions and participation in public policy development and lobbying.

S06. Additional Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.

ASPECT: Anti-competitive behavior

S07. Additional Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes.

ASPECT: Compliance

S08. Core Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.

In its sphere of influence the Generali Group is also committed to working against corruption in all its forms and to implementing all measures against it. The Group joins the UN Global Compact consistently with such commitment, that is stated in the Ethical Code. It requires to all its stakeholders to conduct ethically as to counter corruption, and provides suitable tools for the prevention of conduct in contrast with principles of correctness, lawfulness and transparency. These tools are the following: the Organizational and Management Model adopted in Italy, that allows for the administrative liability of companies for crimes committed by their senior executives or subordinates in the interest or to the benefit of the companies to be eliminated; the Internal Fraud policy aimed at discouraging and waylating all types of fraudulent conduct as may be implemented by staff members to the detriment of the Group; and the soon to be issued Group Anti-money Laundering aimed at preventing the companies from becoming involved in money laundering.

They are policies the Generali Group is committed to disseminate to people who have relationships with it. The risk is managed and monitored by departments reporting to the Group CEO. The issue of the fight against corruption is also in the Ethical Code of the Generali Group and in the Ethical Guidelines for Investments. As stated in the Ethical Code, the Group does not support any event or initiative whose aim is mainly or exclusively of a political nature. Furthermore, it refrains from any direct or indirect pressure on political representatives and does not make any contribution to trade unions or associations with which conflict of interests may arise. The Group recognizes free competition in the market as a crucial factor for growth and constant business improvement. It bases its competitiveness on the quality of products and services provided and not on competitors' discredit.

REPORTED	GLOBAL COMPACT PRINCIPLES	CROSS-REFERENCE/DIRECT ANSWER
fully		Sustainability Report 2011, p. 141-142 An environmental analysis was conducted on the main buildings of the Group companies in order to identify the significant impacts of insurance and financial activities on the environment. Objectives and targets, previously identified, refer to such impacts with a view towards continual improvement. DMA SO Information is mainly qualitatively reported. As for mobility, the Group's objective is to reduce employee travel as much as possible, above all reducing the use of private vehicles and increasing the use of public transport in order to reduce air and noise pollution in cities. All companies are, for example, compliant with travel policies based on criteria assessing environmental impacts. For a thorough examination consult the section Mobility in the Sustainability Report 2011, p. 159-161.
fully		When considering the Group core activities, the negative impacts on local communities are the following: economic impacts, i.e. those associated to job offer and purchase of goods and services from local suppliers; logistic impacts, i.e. those linked to commutes and transfers for duty; and environmental impacts, i.e. those due to transfers and building management (pollution risk).
fully		The Group is committed to a sustainable management in the environmental field (see chapter Social-environmental Stakeholder - Environment) and in the social one (employment agreements and policies for business combinations and corporate restructuring, as described in the Sustainability Report 2011 on p.65).
not		Sales and claims settlement networks of the Generali Group are widespread in several markets and also in low-populated areas. The possibility of communicating by phone or internet with the Group companies in case of underwriting and in the claim settlement process also contribute to reduce barriers to access to services.
fully		Sustainability Report 2011, p. 36; 101-102; 105-106; 108; 141
fully	10	Risks related to corruption are included in operational risks, the management of which is described in Management Report and Consolidated Financial Statements 2011, p. 145. All corporate processes and, therefore, all business units are analyzed. Group companies also enforce local legislation on corruption, if any.
fully	10	Sustainability Report 2011, p. 40-41
fully	10	No actions were taken, since in 2011 no reports were received in accordance with Legislative Decree No.231/2001 and subsequent amendments, and with the Internal Fraud policy.
fully	1, 2, 3, 4, 5, 6, 7, 8, 9, 10	Sustainability Report 2011, p. 39 At the Company level there are neither public policy positions nor participation in public policy development and lobbying concerning sustainable issues.
fully	10	Sustainability Report 2011, p. 39
fully		Implementation of processes to identify legal actions for anti-competitive behavior, anti-trust and monopoly practices brought against Group companies and monetary value of fines assessed has been initiated in conjunction with the data gathering for 2011: therefore, only partial data is available, and full collection of the data is envisioned in the medium term. In 2011, 1,637 legal actions were initiated against Group insurance companies amounting to just over 2.4 million euros (data are not available for Israel and the Czech Republic), while no legal actions were brought against Group banks.
fully		Implementation of processes for determining monetary value of fines assessed has been initiated in conjunction with the data gathering for 2011: therefore, only partial data is available, and full collection of the data is envisioned in the medium term. In 2011 Group companies were assessed a total of 842 fines amounting to about 9 million euros (data are not available for Germany, Israel and Switzerland). Of these, 253 (amounting to about 4.7 million euros) involved sanctions for non-compliance with laws and regulations other than those reported in the EN28 and PR9 indicators. Fines assessed by national insurance regulatory authorities clearly predominate (836 fines amounting to nearly 9 million euros). In particular, Group companies in Italy were assessed fines for failing to meet deadlines established for claim settlement. In 2011 Group banks were assessed just one fine (amounting to 18,000 euros) by the national regulatory authority for non-compliance of products and services with the rules in force.

