

RESPONSIBLE BUSINESS

“Generali is committed to promoting and abiding by the ten principles of the Global Compact in terms of respect for human and labour rights, environmental protection and fight against corruption. This commitment is incorporated in our corporate culture and reflected in measurable actions.”

Philippe Donnet, Group CEO

We are aware of our position as the focal point for the interests and expectations of a broad range of stakeholders (employees, shareholders and investors, clients, suppliers, issuing companies, institutions and local communities), with whom we maintain a constant dialogue, managing our business so as to **create value** for our Company and also for our [stakeholders](#).

We want to play an **active role in creating a sustainable future** by pursuing the goal of economic development that leads to a continuous improvement in our business results and in the economic, social and environmental conditions of the communities in which we operate.

We want to **improve people's lives**, above all through high quality products and services that meet our [clients'](#) protection needs. Through [The Human Safety Net](#), our new global initiative in the [community](#), we are extending this mission beyond our day-to-day business to the most vulnerable in society. As a Group, we are taking a new approach to some of the world's socio-demographic challenges, mobilising our people, our capabilities and our resources to achieve real impact.

We believe our success is primarily based on the quality of [our people](#), selected based on their talent. We believe [diversity](#) is a competitive advantage and we promote it within an open and inclusive [working environment](#), where employees feel their rights are protected, where they are valued, and where they have the chance to grow professionally.

Both inside and outside the company, we promote respect for fundamental [human and labour rights](#) and protection of the [environment](#), which we consider a primary asset to be preserved for future generations. Furthermore, we combat [corruption](#) in all its forms.

As part of our commitment to sustainability, in 2014, we joined the [Principles for Sustainable Insurance](#) (PSI), an initiative promoted by the Environment Programme's Finance Initiative (UNIFI) of the United Nations. The principles provide a framework for addressing risks and opportunities related to environmental, social and corporate governance aspects in the global insurance industry. In particular, they require these aspects to be incorporated into decision-making, in addition to working together with governments, regulators and other concerned institutions, as well as clients and business partners, to promote widespread action within society in relation to sustainability.

Generali Group CEO's letter replying to the “Annual Letter to CEOs” from BlackRock

[Read the letter by Philippe Donnet](#) to Larry Fink, Chairman and CEO of BlackRock, the world's largest asset manager. In this letter, Mr. Donnet lays out Generali's commitments to the society as a whole and the communities where the Group operates, as part of our overarching vision of proactively protect and enhance people's lives.

Read here the [“Annual Letter to CEOs”](#) from BlackRock.

CHARTER OF SUSTAINABILITY COMMITMENTS

In 2017 the Board of Directors of Assicurazioni Generali S.p.A. approved the Charter of Sustainability Commitments, renewing the Group's commitment to all of its [stakeholders](#).

Our **sustainability vision** is that of:

contributing towards the creation of a healthy, resilient and sustainable society where people can develop and flourish. This is how we live our role as a corporate citizen, creating long-term value for our stakeholders. This vision is based on two [pillars](#): **run a**

sustainable business, pursuing excellence in our internal processes, and **live the community**, playing an active role where we operate, beyond our day-to-day business.

Thanks to our in-depth dialogue with our internal and external stakeholders and with the top management, eight priorities have been defined for the next three years:

- Respond to the **megatrends** which shape our business and society
- Be the first choice of our **clients**
- Value our **distributors**
- Contribute to the dialogue on sustainability in the **financial community**
- Build an inspiring work environment to **our people**
- Offer an unrivalled service together with our **contractual partners**
- Achieve a tangible impact in **our communities**
- Be trusted as a committed **corporate citizen**

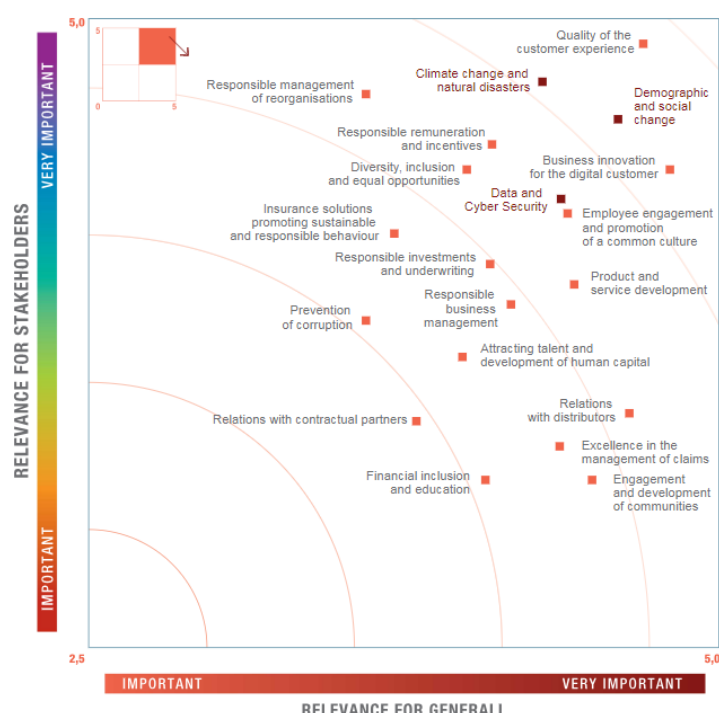
Our progress with regard to the commitments we have made will be monitored on an annual basis and communicated to our stakeholders. The goals of the Charter will also be updated, taking account of the results that are achieved and new requirements that emerge in time.

Download “Charter of Sustainability Commitments” https://www.generali.com/doc/jcr:a095ac7c-23b3-4aed-bc64-31d32c1283b1/lang:en/Charter_of_Sustainability_Commitments.pdf

MATERIALITY MATRIX

In 2014 we launched a process to identify the most important issues on which to concentrate our attention and efforts, in line with the GRI-G4 guidelines. This activity enabled us to define the **materiality matrix**, which pinpoints material aspects that can have a significant economic, social and environmental impact on the Group’s activities and which, influencing the expectations, decisions and actions of stakeholders, are perceived as relevant by the latter.

Thanks also to the involvement of our **stakeholders**, materiality analysis has enabled us to identify a number of **relevant issues** about which we are committed to developing concrete actions and consistent initiatives. The identified issues are the result of an analysis of the global scenario, the companies of the insurance sector, other sectors with relevant experience in the area of corporate responsibility, the dialogue with the Generali top management and also with a number of external stakeholders, chosen for their knowledge of the insurance sector or for their ability to provide original and innovative perspectives.



The pillars for the Generali sustainability model and, as such, not included in the materiality matrix, are:

- ▶ governance
- ▶ economic performance
- ▶ regulatory compliance

Legend:
■ Global trends

More specifically, the analysis was coordinated by the Group Sustainability and Social Responsibility department together with a specialist company, and developed as follows:

MATERIALITY MATRIX PORCESS



IDENTIFICATION OF MEGATRENDS AND MATERIAL ISSUES

The starting point for the process was the identification of megatrends and material issues. The main sustainability guidelines developed by international organisations and networks (ISO26000, GRI-G4, Global Compact, Sustainable Development Goals of the United Nations and ethical ratings agencies) were taken into account and an analysis of the sector and benchmarks was carried out, analysing the material issues identified by major insurance groups, businesses from other sectors with relevant experience in the field of corporate responsibility, and companies that stand out for their technological innovation. The issues covered by the media were also analysed.

DIALOGUE WITH STAKEHOLDERS

In 2015 we launched a dialogue with our stakeholders for the first time in order to obtain an external point of view on the analyses conducted the year before. We identified a small group of stakeholders, chosen for their authority and knowledge of the insurance sector or for their ability to provide original and innovative perspectives.

When choosing who to involve in the dialogue we focused on four main categories:

- **opinion leaders:** authoritative experts recognised at national and international level (members of international organisations, academics, holders of leading roles in sustainability networks, industry journalists), sustainability managers in sectors other than the insurance one, business managers that operate via online platforms (people that regularly manage big data in their activities and have an overview of consumer habits and the macroeconomic scenario), start-uppers and incubators
- **millennials:** 25-35 year-olds who have carried out their training during a period in which communication technologies have expanded rapidly, regularly use social networking sites and are used to sharing and collaboration/interaction that goes beyond cultural and geographical barriers
- **sustainable investors:** not only investors that assess investment opportunities according to ESG criteria but also

analysts, independent responsible investment advisors and ethical ratings agencies

- **trade associations:** insurance sector representatives that regularly collaborate and interact with consumers or consumer associations, that have relations with the institutions and the regulators and which constantly monitor the evolution of the needs and requests of the public.

Download “Description of material topics”

https://www.generali.com/doc/jcr:4a3e17ec-d560-4c7a-94ba-5493601b3b47/lang:en/Description_of_material_issues.pdf

STAKEHOLDER ENGAGEMENT

The map included the main categories of stakeholders - both internal and external to the Group. In particular, we considered stakeholders for whom the Group has responsibility, as well as those that can influence performance. Their proximity, significance and authority were also considered.

For each group of stakeholders are listed the main channels for listening and dialogue, mapping the activities carried out by various corporate departments with the aim of understanding needs and expectations, communicating the results achieved and programmes promoted to ensure the sustainable development. Responsibility for the relationship with the various stakeholders is widespread throughout the entire Group and it is an element that requires constant monitoring as part of our day-to-day activities.

EMPLOYEES

- Engagement survey every two years
- Individual performance assessment interviews and sharing of career development goals
- Meetings with trade unions and workers’ representatives
- Engagement activities connected with business ethics and reflection on the company culture
- Corporate volunteering
- Intranet and Group portal

CLIENTS

- Brand surveys and surveys to monitor satisfaction levels
- Market research
- Dialogue with consumer associations
- Communication channels dedicated to clients (web, chat, email and freephone number)

AGENTS AND DISTRIBUTORS

- Satisfaction surveys
- Roadshows with sales networks
- National and local meetings and conventions
- Workshops
- Channels of communication dedicated to agents and distributors (web, chat and email)

CONTRACTUAL PARTNERS

- National and local meetings and conventions
- Workshops
- Communication channels dedicated to suppliers (web, email)

FINANCIAL COMMUNITY

- Annual General Meetings
- Meetings and interviews with analysts, investors and proxy advisors
- Interviews on the relevance of material issues
- Company points of contact dedicated to financial investor relations



COMMUNITY

- Participation in multi-stakeholder meetings to promote the sustainability of the business
- Meetings with representatives of NGOs, institutions and civil society associations
- Interviews on the relevance of [material issues](#)
- Press conferences
- Web and app for mobile devices
- Company points of contact dedicated to relations with the media and institutions
- Joining voluntary [initiatives](#) supported by the United Nations
- Contributing to public consultations to define new legal measures and industry regulations

ENVIRONMENT

- Participation in multi-stakeholder meetings to promote the sustainability of the business
- Meetings with representatives of NGOs, institutions and civil society associations
- Interviews on the relevance of [material issues](#)
- We join voluntary [initiatives](#) supported by the United Nations

GOVERNANCE & MANAGEMENT

The [Board of Directors](#) of the Parent Company is the body responsible for setting the Group's goals and commitments for sustainability, in addition to assessing risks, opportunities and areas for improvement. It is supported by the [Corporate Governance Social and Environmental Sustainability Committee](#) which performs a consultative, recommendatory and preparatory role for the Board of Directors regarding the corporate governance and social and environmental sustainability decisions for which it is responsible. It consists of non-executive directors, most of whom are independent directors.