PRODUCT RESPONSIBILITY

Disclosure on management approach

As stated in the Ethical Code, in order to achieve its fundamental goal of customer satisfaction, the Group insists on high-quality products and services that are constantly updated to meet new requirements. Many initiatives of dialogue with customers are periodically organized as to learn expectations and satisfaction with regard to products and services provided. Managing relations with customers gains in importance and sales force therefore play a key role in achieving commercial strategies.

The Group provides sales force with specific training courses, adequate support and guidelines on how they should go about their work. Contracts and communications with customers are based on the principles of correctness and honesty, professionalism, transparency and cooperation with a view to finding solutions that are most suited to their needs. Information provided to customers before any contract is signed is complete, transparent and comprehensible so they can

GRI INDICATORS

FS15. Core Policies for the fair design and sale of financial products and services.

ASPECT: Customer health and safety

PR1. Core Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.

PR2. Additional Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services, by type of outcomes.

ASPECT: Product and service labelling

PR3. Core Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.

PR4. Additional Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.

PR5. Additional Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.

FS16. Core Initiatives to enhance financial literacy by type of beneficiary.

ASPECT: Marketing communications

PR6. Core Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.

PR7. Additional Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes.

ASPECT: Customer privacy

PR8. Additional Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.

ASPECT: Compliance

PR9. Core Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.

make conscious purchase choices. To this end, Group companies implement information and training programmes with the aim of disseminating insurance and financial know-how. As for marketing communication, the Group is also in line with the fundamental ethical values of the civil society and it complies with the current regulations, the Ethical Code and other voluntary or self-regulatory codes adopted in some countries. In accordance with national legislation, the Generali Group guarantees

the confidentiality and security of data and its processing through methods denying access to third parties, unless required for corporate aims or by a writ. Group management system and procedures to customer privacy protection are adequate.

REPORTED	GLOBAL COMPACT PRINCIPLES	CROSS-REFERENCE/DIRECT ANSWER
fully		Emerging needs, the results of market analyses and any new features introduced through laws are considered when developing, distributing and providing products and services. These elements have led to the introduction of products with particular social and environmental value and the use of new channels at the service of customers. Moreover, sales force is constantly and adequately trained in order to guarantee the quality of the services provided by the Group.
not	1	Products/services impacting on health and safety are not distributed/provided.
not	1	Products/services impacting on health and safety are not distributed/provided.
not	8	Products and services are not labelled.
not	8	Products and services are not labelled.
fully fully		Sustainability Report 2011, p. 109-111 Sustainability Report 2011, p. 108
fully		Sustainability Report 2011, p. 108 The Generali Group reviews codes and voluntary standards when necessary. The Generali Group does not sell products that are banned in certain markets or the subject of stakeholder questions or public debate.
fully		In 2011 no incidents of non-compliance with regulations or voluntary codes were reported concerning marketing communications of Group companies.
fully	1	In accordance with national legislation, Generali Group companies have adopted suitable technical, organisational and operational measures to guarantee the confidentiality and security of personal (and at times sensitive) data pertaining to potential and actual clients and other stakeholders (employees, suppliers and others). Only personal data that are strictly necessary to provide the required services and to achieve the objectives laid out in specific privacy notices are collected, with particular attention paid to sensitive data, which are gathered and processed only where the use of anonymous data is not deemed viable. In 2011 companies identified 296 substantiated complaints regarding breaches of customer privacy. Reasons lain in 52 leaks, 2 thefts and a loss of customer data as well as in 241 undesired commercial communications and improper data transmission. In addition, the regulatory bodies in Italy and Germany asked some Group companies for information following complaints from clients.
fully		589 fines (amounting to about 4.3 million euros) were issued in 2011 for non-compliance of products and services with laws and regulations in force at various levels: local, regional, national and international. Data are not available for Germany, Israel and Switzerland.

PRODUCT AND SERVICE IMPACT

Disclosure on management approach

By their very nature, insurance products have a social value because they provide protection for clients and meet their pension needs. Their social role becomes even more crucial against a general gradual reduction in public services.

Among the range of products and guarantees offered there are also some with particular social or environmental value that meet specific needs of the disabled, seriously ill people, immigrants, etc., that cover facilities that produce renewable energy, or that reward the virtuous

conduct of the policyholders. Even if they represent a very small part of the corporate business, they contribute to raise awareness and persuade customers to act responsibly.

The Group plays on investments of technical reserves that are in line with the guidelines complying with the Principles for Responsible Investment (PRI), sponsored by ONU, as to qualify all its products as ethical. Through investments according to such criteria, the Group ensures its clients not only the risk protection and adequate

GRI INDICATORS

ASPECT: Product portfolio

FS1. Core	Policies with specific environmental and social components applied to business lines.
FS2. Core	Procedures for assessing and screening environmental and social risks in business lines.
FS3. Core	Processes for monitoring clients' implementation of and compliance with environmental and social requirements included in agreements or transactions.
FS4. Core	Process(es) for improving staff competency to implement the environmental and social policies and procedures as applied to business lines.
FS5. Core	Interactions with clients/investees/business partners regarding environmental and social risks and opportunities.
FS6. Core	Percentage of the portfolio for business lines by specific region, size (e.g. micro/SME/large) and by sector.
FS7. Core	Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose.
FS8. Core	Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose.

ASPECT: Audit

FS9. Core	Coverage and frequency of audits to assess implementation of environmental and social policies and risk assessment procedures.
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ASPECT: Active ownership

FS10. Core	Percentage and number of companies held in the institution's portfolio with which the reporting organization has interacted on environmental or social issues.
FS11. Core	Percentage of assets subject to positive and negative environmental or social screening.
FS12. Core	Voting policy(ies) applied to environmental or social issues for shares over which the reporting organization holds the right to vote shares or advises on voting.

financial returns but also respect for fundamental human rights and environmental protection. The management system provides for constant monitoring of investments, including checks designed to prevent the acquisition of securities issued by companies that do not meet ethical criteria. Believing that there has to be consistency between investment policy and voting policy, Generali Investments has integrated ESG criteria into its own voting policy. The purpose is to establish a real dialogue on

environmental, social and governance aspects with company directors and managers and to encourage the consideration of such topics in the performance of their activities. The Generali Group is then committed to introducing systematic audits on several CSR activities from the Group Internal Audit department. Specifically, the internal audit on the Environmental Management System (EMS) of the Group will be conducted in the second half of 2012.