The Group CEO is responsible for the implementation at Group level of the sustainability strategies and policies identified by the Board of Directors. At Group Head Office level, specific functions, committees and working groups have also been set up to ensure we systematically take into account social and environmental aspects related to business activities, as well as economic ones:

GROUP SUSTAINABILITY AND SOCIAL RESPONSIBILITY

Function reporting to the Group Communications and Public Affairs Director, responsible for defining, implementing and reporting on the Group's social responsibility model through the dialogue with GHO functions and involvement of sustainability managers in the countries where the Group operates.

In order to achieve greater integration of sustainability with the core business, cross-functional committees and working groups focus on specific issues:

EMS REVIEW COMMITTEE

An internal body which reviews the Group environmental management system based on the ISO 14001 standard.

RESPONSIBLE INVESTMENTS COMMITTEE

A cross-functional body that assesses issuers on the basis of the Group's environmental, social and governance criteria, and supports the Group CIO's decisions regarding potential exclusions from the Group's investments.

RESPONSIBLE BUSINESS LAB

A working group involving the Group Sustainability and Social Responsibility function, the Group Investments, Assets and Wealth Management function and the Group Chief Operations and Insurance Officer function, which coordinates sustainability activities of significance for the Group business.

INTEGRATED REPORTING LAB

A working group involving the Group Sustainability and Social Responsibility function, the Group Chief Financial Officer function and the Corporate Affairs function, which defines and implements a common reporting approach.

SUSTAINABILITY COMMUNITY

A network of sustainability managers at the local level. Moreover, in some countries Sustainability Committees have been formed to operate at national level with a view to improving the organisation and the coordination of activities in the social and environmental fields.

CODE OF CONDUCT

The Generali Group Code of Conduct – approved by the Assicurazioni Generali S.p.A Board of Directors on 14 December 2012 – is our reference text and we ask for it to be put into practice and followed as a matter of course, not only to improve our working relationships, but also to strengthen our employees' sense of belonging, in addition to strengthening our Group's appeal for those who share the same principles.

Download "Code of Conduct "

https://www.generali.com/doc/jcr:7a783bc2-5178-43c6-a7fa-36698388f017/lang:en/CoC_NEW_GRAPHICS_ENG.pdf

As such, our Code of Conduct is a point of reference for our consultants, suppliers, agents, etc. and this is why we have chosen to translate it into the languages of all the countries in which we operate. Please find below the translations of the Code of Conduct applicable in the countries where the Group operates:

** interactive list of countries **

Our Code sets out the behaviour that must be adopted, and provides specific guidance on conduct relating to: the promotion of diversity and inclusion, protection of company assets, prevention of conflicts of interest, corruption and bribery, financial reporting and handling of confidential information, money laundering, terrorist financing and international sanctions.

We want people to feel free to be able to ask questions and to report potentially critical situations.

We guarantee the utmost confidentiality and we protect anyone against unfair action or retaliation who has reported ethical doubts in good faith or who has worked on investigations launched following the reporting of an allegation. Retaliation is viewed as a violation of our Code and is punished with sanctions that, in the most serious cases, may involve the termination of the employment relationship. In addition to these safeguards, where permitted by law, we also investigate anonymous allegations.

In 2017, **149** were made via helpline. Of these 69 (46%) have been substantiated so far leading to the adoption of disciplinary measures, dismissal or the termination of contracts, depending on the party involved (employee/business partner) and the severity of the event. Specifically, 74 allegations related to business conduct issues, 36 to discrimination and similar, 22 to instances of corruption (including embezzlement, bribes and conflicts of interest), 13 to data protection and 4 to other issues.

A small number of instances of fraud committed by employees or business partners of Group companies were detected and managed in different ways.

Reporting of concerns (whistleblowing)

We encourage people to report any concerns about anything they consider to be in breach of our Code:

- by post: Group Compliance - Business Integrity - Piazza Cordusio 2, 20123 Milan.
- by freephone numbers or web forms for all the countries we operate in via www.compliancehelpline.generali.com

For detailed information on how concerns are handled see the "[Process on managing reported concerns](#)"

TRAINING ON THE CODE OF CONDUCT

- In 2017, **60,921** employees have completed the Code of Conduct training courses and **33,000** employees have completed the Code of Conduct Refresher training course.

OTHER GROUP POLICIES

Download “Privacy Notice”

https://www.generali.com/doc/jcr:068d0990-9937-4050-a4cf-bed70372374e/lang:en/Informativa_sul_trattamento_dei_dati.PDF

Download “Policy for the Environment and Climate”

https://www.generali.com/doc/jcr:59d2114b-c3d6-4ed6-a4e7-ebcd7fdf5c4b/lang:en/Group_Policy_for_the_environment.pdf

Download “Investments Guideline”

https://www.generali.com/doc/jcr:faeb6f3e-8913-407b-a743-53861d4bd8e3/lang:en/Responsible_Investment_Guideline.pdf

Download “Ethical code for suppliers of the Generali Group”

https://www.generali.com/doc/jcr:16b0dd20-a8a8-4236-9b32-fafecee6909e/lang:en/Codice_Etico_per_i_Fornitori_del_Gruppo_Generali.pdf

[Discover more about the activities we run for employees](#)

[Read more about the new Group Policy for the Environment and Climate](#)

[Find out about the relationship between voting policy and our responsible investment guidelines](#)

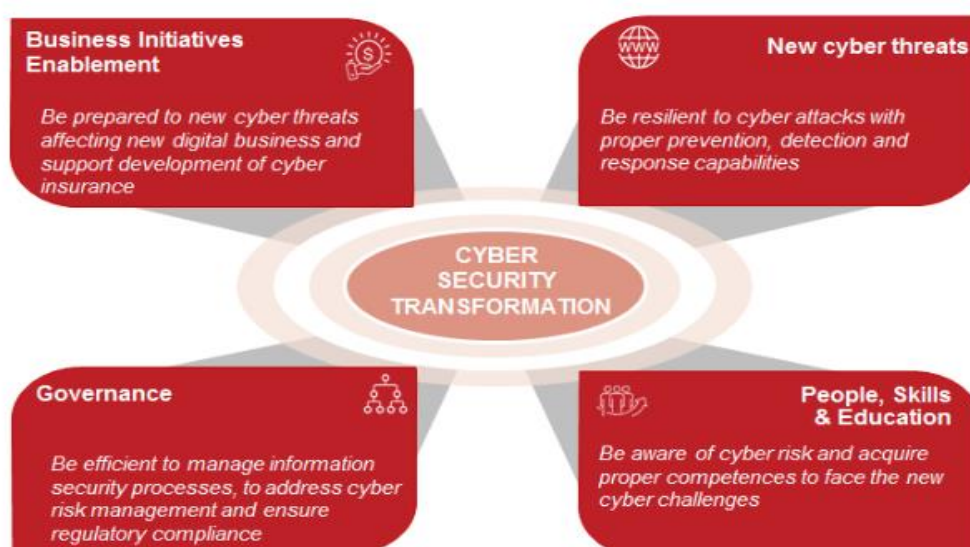
CYBER SECURITY

For us “Information Security” means **protecting our customers, employees and the data of our business partners**, guaranteeing the security of the company’s services and the continuity of our business activities. The current context, characterised by the ongoing evolution of cyber threats and the more stringent regulations imparted by the authorities, presents several major challenges to businesses. We are committed to guaranteeing that the Group is constantly equipped with appropriate security systems, thus becoming increasingly more reliable for our stakeholders.

More specifically, **we pledge** to:

- protect the company’s services and strengthen its security standards
- define internal security regulations and monitor their implementation
- define a solid management process for IT risks
- ensure the implementation of security measures for the management of cyber threats
- raise awareness and understanding around the issue among all employees

We have therefore developed a strategy to continuously improve the Group’s security level, in four key areas



The Generali Group has developed a **long-term IT security program** to address the cyber security issues analysed. This includes suitable countermeasures for specific situations. All projects defined and included in the program are regularly reviewed according to a schedule while the long-term strategy is reviewed annually.

The IT security program was approved by the Senior Management of the Group and the Board of Directors; the Risk and Control Committee is responsible for implementing it.

The Chief Information Security Officer is identified within the Group IT & Operations Risk & Security structure. To strengthen IT

security risk management, the Group Risk Management Department has set up a unit specifically dedicated to monitoring and managing cyber risk. The unit is called “Group IT Risk Framework”.

We believe that the human factor is crucial to protecting our information. In fact, we have developed an **IT security awareness program** for all our employees in the form of a mini series of instructional videos. All of the material is available on the Group portal dedicated to employees. Some episodes are connected with specific information security areas, such as the classification of information, smartphone and tablet security and social engineering.

Generali Shared Service, the company that provides IT services and infrastructures to the main Group countries, is certified according to the following standards:

- 1) ISAE 3402 Type2 – Third party assurance report
- 2) ISO 27001 - Information security management system

We underwent an EY audit for the ISAE3402 report and an audit by DNV GL for the ISO27001, as well as being regularly audited for the financial report.

BEST PRACTICES

COMPANY COLLABORATIONS

Since 2015 the Generali Group has been part of the ORX (Operational Risk data eXchange association), an organisation set up to share “negative events” among the leading international peers operating in the insurance and banking sector. The aim is to use the information collected to improve internal controls and anticipate emerging trends: the Risk Management Department also shares these data with the Risk Owner to increase the understanding of the phenomenon and improve the overall effectiveness of the long-term evaluations. The Generali Group is also a member of the CRO Forum, an active collaborator of the Cyber Risk working group, whose main goal is to develop risk management techniques in the area of cyber war and terrorism and reference standards for the management of cyber risk. Finally, we have agreements with the national authorities in the area of IT security (CERT Nazionale), mainly as regards sharing intelligence on threats.

SECURITY AWARENESS

In Italy the innovativeness of our security awareness programme saw it awarded the “Premio Adriano Olivetti”, an award for innovative education, from among a field of 250 candidates. The goal of the programme is to raise the awareness of all Generali Group employees about potential security risks and to teach them how to confront them correctly using an innovative series of videos. The eight episodes featuring professional actors are full of engaging scenes.

CYBER RISK MANAGEMENT FRAMEWORK

The Cyber Risk Management framework is an innovative methodology that seeks to manage, understand, measure and mitigate IT security risks. It was acknowledged with the GRC - Governance, Risk and Compliance Excellence Award: developed by Generali, this methodology was presented at the RSA EMEA Summit in London where it faced competition from other participants representing the world’s leading financial institutions.

RISK MANAGEMENT

As a Group, we have a dedicated [risk management system](#). In conducting our business activities we are exposed to risks which can be grouped into several categories, including insurance risk, financial risk, credit risk, operational risk and other risks. More information is also provided in the [Risk report](#), to which a section of the [Annual Integrated Report and Consolidated Financial Statement](#) is dedicated.

All areas of activity need to be analysed, identifying potential sources of risk, in particular, for a group like ours that attaches strategic importance to ethical concerns, factors that expose us to a **reputational risk** are of particular significance. Examples of this include possible damage as a result of harm to the group’s reputation or a negative perception of the corporate image among clients, counterparties, rival companies, shareholders or supervisory authorities.

Once possible areas of risk have been identified, the most appropriate measures to prevent or minimise the occurrence of these risks must be considered. This, at least with regard to the main risks, already takes place through the formulation of policies, which in many cases contain measures to mitigate the identified risks.

In parallel, the adoption of virtuous behaviours in terms of [managing people](#) and [environmental impact](#) can provide an opportunity for improving the corporate climate and [well-being](#) in the workplace.



Among the **external risks**, which could have the biggest impact on our activities, the most significant is demographic change, consisting, in particular, of an ageing population, lower birth rates, new family structures and migration. Indeed, the scenario that emerges contains major risks in economic terms, specifically relating to pressures on growth and the labour market increases in public spending on pensions, healthcare and the propensity to save.

In **environmental terms**, the most significant risks relate to climate change. The most serious consequences already observed include a higher frequency of major catastrophic events caused by natural phenomena such as storms and floods. These phenomena are likely to increase both in terms of intensity and frequency and of geographic regions affected. In addition to triggering increases in the amount of compensation paid out by insurers, this is leading to a growing demand for insurance coverage, with opportunities to promote the sale of existing products and develop new ones. However, the concentration of risks in the most exposed areas could also lead to increases in prices over time that are not sustainable for potential clients, or even the non-insurability of risks, if the cumulative exposure exceeds the Group's technical capacity

ANTI-CORRUPTION

We condemn and combat **all forms of corruption and financial crime**. We make our position clear in the [Code of Conduct](#). As a participant of the Italian network of [UN Global Compact](#) and that of [Trasparenza Internazionale](#), we undertake to share, support and apply the principle of fighting against corruption in our spheres of influence.

OUR APPROACH

We strive to **act responsibly**, not limiting ourselves to simply respecting all national and international laws but promoting ethical and transparent conduct in order to strengthen our reputation among our stakeholders and increase their trust.

We ask all our stakeholders to engage in conduct to counter corruption and we also adopt measures to prevent conduct that is not in line with the principles of fairness, legality and transparency.

We regularly monitor our exposure to all compliance risks in order to minimise potential damage to our reputation and economic losses deriving from the violation of laws in force, including those designed to prevent corruption. The Group policies have defined standards of conduct valid all over the world with the introduction of compliance programmes that include actions to monitor the biggest risks.

TRAINING

We believe that **training** is an important element of managing the risk associated with the different kinds of corruption, as it builds the necessary awareness and skills needed to stop them from happening. We provide adequate and continuous training for employees who are more likely to come into contact with corrupt practices and phenomena. The aim is to equip them with the skills needed to identify and manage activities potentially associated with the various forms of corrupt practices. Training is provided through dedicated meetings and courses delivered primarily via e-learning platforms.

REPORTING

Alleged breaches of the [Code of Conduct](#) attributable to instances of corruption (including fraud, conflicts of interest, money laundering, etc.) can be reported – anonymously where permitted by law – through the channels set out in the Code.

The various forms of corruption the Group is committed to combating are set out below

CORRUPTION AND BRIBERY

We expressly affirm our rejection of all forms of corruption in our [Code of Conduct](#).

In particular, our employees and third parties who operate on behalf of the Group (agents, suppliers, consultants, etc.) must not offer or accept **gifts** or entertainment from public officials or business partners (or their relatives or business partners) that could be perceived as a bribe. The obligation to abstain from this conduct applies without exception in the case of unlawful payments such as bribes, payoffs or facilitating payments, which aim to speed up or facilitate the execution of routine operations. Gifts, entertainment or other benefits may only be offered or received provided they are of negligible value, are suited to the circumstances, are work-related, are permitted by local law and conform to the local commercial practice in use.

In addition, we do not endorse any event or **initiative** that is essentially or exclusively of a **political nature**, we refrain from exercising direct or indirect pressure on political representatives and we do not make any contributions to trade union associations.

The declaration setting out our zero-tolerance approach to any form of corruption in our Code of Conduct is backed up by a variety of initiatives to raise awareness of our position, including communications and employee training initiatives like Our Code in Brief, cartoon videos, and [Compliance Week](#), two global internal campaigns focused on strengthening trust and integrity and combating corruption as well as the roles of the Compliance department.

FRAUD

We are committed to combating fraud and this is why we have developed the **Claims Fraud Program** to monitor the entire value chain in the claims management and to identify the critical stages where action needs to be taken.

Our commitment to combating fraud is focused on three areas:

- ensuring management quality and greater client focus
- strengthening cost control and operational efficiency
- developing cooperation and a positive atmosphere in the community.

The programme involves all business units through:

- cooperation between the departments involved in claims management and dedicated investigation units
- the identification of fraud and of processes to prevent any losses due to fraud
- the development of control and monitoring systems to detect fraud, the investigation of suspected cases, and reporting and trend monitoring systems.

Thanks to the measures implemented, we recorded significant results in the fight against fraud. Our aim is to further improve, through the efforts made by all the people involved in damage compensation activities and thanks to advanced process analysis systems.

MONEY LAUNDERING

As stated in our [Code of Conduct](#), we are committed to the international fight against **money laundering** and **terrorist financing**; we work to combat all actions that could be construed as providing support for these criminal activities. The Group Anti-Money Laundering Policy – approved by Assicurazioni Generali and subsequently adopted by all our companies worldwide – sets out guidelines and minimum standards our companies are required to follow to prevent money laundering and the financing of international terrorism. The document follows the requirements set out in Directive 2005/60/EC and the recommendations of the Financial Action Task Force (FATF). The main aim of the policy is to identify what actions should be taken to prevent the use of financial transactions to launder money, such as customer due diligence, continuous monitoring of clients and transactions, keeping a register of these checks, identifying suspicious transactions on the basis of defined risk indicators and reporting them to the local Financial Information Office. The document also sets out responsibilities, tasks and operational processes to prevent risks arising.

CONFLICT OF INTERESTS

The [Code of Conduct](#) and Group Rules set out specific obligations on situations where there may be a **conflict of interest**, such as to refrain from entering into these situations, to declare them as soon as they arise, and to seek prior authorisation for external activities, as well as procedures for dealing with related parties. Furthermore, in accordance with the Consob Regulation adopted through Resolution No. 17221/2010, we have adopted a specific procedure with a view to ensuring that the relationships with the [related-parties](#) meet the interests of the Company and/or the Group and are executed in compliance with market conditions.

OFFENCES UNDER LEGISLATIVE DECREE NO. 231/2001

We have adopted an [Organisational and Management Model](#) to prevent the commission of offences under Italian Legislative Decree No. 231/2001 by employees, agents or anyone who has dealings with the Group, thereby avoiding incurring corporate administrative liability.

The document comprises a general section – which, among other things, sets out the component parts of the model – and several special sections, each of which contains a legal analysis of the individual offences covered by the Decree, the general principles of conduct that must be followed in areas potentially vulnerable to offences, the company functions involved, the at-risk activities, the specific offences that potentially could occur, how they might be committed or the actions that could facilitate them being committed, preventive controls and the responsibilities of the Surveillance Body in this regard.

[Learn about how breaches of the Code of Conduct are reported](#)
[Find out more about how we combat corruption in our investments](#)
[Find out more about how we combat corruption in our relations with suppliers](#)



RESPECTING HUMAN RIGHTS

We are committed to safeguarding and promoting respect for fundamental human and labour rights across all spheres where we have an influence, in particular among our employees and our contractual partners.

To demonstrate this commitment, we ensure all our policies and practices are in line with:

- the [UN Universal Declaration of Human Rights](#)
- the core international standards of the [International Labour Organisation](#)

In addition, we support the **principles** on human and working rights set out in the [UN Global Compact](#) initiative.

OUR APPROACH

The Group's policies and guidelines contribute to ensuring respect for human rights, with particular reference to the [Code of Conduct](#), the [Responsible Investment Guideline](#) and the [Ethical Code for suppliers](#).

We provide a working environment that is free from any form of **discrimination**, harassment, intimidation or bullying, and we promote [diversity and inclusion](#), because we believe that cooperation between people with different skills, perspectives, backgrounds and cultures is a key element to enabling business growth and innovation.

We also recognise our employees' right to [freedom of association](#) and collective bargaining, and do not tolerate any form of illegal labour or exploitation, or **mandatory, forced** and **child labour**.

The fundamental rights of workers are also reiterated in the [European Social Charter](#), prepared in conjunction with the Group's [European Works Council](#).

In 2017, the Group started an in-depth activity to identify areas to improve and actions that will end in 2018.

IN-HOUSE TRAINING ON HUMAN RIGHTS

*We believe that it is fundamental to train and raise the awareness of our people in relation to the issues covered in our Code of Conduct. In 2017, 60,921 employees have completed the **Code of Conduct training courses** and 33,000 employees have completed the **Code of Conduct Refresher training course**.*

HOW WE MONITOR RESPECT FOR HUMAN RIGHTS

Compliance with the core international standards of the International Labour Organisation (ILO) is monitored by the Group Sustainability and Social Responsibility function, which sends a written questionnaire to Group's companies across the world on an annual basis.

In 2017, this **monitoring** covered **93.4%*** of the Group, and generated the following results:

- **child labour:** there are no group workers under 16 years of age;
- **forced labour:** there are no cases of mandatory or forced labour, or any other irregular form of labour in the group
- **non-discrimination:** three cases of discrimination were reported against employees
- **freedom of association and collective bargaining:** 91.7% of employees work in Group companies where there is employee representation; 83.1% of employees are covered by collective bargaining agreements and, where these are not in force, employees are hired through a formal written employment contract; 5% of Group employees work at companies located in countries where there are legal restrictions on freedom of association and collective bargaining

* The data refer to the employees of the Group insurance companies (with the exclusion of the Europ Assistance group), who are 66,591. For non-discrimination cases we refer to the employees of insurance companies operating in Austria, France, Germany, Italy, the Czech Republic, Spain and Switzerland (excluding Europ Assistance).

HOW TO REPORT A SUSPECTED VIOLATION OF HUMAN RIGHTS

Alleged human rights breaches can be reported - anonymously where permitted by law - through the channels set out in the [Code of Conduct](#).

HUMAN RIGHTS AND SUPPLIERS

In application of the provisions on human rights in the Ethical Code for suppliers of the Generali Group, we ask suppliers to operate in accordance with our fundamental principles and to adopt our policies. In particular, they must comply with all

applicable rules and regulations at national and international level, including the UN Universal Declaration of Human Rights and the International Labour Organisation Declaration on fundamental principles and rights at work, as well as ensuring they are respected across the respective supply chains.

[Find out how we protect and promote human rights as an institutional investor](#)

[Learn more about our relationship with suppliers](#)

[Find out how to report breaches](#)

INNOVATION IN ORDER TO GROW

Technology, connectivity and, above all, new forms of consumer behaviour will substantially transform the insurance sector. We believe that innovation is not just a key lever for our long-term success but also an opportunity for Generali to guide the process of change as a leader of the insurance industry.

As outlined in our strategy, we prioritise innovation in order to transform the customer experience and our business model, and to provide best-in-class insurance solutions and services to our clients. In this sphere we have adopted different approaches in both our internal and external activities:

- internally, we are focused on promoting **innovative projects and solutions** across the board, structuring a process for sharing the best case studies among the individual functional areas.
- externally, **we collaborate with venture capital companies and start-ups** from all over the world that are able to develop new high-potential services that are scalable within the Group, and define strategic partnerships with international businesses and universities.