REPORTED	GLOBAL COMPACT PRINCIPLES	CROSS-REFERENCE/DIRECT ANSWER
fully		As described in the Environmental Policy, the Generali Group has the objective of providing incentives for clients to adopt eco-sustainable behaviour by offering insurance and investment products that promote environmental awareness. The Group therefore aims at developing and enhancing the range of 'green' insurance and financial products/services. Aspects concerning climate change are described in the 2012 questionnaire of the Carbon Disclosure Project (CDP). Moreover, the Group aims at including, through microinsurance, members of society who would otherwise be excluded from the insurance market. Thanks to this tool, the poorest sections of population are, for example, provided with health insurance products. Information on products with particular social and environmental value distributed by the Generali Group is reported in the Sustainability Report 2011, p. 99-104.
fully		Sustainability Report 2011, p. 30-33 The Sustainability Committee, that is described in the Sustainability Report 2011 on page 30, is the body competent on the assessment of social and environmental risks, for which it relates also to the Group Risk Management department. For a thorough examination of the Risk Management System consult the Risk Report, to which a specific section is devoted of the Consolidated Financial Statements 2011. As for climate change risks, further details are available from the 2012 questionnaire of the Carbon Disclosure Project (CDP). If significant, social and environmental risks in insurance contracts are considered at the underwriting time and they influence not only on the pricing but often represent also a requirement for obtaining the cover. Compliance with laws in force is essential; moreover, the presence of measures aiming at reducing the risk of claims may be required to obtain the cover and led, in any case, to lower premiums. Specifically, as for significant risks, inspections are common to identify measures to be adopted for an efficient and effective risk management. As for life and health products, the risk assessment is based on a detailed questionnaire on medical history and it is sometimes integrated with a thorough medical examination.
fully		In the insurance contracts statements of the client on the risk status made at the time of signing the contract are binding: they are verified when the claim occurs and, if they are not true, the compensation for the loss is reduced or even not due in cases where the cover would not have been given. Monitoring is not applicable because the relevant risk in insurance contracts is assessed at the underwriting time.
fully		Sustainability Report 2011, p. 79; 85; 163-165
fully		Sustainability Report 2011, p. 104-105 Information is qualitatively reported.
fully		Sustainability Report 2011, p. 116 Management Report and Consolidated Financial Statements 2011, p. 125-126 The geographical area covered includes the main countries where the Group operates.
fully		Sustainability Report 2011, p. 99-103 Premiums from insurance products with particular social value amount to more than 1,128 million euros and they represent 1.6% of total gross written premiums.
fully		Sustainability Report 2011, p. 99; 103-104 Premiums from insurance products with particular environmental value amount to more than 370 million euros and they represent 0.5% of total gross written premiums.
not		The internal audit on the Group Environmental Management System (EMS), the procedure for which was defined in 2011, will be conducted in the second half of 2012.
fully		Sustainability Report 2011, p. 135-136 The Generali Group manages investment funds totalling 6.3 million euros, that represent 6.5% of assets under management, for which it selects the best in class companies on the basis of environmental, social and governance criteria. The selection involves 465 European companies included in the MSC Europe index.
fully		Sustainability Report 2011, p. 134 Total assets are subject to a negative environmental and social screen in accordance with the Ethical Guidelines defined by the Group. No screen is required by law.
fully		Sustainability Report 2011, p. 136 The 2012 voting policy is available from the www.generali-investments.fr website.



Statement GRI Application Level Check

GRI hereby states that **Generali Group** has presented its report "SUSTAINABILITY REPORT 2011" to GRI's Report Services which have concluded that the report fulfills the requirement of Application Level A.

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Amsterdam, 21 June 2012

A handwritten signature in blue ink, appearing to read "Nelmara Arbex", is written over a large, faint watermark of the GRI globe logo.

Nelmara Arbex
Deputy Chief Executive
Global Reporting Initiative



The Global Reporting Initiative (GRI) is a network-based organization that has pioneered the development of the world's most widely used sustainability reporting framework and is committed to its continuous improvement and application worldwide. The GRI Guidelines set out the principles and indicators that organizations can use to measure and report their economic, environmental, and social performance. www.globalreporting.org

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