In 2015 the MIT (Massachusetts Institute of Technology) included Generali on its list of the 50 smartest companies on the planet. This is an important acknowledgment that highlights our ability to drive innovation through an attentive and systematic strategy of market research and international partnerships.

TAXES

Generali contributes significantly to the development and financial stability of the countries where it operates, covering a key role in a period where governments pursue the balance between growth and welfare.

The Group's Italian and foreign companies pay **income tax** based on the rates and taxation rules set by the laws of each country.

Income taxes (€ million)	31/12/2017	31/12/2016
Income taxes	829	1,021
Deferred taxes	344	-106
Total taxes of the period	1,173	915
Income taxes on discontinued operations	1,306	1,061
Total income taxes	2,479	1,977

The **tax rate was 31.8%**, an increase of **2.4 percentage points** compared with the previous year (29.4% at 31 December 2016). Compared with the previous year, this increase was mainly due to the extraordinary surtax on the income of large companies in France and the one-off substitute tax introduced in the US on the retained earnings of foreign subsidiaries.

Since 2016, a **tax control framework** has been implemented for detecting, measuring, managing and controlling tax risks at the parent company level. The framework is not yet mandatory for Italians operators and is part of OECD's (Organisation for Economic Co-operation and Development) cooperative compliance. Its aim is to ensure the correct identification and appropriate control of tax risks through an approach based on an analysis that cuts across various corporate processes, in



order to prevent or mitigate the risk of breaching tax regulations.

The framework includes five phases:

- tax audit to identify relevant corporate processes for risk control purposes and relevant regulations for risk management purposes
- mapping of existing tax processes with related risks
- analysis of the tax compliance of the processes
- analysis of the adequacy of the processes
- definition and implementation of corrective measures as a result of any shortcomings found in the two previous phases.

As required by local regulations, in 2017 the London branch adopted a tax strategy aimed at respecting local tax obligations and developing a relationship with the Inland Revenue based on the principles of collaboration and transparency.

As institutional investors, we contribute to the development and financial stability of the countries through **investment in government bonds** of around **€ 181 billion**, representing 33% of our total assets under management. We also support the development of the real economy, including through **investment in corporate bonds** (non-banking) of around **€ 79 billion**.

[See our key numbers in the Investors section](#)

[Read the Annual Integrated Report and Consolidated Financial Statements](#)

TIMELINE

Our journey

2018

Generali was ranked first in the Integrated Governance Index 2018

Climate change strategy approval

Inclusion in the RobecoSAM Sustainability Yearbook 2018

2017

Inclusion in the Corporate Knights' Global 100 Most Sustainable Corporations in the World

Update of the Charter of Sustainability Commitments and its approval by the Board of Directors

2015

Approval of the Responsible Investment Guideline

Creation of the materiality matrix

2014

Approval of the Group Policy for the Environment and Climate

Publication of the first Annual Integrated Report 2013

Adhesion to Principles for Sustainable Insurance (PSI)

Participation in the <IR> Business Network

2013

Publication of the Charter of Sustainability Commitments

Inclusion in the United Nations Global Compact 100

Interactive version of the 2012 Sustainability Report

Inclusion in the CDP Global 500 Climate Performance Leadership Index (CPLI)

2012

Publication of the Generali Group Code of Conduct

GHG emissions certification, in accordance with ISO 14064 since 2012

Participation in the Integrated Reporting Pilot programme, supported by the International Reporting Council (IIRC)
Inclusion in the MSCI WORLD ethical indices

2011

GRI G3 A for the Sustainability Report of the Group

Adhesion to the CDP Water Disclosure programme

Inclusion in the FTSE4Good Global Index and the FTSE4Good Europe Index

Adhesion to Principles for Responsible Investments (PRI)

Publication of the Ethical Code for Suppliers of the Generali Group

2010

Adhesion to Carbon Disclosure Project (CDP)

Revision of the Ethical Code of the Generali Group

Drafting and adoption of Ethical guidelines for Investments of the Group

From September inclusion in the ASPI (Advanced Sustainable Performance Indices) Eurozone ethical index

2009

Establishment of national CSR Committees

Introduction of a Group Environmental Management System which respects the requirements of the ISO 14001 standard

Approval by the Board of Directors of the Group Environmental Policy

2008

Approval of 2007 Sustainability Report by the Board of Directors

2007

Adhesion to the UN Global Compact

Establishment of a Committee for Sustainability

2006

Adoption of the Norwegian Government Pension Fund ethical criteria for investments in securities

Publication of the European Social Charter of the Generali Group

Publication of a code governing relations with suppliers in Austria

2005

Publication of the Group's first Sustainability Report in accordance with the GRI standards

Establishment of a committee for environmental issues

Publication of the Ethical Code for Relations with Suppliers

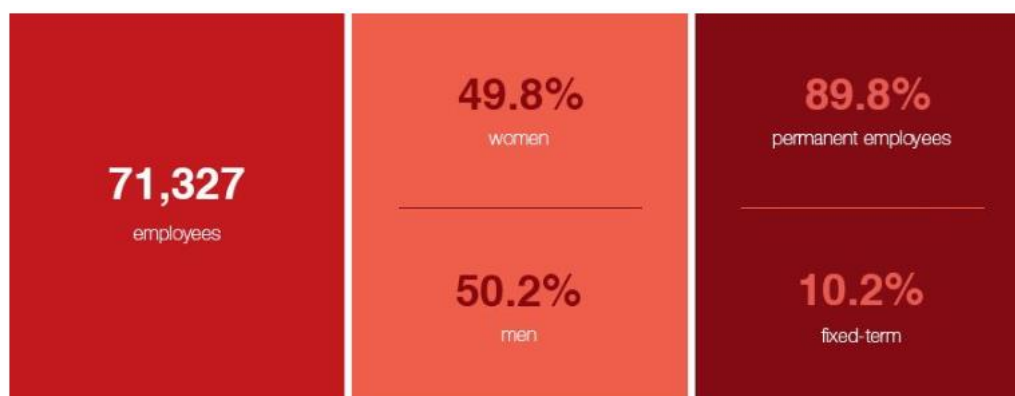
2004

Publication of the Ethical Code of the Generali Group

Establishment of the Corporate Social Responsibility unit

INVESTING IN OUR PEOPLE

We believe in the people who have chosen to work with us worldwide. We know that their talent, their diversity and their abilities to be inclusive allow us to be a more innovative Group, capable of changing our customers' lives.



Personnel are hired through regular employment contracts. Illegal employment, exploitation, or forced, compulsory or child labour are not tolerated in any form. Communication with group employees is transparent, clear and comprehensive.

Our attention and commitment to our people is illustrated by official documents such as the [Code of Conduct](#), the [European Social Charter](#), and the periodic [satisfaction surveys](#) carried out at the various group companies.

GENERALI PEOPLE STRATEGY

Value our people is one of the [Group values](#) that inspires our choices. We think of the company as a place where the individuals can express their creativity and their ability to work in a team, to learn and to teach. We have developed a specific strategy, the **Generali People Strategy**, to promote our people and develop their skills so they can tackle all future challenges to the best of their ability.

An integral part of our business strategy, the Generali People Strategy is founded on **four priorities**:

PROMOTING ENGAGEMENT AND EMPOWERMENT

- Measuring and promoting [engagement](#)
- Create and spread a new [global management system](#)
- Promoting a culture based on [performance](#)
- Increasing [diversity and inclusion](#).

STRENGTHENING THE SKILLS OF OUR LEADERS AND TALENTS

- Providing succession plans for top positions and clear career paths
- Developing leadership skills
- Identifying talent at global and Group level
- Attracting, recruiting and retaining the best people through internal mobility and [training](#) programmes

CONSTRUCTING AN AGILE ORGANISATION AND INVESTING IN NEW EXPERTISE

- Constructing a simple Group organisation
- Simplifying our HR processes with a cutting-edge platform
- Identifying and investing in new [key expertise](#)
- Supporting the smart working

ADOPTING A CUSTOMER CENTRIC APPROACH

- Fostering a customer-centric mindset among our people
- Understanding how to support the customer experience
- Providing an excellent service to customers

EMPLOYEES ENGAGEMENT

In June 2015 we carried out our first **Global Engagement Survey**. The improvement opportunities identified became part of the engagement priorities at local level.

In June 2017 we carried out **the second** Global Engagement Survey with the aim of making it a managerial tool for continuous improvement. For this reason, there has been an increase in the number of managers that have had access to the results for their area of responsibility (around 900 in 2015, over 2000 in 2017).

The Global Engagement Survey registered:

- **Group participation rate of 86%**
- **Group engagement rate of 80%***
- **an improvement in all areas identified as critical in the 2015 Survey**



Global priorities were also identified and integrated in the action plans of each company. **More than 390 local actions** have been launched and communicated since January 2018.

*men engagement rate: 81%; women engagement rate: 79%

[Find out how we invest in our people](#)

[Find out about the various engagement initiatives with our stakeholders](#)

[Talk to us](#)

TRAINING

We regard training, professional updating and the exchange of knowledge as cornerstones of change and development. **Generali Group Academy**, the Group Corporate University, represents the fulcrum of the strategic and organisational transformation that Generali is implementing in order to compete at international level. It is a school of excellence, specifically created to develop managerial skills, share experiences and spread the company culture. It is founded on the Group's values, immersed in the global dimension of our time, and seeks to support Generali in the management of



transformation processes, constructing and strengthening new leaderships, supporting middle management and managerial career paths with the development of skills, and contributing to attracting, developing and retaining talent.

In order to meet these goals **we invested 54.7 million** euro in training in 2017, training **88%** of our people with an **average number of hours per capita** of **33.2 hours**.

This demonstrates the Group's constant commitment to training all of its people, who are able to take advantage of numerous [training programmes](#) to develop their technical, managerial and linguistic skills, and so on.

To excel on the market we believe it is essential [to invest increasingly in training](#) and to emphasise the cultural diversity of our Group.

EMPLOYMENT

We employ **over 71 thousand people** all over the world, offering the chance to establish a stable, long-term relationship with us.

In line and in compliance with the provisions of law, local practices and cultures, we recognize the right to join a trade union, to have freedom of association, to appoint [workers' representatives](#). In accordance with local regulations and practices, we also recognize the exercise of the relative representatives' functions, including the right to collective bargaining.

In the event of company reorganisations, we safeguard our people by assigning, where necessary, new roles with targeted training or professional requalification measures, depending on each person's skills and experience. We prioritize initiatives that seek to minimize impact such as resignation incentives, consensual local mobility and relocations to other Group companies.



SOCIAL DIALOGUE

SOCIAL DIALOGUE AND UNION RELATIONS

In line and in compliance with the provisions of law, local practices and cultures, we recognise the right to join a trade union, to have freedom of association, to appoint workers' representatives. In accordance with local regulations and practices, we also recognise the exercise of the relative representatives' functions, including the right to collective bargaining.

Employee representatives are suitably informed, in observance of the deadlines established by local regulations and practices, about significant organisational changes at least 30 days prior to such changes (25 days in the event of company transfers) in the majority of countries.



SOCIAL DIALOGUE WITH THE EUROPEAN WORKS COUNCIL

The Group's social dialogue takes the form of a constructive and cooperative approach that fully respects different roles and goals. In line with national legislation, culture and practices, the European Social Charter of the Generali Group promotes social dialogue, fostering debate with the workers' representatives for the personal and professional growth of the workers and the consolidation of equal opportunities. Consistent with the European legal framework, since 1997 we have developed a forum for European social dialogue in application of the European directive regarding the establishment of a European works council or a procedure for the purposes of informing and consulting employees known as [European Works Council](#) (EWC) of Generali. It is the only body representing workers at European level which we dialogue with. It focuses on projects and international initiatives of interest to workers. Social dialogue in the EWC of Generali is governed by a specific corporate agreement.



EUROPEAN WORKS COUNCIL

The European Works Council (EWC) is the representative body for Generali Group employees and currently consists of 42 delegates from 17 EU countries. Having been established in 1997 in accordance with EU Directive 94/45/EC, it was renewed for the fourth time in 2012 in line with EU Directive 2009/38/EC.

The current agreement governs the role and functioning of the EWC and aims to inform delegates of issues and projects regarding the group that affect workers and to facilitate company dialogue at international level.

To facilitate dialogue with the parent company in the agreed annual meetings, the EWC has appointed the Select Committee (eight representatives elected from among the EWC delegates) to act as its spokesperson.

MEMBER COUNTRIES OF THE SELECT COMMITTEE (SC)

Italy, France, Austria, Spain, Czech Republic, Germany, Other Countries* and Central and Eastern European Countries**

* Belgium, Great Britain, Greece, Netherlands, and Portugal.

**Bulgaria, Poland, Romania, Slovakia, Slovenia, Hungary, and Croatia.

INITIATIVES FOR DIALOGUE

Each year, the SC meets three times and the EWC meets twice in plenary session (of which one is dedicated to training for



delegates). The head of Human Resources and Organisation and the group head office's "EWC Relation & Labour Network" function attend these meetings, and group management attends at least once.

In exceptional circumstances that have a significant bearing on the interests of workers in at least two countries, additional meetings are called to update and consult with the SC and the delegates of the relevant countries. In these cases, the parent company and the Select Committee work together to exchange information and advice. The Select Committee may provide non-binding decisions on measures and decisions taken by the group

TRAINING

During the Plenary session dedicated to training for the EWC delegates, specific topics regarding the functioning of their representative office are deepened. This approach allows delegates to consolidate their shared pool of knowledge to effectively address cross-border issues.

In 2011 for example, we organized a training project for EWC delegates that was co-financed by the European Commission – Directorate - General for Employment, Social Affairs and Inclusion to discuss about national employee representation and participation systems with the aim to better coordinate information and consultation at a transnational level.

Training of EWC delegates is governed by the current Agreement on the subject and takes place annually at the plenary meeting.

Download “Employee representation and participation system”

https://www.generali.com/doc/jcr:e6357d5b-7d8a-4e17-994e-efb0a651add0/lang:en/Employee_representation_and_participation_systems_EN_.pdf

Download “European Works Council agreement”

https://www.generali.com/doc/jcr:1208c565-9323-4477-bd79-dca5c9dadb73/lang:en/EWC_agreement_EN.pdf

REMUNERATION AND INCETIVES

Our remuneration offer is in line with market practices and regulatory requirements. The principles of our remuneration policy are applied across the whole group, taking into account the type of business and specific local requirements.

More details can be found in the [Remuneration Report](#).

The members of the Group Management Committee, the other executives with key responsibilities and the members of the Global Leadership Group receive an overall remuneration package consisting of a fixed component, benefits and a variable component partly related to sustainability aspects.

More specifically, in 2016, in order to align the company's strategy with that of the Group and strengthening the leadership model, two objectives were introduced, with a total weight of up to 30% of the individual performance sheet, based on the managerial assessment of results and evidence relating to leadership, customer satisfaction and people empowerment skills.

The remuneration of our **employees** is defined in line with the market and with what established by the National Collective Bargaining Agreements and Supplementary Company Agreements or local laws. Our **benefit** offer also includes complementary pension schemes, insurance coverage for health and disabilities, welfare programmes and discounts on insurance products.

WORK-LIFE BALANCE

To safeguard work commitments and reconcile them with the needs of the family, our personnel can take advantage of flexible working hours, part-time work, working time account, parental leave and company crèches for employees' children.

We are testing and implementing in several Group companies **smart working** initiatives a new managerial philosophy based on greater flexibility and autonomy when choosing how to work, resulting in increased empowerment with regard to results.

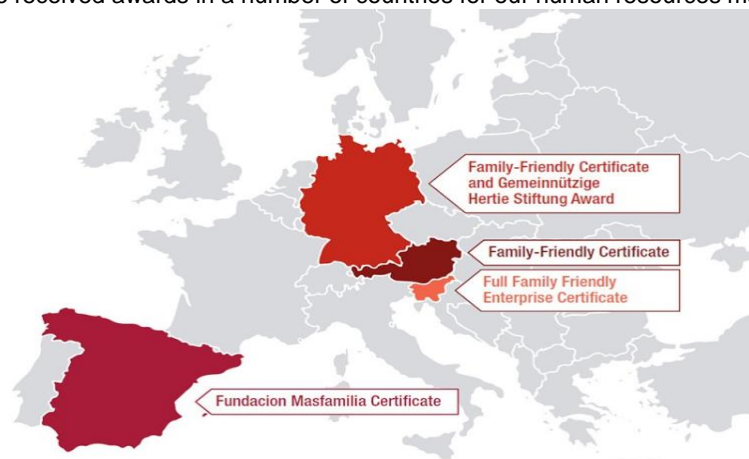
With variations between countries, we give employees paid leave provided for by law, national collective agreements and supplementary company contracts for the following:

- marriage
- death of a family member

- pregnancy
- breastfeeding for new mothers
- maternity/paternity leave
- a child's illness
- medical appointments and clinical tests
- study and exams
- care for disabled relatives

For additional flexibility, in line with the company's organizational requirements, we also grant paid leave and/or recovery leave. Extended leave (unpaid) of up to 12 months can be given for personal or family reasons with legitimate grounds.

We received awards in a number of countries for our human resources management policy:



BEST PRACTICE

SMART WORKING IS AN INTEGRATED SOLUTION IN THE WORK-LIFE BALANCE

We are testing and implementing in several Group companies the Smart working initiatives:

- In **Italy**, at Assicurazioni Generali, Generali Italia and Generali Business Solutions we have launched the first smart working pilot project as an organisational innovation and a response to the Global Engagement Survey as regards work-life balance issues. The project began in March 2016 with the involvement of the trade unions to adopt shared modus operandi. The beneficiaries of the project, operative since December 2016, are around 230 colleagues from the Milan site that joined up voluntarily, signed an individual agreement and followed a training course on workplace health and safety. In 2017 the project was gradually extended to Milan, involving 261 new people, and in Rome, where 466 people joined it. The smartworkers, who can work remotely, will be equipped with the most hi-tech equipment including company laptops and smartphones. In addition, over 100 managers took part in workshops dedicated to leadership and management style issues in regard to smart working. This represented the start of a support process that will last for the duration of the trial period (6 months). Involvement and participation in the project will be monitored and the benefits for employees in terms of reduced commuting, reduced CO2 emissions and savings on transportation costs will be calculated. To date, in total, 952 Smart Workers joined the program. The Smart working program won the 2017 Smart Working Award, the recognition of the Milan Polytechnic Observatory that rewards organizations that have distinguished themselves for the introduction of smart working.
- In **France**, we have leveraged on new technology instruments, such as thinclient, laptops and the use of Lync (platform for chats, video calls and the sharing of desktops), to improve wellbeing in the workplace. We have also drafted a new social contract that permits working from home, telecommuting in sales offices and a new way of using office spaces.

WEEL-BEING

We provide **working conditions that respect individual dignity** in a healthy, safe and secure workplace that complies with the applicable health and safety regulations. Special care is given to pregnant women, mothers and disabled workers.

E-learning refresher **courses are provided** to all our people (current regulations on health and safety, risk prevention, what to

do in case of emergencies or fire) that include a final test to evaluate the know-how acquired and brochures disseminated in the corporate intranets.

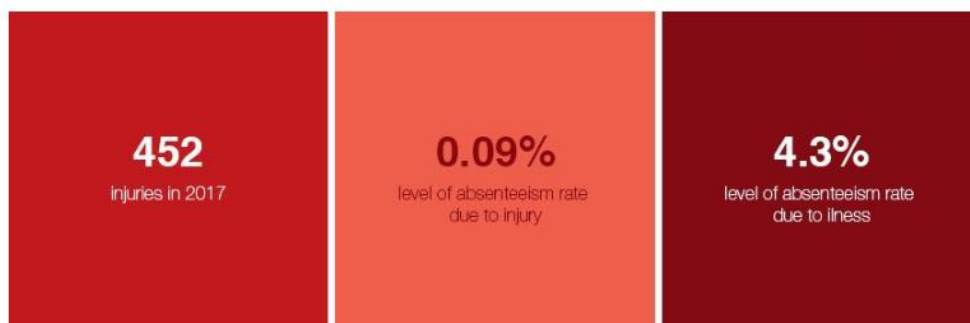
A Health and Safety Committee or Group Risk Prevention Unit is present in most of our companies, both responsible for risk assessment, monitoring, and managing issues relating to preventing risks and protecting employees' health in their work.

We assess the risks and identify the causes that can lead to **work-related stress**, and have established the following preventive measures:

- training courses and workshops;
- climate surveys;
- dedicated teams;
- overtime reduction;
- flexible working hours;
- property maintenance to ensure workplaces meet adequate safety levels to protect workers, making working conditions more comfortable, and increasing the efficiency and reliability of man-machine systems;
- annual monitoring of absenteeism caused by work-related stress.

Expenditure: health monitoring, classroom training for first aid and fire equipment officers, equipment for emergency teams, medical check-ups (eye, ergonomic and postural), measures for more comfortable working conditions, etc.

The data refer to the following countries: Austria, France, Germany, Italy, Czech Republic, Spain and Switzerland.



BEST PRACTICE

HOW WE GUARANTEE THE WELL-BEING

We guarantee working conditions in line with current health and safety legislation, with a particular focus on pregnant women, mothers and workers with disabilities.

In 2015 **Generali France** has signed many collective agreements, shaping the New Social Contract (NCS). By proposing more flexibility in the organization of the working time by reducing the fatigue (eg fewer time in the transport with the telecommuting), by improving their comfort in the everyday life by new workspaces, Generali France wishes to improve the quality of working conditions of its employees. Generali France also set up various services to facilitate the life of its employees. For example, concierge service are present in the different buildings of the site of Saint-Denis enabling to have access to an optician or to get back small parcel post delivered at work.

In order to tangibly respond to the requirements expressed in the Global Engagement Survey, in 2017 **Generali Country Italia** once again pursued a series of initiatives designed to improve the wellbeing of its employees. Four energy dimensions were identified:

1. **Physical Energy:** represents lifestyle, beginning with diets and going right through to physical exercise and sleep
2. **Mental Energy:** helps ensure high levels of motivation and concentration, personal confidence, desire and productivity
3. **Emotional Energy:** generates a positive commitment to work and interpersonal relationships
4. **Value Energy:** gives meaning to what people are doing, what happens around them and their aspirations

The key to making improvements is knowledge. Thanks to the identification of these four areas Generali Italia proposes Corporate Wellness ideas to its people which begin with the exploration of themselves and their energies, offering **one of the most advanced welfare programmes in terms of its comprehensiveness, range and innovation**. To make these opportunities more accessible, the Stai Benefit portal was developed in 2017, a place where all employees can find the contractual and extra-contractual benefits that are available to them.

In Argentina, through the **Bien-Estar Caja program**, we try to improve the lives of our employees by encouraging healthier lifestyles, for example by promoting breaks that stimulate the movement, giving information on nutrition and suggestions on how to prevent work-related stress. The programme also includes a nutritional clinic within the local office. In 2017, a monitoring plan was launched for employees who want to improve and regularize their nutritional habits and a specific path for those who would like to quit smoking. "Active Pause" was encouraged through workshops, courses and awareness campaigns. Discussions on health and prevention at work have been promoted and communication campaigns have been spread via the corporate intranet.

WE INNOVATE FOR OUR PEOPLE

We work in an increasingly integrated and across-the-board manner in order to exploit our wide array of expertise, one of the Group's most important assets.

In 2016 we consolidated the **Integrated Lab**, which consists of the Group Integrated Reporting & CFO Hub, the Shareholders and Governance, the Group Reward and the Group Sustainability and Social Responsibility functions, which met periodically to represent the different views of a single strategy. In particular, as part of the Lab, we promoted a number of interactive workshops open to all employees, with a focus on the Annual Integrated Report and the Sustainability Report. This allowed us to share their content and to receive suggestions for improvement. Overall, 150 people participated in the offices of Trieste, Mogliano Veneto, Milan and Paris.

Integrated thinking inspired the launch of the **GALILEO** programme, dedicated to a series of strategic projects in the Group Chief Financial Officer (GCFO) area. In particular, GALILEO seeks to address important challenges in the finance area, such as the changes in international accounting standards and the implementation of Pillar 3 of Solvency II at Group level. The programme structure involves many areas of the Group Head Office on an ongoing basis and all business units.

In some countries we are developing **smart working** practices based on connectivity and flexibility. We are creating an inclusive and open environment where everyone can contribute and make a difference, emphasising personal independence, responsibility and trust.

On 11 and 12 November 2017, Generali Country Italia (Generali, Alleanza, Genertel and Genertellife) and Banca Generali participated in the second edition of Italian forum "**ELLE active!**", promoted by Elle magazine and focused on the theme of "Women and Work". The event involved interactive workshops, seminars and motivational courses with experts, coaches and trainers dedicated to promoting female professional skills. The winning projects of the **Generali Hackathon Diversity & Inclusion** project (the first Italian marathon of ideas on diversity and inclusion) on the development of female careers were also unveiled at the event. The 20 working groups, made up of people from Generali and from partner companies of the Forum (Hearst, Coca Cola, IKEA, SKY, H-Farm), battled it out over themes such as engagement, HR processes, mindset & organisation, new working methods and parenting. The winning projects will be implemented during 2018. Detailed information was also provided on the "Valore D Manifesto - From words to facts, from the manifesto to businesses". Over the two days of the Forum almost 200 visitors were welcomed at the "Manage your future" corner with the presentation of insurance products, consultancy on self empowerment and indications on diets and lifestyles. As at the previous edition, we also participated in the thematic classrooms: tutorial, digital and psychological. These offered advice on how to protect one's own future and that of loved ones, telling stories about female managers that have managed to reconcile their work with their private lives also thanks to new technologies. Finally, in the "One on One" spaces, our HR colleagues provided over 50 young adults with useful job interview tips

IMPROVING LIVES OF OUR CLIENTS

The creation of value for our customers, essential to the creation of value for the Group, shapes our **customer centric** vision.

For this reason, at Generali we are committed to:

- **listening to our customers**, in order to develop insurance solutions that enable them to reduce risks and adopt responsible behaviour
- **guaranteeing access to our products and services** through an innovative, multi-channel approach
- **protecting our customers** by acting in a timely and appropriate manner in the event of a claim.

We strive to be **the first choice of our customers and distributors**, providing simple and tailor-made insurance solutions and services that are increasingly innovative and digital. In the same way we are digitally transforming our business units to make our distribution networks more efficient. Through the definition and distribution of products with social and environmental value, we want to encourage responsible behaviour and guarantee better risk prevention for our customers.



The Group therefore focuses close attention on listening activities and dialogue with its customers, which we periodically monitor. The studies on brand perception and our customers' level of satisfaction with our products and services, as well as the analysis of customer expectations, represent the starting point for the development and expansion of our product range, our internal organisational processes and our communications.

In line with our goal of meeting the needs and expectations of our customers, and with the aim of maximising the rich technical and business know-how within the Group, we are working on simplifying our range in the reference markets. The objective is that of concentrating our efforts on developing a smaller number of products that are focused on the **real needs of customers**. Through the qualitative analysis and periodic mapping of the products it distributes, the Group is focused on optimising its catalogues and defining possible best practices in different markets.

[Read about our client engagement initiatives](#)

[Find out more in the "What We Do" section](#)

LISTENING TO AND SATISFYING CLIENTS

In line with our strategy, we strive to be the European leader in the retail sector and to pursue excellence in all countries where we operate, **creating long-term value for our customers**.

"We are revolutionising the way we interact with our customers, connecting them with agents and the company through the most recent technologies"

Isabelle Conner, Group Chief Marketing & Customer Officer

In 2015 we launched the **T-NPS Group Program** which, based on the Net Promoter Score (NPS) methodology, makes it possible to receive real time feedback from customers and to improve services on the basis of the problems identified. The programme is active in 54 business units and covers 90% of our customer base. We have sent over 7 million questionnaires obtaining a high rate of response globally, showing the strong desire of our customers to actively participate. We have therefore called over 164,000 customers that have declared themselves to be dissatisfied and have organised interdepartmental work groups to implement effective responses, identifying areas of improvement.

The Generali T-NPS Group Program was recognised by Medallia - a leading management, consultancy and software company in the Customer Experience sphere - as one of the most successful and wide-reaching NPS programmes in the world, contributing to making Generali **an increasingly customer-centric company** that is able to provide simpler and smarter solutions.



Overall, the following were identified:

- **Over 350 quick wins** which allowed us, for example, to improve the understanding of insurance clauses by summarising them on a single page and to introduce a welcome call for new customers.
- **Over 250 structural improvements**, including the introduction of automatic updates on the status of dossiers via SMS, app and portals.

BEST PRACTICES

CLEAR AND SIMPLE COMMUNICATION WITH CUSTOMERS

Generali France customers found it difficult to understand their insurance documents and half of the customers interviewed through the **NPS program** therefore requested shorter, simpler and clearer documents.

"This weakness was identified as a priority for Generali France, also to guarantee consistency with our strategy: Simpler, smarter and quicker. This is why we decided to launch the B1 Language Pilot. This new customer-centric approach is also an opportunity to change the way employees work and foster interdepartmental collaboration" **Patricia Barrère**, Marketing Director

of Generali France

Language level B1 is one of the simplest in the classification of languages established in the European Council's Common European Framework (from A1 to C2), and is easy to understand for 95% of the European population, while the languages used by insurance companies are of level C1, on average.

The programme began with a language workshop made up of 21 e-learning modules for 50 participants, and produced a series of documents drafted at B1 level.

- 20 compensation letters
- 40 product covers for the customer portal
- a document consolidating the general terms and conditions for a new cyber risk product
- all communications for the relational program (eight e-mails and letters)

GENERTEL FURTHER IMPROVES THE CONTACT CENTER

Even if **Genertel** can be regarded as a benchmark on the Italian online insurance market, the **NPS program** provided information in order to further improve it. Analysing the feedback on telephone conversations, Genertel managed to identify the least satisfied customers and the key issues. These included the pricing of products, operating procedures and the lack of empathy on the part of consultants. More specifically, they wanted consultants to be more proactive and to provide more comprehensible information.

As a result, a Team Leader Workshop was held to review and improve the communication approach with training courses that gave employees the opportunity to develop effective solutions. The feedback on this was shared via an internal portal. Individual coaching sessions were held to help consultants become more empathetic and personalise their interactions, adopting a customer-centric approach in the process.

REDUCTION IN ROADSIDE ASSISTANCE WAITING TIMES

The majority of **Generali España** customers were very satisfied with the roadside assistance service provided. However, in June 2017 there was a notable increase in claims and the requests for assistance entailed longer waiting times for customers, who often ended their phone calls before they were answered.

A solution to this problem was found by taking inspiration from a platform already developed by Europ Assistance: in a short time the team was able to respond to the increase in customers requesting help, enabling them to receive **roadside assistance in a completely digital way** through the website and app. A virtual operator was also introduced in order to further reduce user waiting times. After checking the processes and customer feedback, the new digital roadside assistance service was implemented with the following characteristics:

- accessible via the app and website
- automated telephone assistance also when the lines are engaged
- only 4 pieces of information required (number plate, mobile number, number of people and reason) to automatically activate the service
- customers can track the tow truck in real time via GPS

DISTRIBUTORS: THE VALUE OF OUR NETWORKS

We operate through a multi-channel distribution strategy based on agents - our main network - financial advisors, brokers, direct channels (the internet and call centres, an area in which we are European leaders), and bancassurance agreements.

We launched the **Group Distribution Experience** program to help the business units improve the effectiveness of the network through a simpler and smarter approach.

In parallel with the NPS (Net Promoter Score) program for customers, we have created an NPS program to listen to the needs of distributors and identify areas of improvement, the **Distributors R-NPS**. We have also developed a structured feedback and sharing process with our main distribution partners, including agents, brokers, bancassurance, IFAs and MLMs.

The program is currently active for **31 distribution channels** in **20 Business Units**.

We have implemented **147 improvement actions** at global level and we are also accelerating the process of identifying and improving critical areas, making this a strategic priority for all of our Business Units.

In 23 Business Units we launched the first **Global Agent Excellence Contest**. Targeted at agents, this initiative aims to identify innovative local business approaches, taking advantage of technology, the social media and customer suggestions.

Within our distribution networks, we have worked closely with our agents - who represent one of the Group's biggest strengths - in order to improve the tools available to them and to further develop their skills, taking account of the evolution of customers and new digital interaction approaches.



Digital Agent is a program designed to help our agents develop their distribution activities also through online, mobile and social channels.

The program enables our agents to:

- interact with customers through digital channels
- be more closely connected with customers
- respond more quickly
- monitor and measure the services provided

Agents are able to send emails and text messages, chat online with customers and launch campaigns on Google AdWords. Agents' websites can be modified and customised to meet local needs and, thanks to real-time notifications, our distributors can intervene promptly also with activities tailored to individual customers. The project is under way in all our leading markets: web and mobile tools have already been implemented in Spain, and are being defined also in France, Austria, Argentina, Switzerland and Indonesia; social platforms have been implemented in Italy and Indonesia, are being introduced in the Czech Republic, and are planned for Vietnam and Switzerland.

After successfully completing the largest integration plan in the insurance industry in Europe, **Generali Italia** has entered the second phase of development to become the market leader offering the best customer experience. The core of this new phase is based on the launch of a three-year simplification programme (2016-2018) which completely redefines the processes that have greatest impact on the relationship with customers and agents. The simplification plan was presented to 4,500 agents and consultants, gathered together for the first time in Rome following the completion of the integration process, on a day that also launched a new way of organising conventions.

Semplicemente Generali Italia was a participatory event where the plenary session was followed by sharing and in-depth activities in 16 thematic areas and a series of meetings on the TED talks model. Simplification in customer relations and the creation of new simpler and faster processes enable the over 12,000 local insurance consultants to focus on analysing customer needs, developing custom solutions tailored to their habits and offering more innovative and accessible post-sales and assistance services.

BEST PRACTICES

CENTRAL: THE MANAGEMENT OF RELATIONS AS A KEY SUCCESS FACTOR

Central, in **Germany**, has adopted a new customer approach via the network of agents, focusing on **improving the management of relationships**. Events were organised for sales reps and other employees of the company to find joint solutions and better understand their respective activities. The theme of more successfully integrating health insurance products with other types of product, communications and training was addressed. The positive results can be deduced from the feedback of the NPS and the growth of the business.

NEW DIGITAL PROCESSES WITH REDUCTIONS IN PAPER CONSUMPTION IMPROVE DISTRIBUTION

Through the **Exclusive Distribution Channel** in **Austria** we sought to reduce the consumption of paper in sales processes. Through digitalisation, the percentage of P&C and health insurance policies undersigned without the use of paper rose **from 31% to 92%** in just 2 years. As well as via the pre-existing signature pad, via telephone or e-attachments, signatures can also be made via tablet and smartphone and the customer portal. All of this was supported by clear communication activities and a workshop designed to convey to agents the advantages for all parties involved. The feedback was then used to improve sales processes. The feedback of customers remains the most valuable: NPS data show that customers who sign a digital contract are more likely to recommend Generali, also giving e-signatures **an average score of 9.4 points out of 10**.

INDIA LIFE: NEW MOBILE APP FOR DISTRIBUTORS

To support policy sales processes, the Indian team has developed the "FG on the go!" mobile app, which provides information and useful tools for **helping distributors to satisfy the needs of customers**. The "FG on the go!" app has significantly influenced all key phases of the sales process and includes important detailed information on the company, on the benefits of the products, an analysis of customer requirements, a premium calculator and tools for improving performances. As a positive consequence, the NPS rose from -22 to 48 and the response rate rose from 2% to 33% in around 9 months.

CLAIMS MANAGEMENT

Claims management and settlement is a key stage of the relationship with our clients. It is the moment when the Group responds to its contractual promise, and when the client can be won or lost. It is an area where we are committed to ensuring **excellent service quality** and attention to clients' differing needs.



To guarantee the utmost quality we have defined the **Claims Management Guidelines** to coordinate the claims management activities in all countries in which we operate. This level of excellence is also guaranteed by a strong Claims Community inside the Group which meets four times a year and is actively and constantly involved in developing initiatives that are consistent with the Group strategy.

Through the **Claims: the Generali way** project we have pledged to improve the key areas of the claims management process to guarantee a service that is considered excellent by customers, distributors and the market, and that is supported by the best possible technical performances.

To achieve this goal, we are committed to:

- **listening to our customers**, also through the feedback on their experiences (NPS), to remove all pain points
- developing **distinctive new services** to respond to the needs of customers and improve their satisfaction
- increasing the use of new technologies, with the support of data analysis, **to simplify our processes and increase our service level and efficiency**
- increasing the **fight against fraud** through targeted actions and the monitoring of processes
- continuously improving the **technical quality** of claims management

Furthermore, to maintain excellent quality in the services delivered and to ensure integrity with regard to human and labour rights, the fight against corruption and respect for the environment, we ask the partners who work with us in the claims management and settlement sector to adopt the provisions of the [Ethical Code for suppliers of the Generali Group](#).

BEST PRACTICES

SMART SOLUTIONS TO REPAIR DAMAGES CAUSED TO VEHICLES BY HAIL

In Switzerland, episodes of hail are increasingly frequent. Aside from agriculture, the biggest impact of such weather phenomena is on cars. These seasonal weather events affect over 50,000 of our customers every year. To address all of this in such a way as to satisfy customers in terms of the timeframes for repairs while respecting the environment, **Generali Schweiz** is promoting **smart repair techniques**. The technique - known as "repairing dents without paint" - enables the customer to reduce repair times and eliminate damage without the need for invasive methods like the use of filler or paint. It is estimated that this **responsible practice**, on its own, results in the recycling of otherwise "unstable" material and a significant reduction in CO2 emissions.

GENERALI, A PIONEER IN THE USE OF DRONES IN CLAIMS MANAGEMENT

This modern technology **makes it easier to localise losses and helps in claims management**. Drones are mainly used to assess complex and large-scale losses in places where inspection is difficult or where there is a risk of accidents for personnel. They are used to inspect pavilions, large sites, construction machinery, cranes, planes and trains, bridges, dams, chimneys and tall buildings, plantations or farms and in the event of major floods or fires.

The inspection is carried out according to the prepared flight plan. The loss is discussed with the customer at the site in order to understand the full extent of the damage. The drone makes an HD video recording and explores the entire context of the damage. The flight normally lasts 15 minutes and produces detailed and rounded images that we would never have been able to obtain with a standard inspection. The photographic/video documentation collected is then saved on an archive disk for further analysis and future use.

Drones therefore offer various **advantages**:



- the images produced accurately identify the real extent and cause of the damage
- the speed and absence of risk during the evaluations are also important advantages, avoiding accidents involving people in potentially hazardous contexts
- drones can also be used to prevent damage through preventive and precautionary inspections, in the same way as they are carried out following an accident
- they improve relations with the customer, who react favourably to the use of this technology
- they act as deterrents to fraudulent behaviour as they enable unparalleled levels of objectivity.

DATA ANALYSIS

The new data collection and modelling capacities are proving to be an important source of **effectiveness and efficiency**: data can be explored and used in any format to generate significant information and to help make quick decisions. The aim of all of this is to obviously **improve the services provided to the customer**. This is why Generali is testing the power of artificial intelligence in claims management, particularly in the field of the inspection of reimbursements, one of the key components in the process of managing compensation requests in claims.

The automatic processing of claim files using advanced text analysis techniques makes it possible to bring the presence of potential reimbursements in the request file to the attention of the “settlements” or quality control departments. This process is also “smart” because during the various text analyses the “machine” learns and adapts to recognise the language, also remembering data it has analysed in the past.

This results in **faster settlements** between insurance companies or between insurers and third parties.

DISTINCTIVE SERVICES FOR OUR CUSTOMERS

In **Italy** the **Qui per Voi** service is available: an action procedure in the event of significant damage caused by a natural event which can involve many people. Through Generali Qui per Voi, the Natural Events Team takes action within 48 hours and, if physical locations are not available, a mobile office ensures that the team is fully operational in the area of the event.

The activation process involves company staff, assessors, claims adjusters and agents, as well as:

- watchmen, who monitor the event in the area
- the event manager, who activates the appropriate services for the emergency situation
- the task force that supports the agencies throughout the country, dealing with the opening of claims files and the identification and coordination of partners for defining losses and settling claims
- a dedicated line, to promptly assist customers
- a mobile operating base, in the case that natural events make local structures and agencies unusable.

Thanks to the involvement of several **specialised partners**, Generali Qui per Voi provides immediate renovation and repair services. The services differ in the event of damage to homes, businesses or cars and include house cleaning with the support of a network of craftsmen, the renovation of facilities and machinery, the securing of non-damaged material, the intervention of specialist repairers, a temporary shop for repaired or salvaged goods, and an advanced payment on damages due.

PREVENTION OF CORRUPTION: OUR COMMITMENT AGAINST INSURANCE FRAUD

Fraud is an increasingly insidious phenomenon which impacts all sectors, including the insurance industry.

The Generali Group has launched a **programme to combat fraud**, focusing particular attention on claims, putting its trust in all the persons involved in damage compensation activities as well as an advanced process analysis system.

Thanks to this programme, in the last three years **the Group has been able to identify twice as many instances of fraudulent behaviour**.

Such behaviours may constitute:

- fraudulent events caused deliberately. Such incidents mainly occur in areas where there is lots of traffic where fraudsters deliberately cause collisions or what appear to be genuine accidents.
- reports of the theft of cars covered by insurance policies that come from the “black market”, with the goal of making financial gains. Combating this type of fraud also contributes to improving international safety, preventing organised criminal activities such as money laundering, terrorism and so on.

Our anti-fraud programme actively involves the claims community through:

- responsible and technically advanced credit management
- the creation of special investigation units and the development of processes for the prevention and mitigation of insurance fraud
- training on fraud for all employees
- relations with other stakeholders on the market to share knowledge on insurance fraud

WE INNOVATE FOR OUR CLIENTS

Our strategy is aimed at the creation of **long-term value** and is also implemented through the use of innovative technologies.

The **Internet of Things** is transforming various industries and sectors and creating new business models.

Through simple and smart solutions, developed thanks to **digital media** and tailored to the **needs of the customer**, we want to change the very nature of life insurance, involving customers in prevention drives and encouraging them to improve their state of health and wellbeing.

In **Italy**, thanks to the agreement finalised with Nissan, Genertel has launched an initiative that promotes the adoption of responsible driving behaviour through a system that increases safety levels: Safety Shield. Installed in the vehicle, it includes a brake assist system, an alarm to prevent drivers from falling asleep at the wheel and a system that expands the driver's field of vision to make overtaking safer. In follow-up to this initiative Genertel supports Nissan in the launch of the new Micra, a vehicle fitted with Forward Emergency Braking (FEB), a system that automatically brakes the car in the event of a potential frontal collision. The new function was successfully tested by Generali Innovation Center for Automobile Repair (GeneraliCar) together with Nissan Europe.

Generali has also launched a partnership with French start-up Ellcie Healthy to develop **smart glasses**. By acquiring personal data these innovative glasses make it possible to assess the level of tiredness of the driver and measure the risk of them falling asleep, thus reducing the percentage of road incidents. Generali, which has collaborated with various start-ups for some time to design innovative solutions to incorporate in its insurance solutions, financed the launch of the project and will continue to work with Ellcie Healthy to develop innovative solutions in the future. **Isabelle Conner, Generali Group Chief Marketing & Customer Officer**, commented: *"These products are integral to the digital experience we want to offer our customers. Risk prevention and a better quality of life are key goals for Generali."*

In **Germany** the **Vitality** programme, which encourages people to adopt a healthy lifestyle, is open to all new customers, regardless of their state of health, who can decide what information to provide to record their progress in relation to their individual goals.

For years we have been present in the area of **telematics**, using technology tools such as Mobile Apps or Black Boxes, to encourage the adoption of responsible driving behaviour, reducing accidents and collecting useful information that can be used to provide products and services that are increasingly tailored to the needs of customers.

The **Connected Agent** programme is an initiative that was launched by the Group to equip our agents with digital tools in line with the new customer approach to insurance, giving them greater visibility online, on the social media and on mobile devices. The creation of web&mobile tools was completed in Spain, Argentina, Austria, Switzerland and Indonesia, where agents are now equipped with tools that enable them to make effective use of the social media.

We also strive to offer our customers the possibility of interacting with us using mobile devices. This is why we created **Mobile Hub**, a Group-level platform that will enable our customers to manage their policies easily and independently. They will be able to make claims, contact an agent and renew policies directly from their mobile phones. Mobile Hub is already active in France and Switzerland and will soon also be launched in Italy and Spain.

Recently launched, the first **connected home** policies represent important innovations in the domestic risk insurance sector. The new products guarantee:

- protection
- active assistance
- reimbursement of damages.

They constitute an important development that anticipates the needs of the customer. In addition, the insurance solutions are based on prevention and active assistance also in policies to protect the family and the home.

In Germany, in association with its partner Devolo, CosmosDirekt has launched a solution that combines **coverage for damage to the home** with the installation of an anti-intrusion kit based on remote monitoring via an app. Following the success of the initiative the collaboration has continued in 2017 and Generali Versicherung has made GeneralPlus-Protection available to its customers, a modular solution that also includes sensors that detect leaks in water pipes. The use of smart solutions therefore enables us to protect the customer as part of a process focused on **prevention and the creation of value**.

In January 2017 a partnership agreement was established with Nest Labs, a Google-Alphabet group company, to develop a



unique solution dedicated to home insurance policy customers. Via Nest Protect, a **smoke and carbon monoxide detector**, Generali customers will be able to reduce the risks for their family and home thanks to an alert received on their smartphones.

RESPONSIBLE INVESTMENTS

We are global institutional investors and asset management is a key aspect of the insurance business. It has a significant impact on the real economy, allowing us to actively influence areas such as [environmental protection](#) and respect for [human rights](#) and [labour rights](#).

We are signatories of the United Nations Global Compact and the Principles for Responsible Investments (PRI) and for a number of years now **we have been basing our investment strategies on environmental, social and corporate governance (ESG) criteria**, without sacrificing profitability. In addition, we have continued to uphold the principle of protecting our most sensitive asset – our reputation.

Generali Group formalized its commitment to responsible investment in 2006 and in 2010 its own Group Ethical Guidelines were approved.

In 2015, we further developed our approach in the Group [Responsible Investment Guideline](#) document.

In particular, we identify, assess and monitor the investments that are most exposed to social, environmental and corporate governance risks for all our portfolios of the Group's insurance companies.

In 2017:

345 billion euro

Direct investment in equities and bonds in accordance with the Responsible Investment Guideline

37.2 billion euro

AuM managed with ESG criteria

DIALOGUE

The group's objective is to leverage its role as an institutional investor to foster change through investment. The group uses **dialogue** to encourage companies to act responsibly, asking them to justify their conduct if it does not meet the sustainability standards set by the Group.

VOTING POLICY

The integration of ESG aspects is also governed by the [Group Voting Policy](#). The exercise of voting rights is carried out mainly by Generali Investments, to align voting choices to the investment strategy, the Group values and the issues identified in the [materiality matrix](#).

The Generali Group is in favour of submitting proposals at shareholders' meetings it participates in aimed at disseminating best practices on governance, business ethics, social cohesion and environmental protection, and undertakes to express an opinion on similar proposals from other shareholders. The policy also sets out the group's position on fair treatment of shareholders' rights, anti-takeover mechanisms, sustainability in the composition of the board (in terms of diversity, independence, etc.), transparency and quality of financial disclosure, as well as the inclusion of ESG variables in remuneration policies for managers.

IMPACT INVESTING

The group considers the possibility of making financial investments in companies, projects or investment funds aimed at improving the living conditions of the communities in which it operates or at reducing risks and mitigating the effects of climate change, with a view to generating a positive social and environmental impact while maintaining an adequate financial return.

Download "Responsible investment guideline" https://www.generali.com/doc/jcr:faeb6f3e-8913-407b-a743-53861d4bd8e3/lang:en/Responsible_Investment_Guideline.pdf

Download "2017 annual report on voting activities and active ownership" https://www.generali.com/doc/jcr:f6b7ca79-7559-4bf9-ab78-cc203099f355/lang:en/PROXY_VOTING_2017.pdf

INCORPORATING ESG ISSUES INTO INVESTMENTS

Alongside traditional financial risk/reward analysis techniques, the group performs targeted screening to **examine the sustainability policies, performance, practices and impacts of issuing companies**, in order to avoid investing in companies that do not adhere to our principles.

We have drawn up criteria, systems and approaches to identify, evaluate and monitor investments that are most exposed to environmental, social and governance (ESG) risks.

Specifically, the [Responsible Investment Guideline](#) apply to all direct investments by Group insurance companies.

We consider financial instruments to be **high ESG risk investments** if they are issued by companies that:

- produce weapons that, when used normally, could violate fundamental humanitarian principles (cluster bombs, anti-personnel mines, nuclear weapons);
- are involved in serious or systematic violations of human rights;
- are involved in serious environmental damage;
- are implicated in serious instances of corruption.

The aim of the management process is to identify ESG risks arising from investments in companies involved in these activities, through ongoing monitoring of the investment universe and also by working with an external supplier. According to their level of involvement and responsibilities, and based on an internal rating system, the issuing companies are placed on either the Restricted list or the High Risk list. The inclusion of a company on the Restricted list brings with it specific actions ranging from a ban on making new investments to the settlement of current holdings or the retention of same until their expiration with no possibility of renewal. As regards the High Risk list, actions range from the close monitoring of controversial aspects to direct dialogue with the company in question in order to encourage it to act responsibly.

Our **Responsible Investment Committee** comprises representatives of the main functions involved in investment management. It is responsible for making a balanced and neutral assessment of share-issuers that are deemed not to meet the Group's criteria, and for assisting the Group Chief Investment Officer in decisions regarding possible exclusions from the Group's investment universe.

RESPONSIBLE INVESTMENTS FUNDS

To meet growing demand from clients and the international market, for several years we have also offered investment products that meet SRI (Socially Responsible Investment) criteria.

We have developed a [proprietary approach](#) to selecting socially responsible investments, involving for each company:

- the **analysis of 34 social, environmental and governance (ESG) criteria**, reviewed and updated annually and each assigned a score;
- the **mapping of non-financial risks** that may impact the company share price (for example, reputational risk and damage to brand image, class actions, legislative pressure, competitive advantage, intangible assets and carbon footprint) and the way these issues are addressed by company policies;
- the **comparison of previous analysis results with the benchmark SRI universe**, comprising more than 200 European companies, leading to the selection of the most ethical businesses according to a "best effort" rule;
- **integration of financial aspects** for the final selection of the companies identified.

A team of six expert analysts, assisted by a technical committee, then selects shares from leading companies on corporate social responsibility and sustainable development.

All companies analysed periodically receive the findings of our analysis, with the aim to discuss and highlight areas for improvement.

This approach has led to the creation of an **internal database** known as the Sustainability Analysis of Responsible Assets (SARA), enabling us to set up a number of dedicated SRI funds.

In particular, thanks to its application of a strict and transparent sustainability strategy in the investment process, the [SRI Ageing Population fund](#) has received important international recognition such as the Novethic SRI Label in France and the FNG Label from the Forum for responsible investment in Germany, Austria and Switzerland.

Currently, the method for selecting socially responsible investments is applied to **37,2 billion euro** of assets under management.



COMMITMENT TO THE CLIMATE

The COP21 in Paris outlined the need for the active involvement of the private sector in order to respect global climate change commitments, particularly with regard to limiting the increase of the temperature and the transition towards alternative energies to coal and fossil fuels.

Our commitment lies in defining a strategy that is structured in the following pillars:

- Investing: increasing investment in green sectors by 3.5 billion euros by 2020
- Divesting: disposing of equity investments and gradually eliminating bond investments with reference to the current exposure to the coal sector, amounting to approximately 2 billion euros and not making any new investments in businesses associated with the coal sector
- Engaging: promoting dialogue and involvement of issuers, clients and other stakeholders monitoring their plans to reduce the environmental impacts, to the planned measures of protection of the community and citizens, to the strategy to transition to activities with low environmental impact

The **carbon footprint** analysis for all of the Group's financial assets together with the calculation of the CO₂ emissions associated with every company in our portfolios represent the basis for our strategy.

We took part in the following working groups on green finance:

- **Italian National Dialogue on Sustainable Development**, sponsored by UNEP and the Italian Ministry of Environment, for the preparation of the paper [Financing the future](#) on mitigation and adaptation to climate change through insurance and investment activities.
- **Disclosure, Measurement, Management and Mitigation of Climate Change Risk for Companies**, a research and dissemination project promoted by the Fondazione Eni Enrico Mattei, which aims to stimulate a public debate, scientifically founded, on the risks associated with climate change for Italian companies.

Download "Financing the future" https://www.generali.com/doc/jcr:979f9a4f-8863-4d6d-9aa3-7907431bc1fe/lang:en/Financing_the_Future_EN.pdf

BEST PRACTICES

CARBON FOOTPRINT OF GROUP FINANCIAL PORTFOLIO

In accordance with the provisions of the French Law on Energy Transition for Green Growth (Article 173), and in compliance with the recommendations of the Climate-Related Financial Disclosures (TCFD), Generali conducted a series of in-depth analyzes to measure the climate risk underlying its investments and those made on behalf of its clients.

The analysis covered the portfolios of the Group's insurance companies, totaling € 257 billion.

OUR VOICE IN THE GENERAL MEETINGS

In 2017, our presence in general meetings of the companies in which we invest in has increased by over 60% compared with 2016, demonstrating the Group's desire to play an active role in supporting the best sustainability practices.

Considering the general meetings attended by the Generali Group in 2017, it emerged that 17.5% of the resolutions voted on regarded issues included in our **materiality matrix**. Among these, there are: responsible remuneration and incentives, responsible business management, climate change and natural disasters, diversity, inclusion and equal opportunities, engagement and development of communities, demographic and social change, employee engagement and promotion, responsible investments and underwriting.

In terms of the other resolutions, 78.2% regard governance issues and 4.3% other matters.

SRI AGEING POPULATION FUND

In 2015 Generali Investments Europe launched the SRI Ageing Population Fund, a fund that considers the aging population trend and the higher longevity, combining **financial returns** with the ability to create **value for the community**.

The selection of securities is based on health care companies (treatment of age-related diseases, cancer, sight, hearing and dental problems etc.), finance companies that offer health and pension policies, and financial products, and companies active in the field of personal services, well-being and recreational activities. Furthermore, all of the companies are chosen and subsequently monitored using the rigorous ESG analysis method developed internally by Generali Investments Europe on the

basis of 34 non-financial criteria, which makes it possible to identify solid companies with business models that are sustainable over time.

TERA NEVA: A SUSTAINABLE INVESTMENT BY GENERALI FRANCE

Following the Paris agreement on climate change (COP21) and the passing of a national law on the energy transition (Loi de transition énergétique), Generali France invested € 10 million in a sustainable investment product, Tera Neva, with the aim of aligning its financial goals with the goal of improving the environment.

Tera Neva is an equity-linked bond issued by the European Investment Bank designed to **finance renewable energy and energy efficiency projects**. The return on investment is linked with the performance of the Ethical Europe Climate Care Index, which includes 30 listed European companies selected on the basis of financial and sustainability criteria.

SRI NETWORK

In **setting the ethical criteria for responsible investment**, we draw on the knowledge and skills acquired through the profession, as well as our participation in numerous initiatives and networks aimed at establishing clear guidelines and promoting the adoption of best practices.

To reinforce and publicly demonstrate our commitment in the area of ethical investment, the group has taken the following steps:

- in 2011, we signed up to the [Principles for Responsible Investment](#) (PRI), launched and supported by the UN, aimed at spreading and incorporating environmental, social and governance (ESG) factors in investment valuations, through the application of six key principles. Generali has been engaged in a range of disclosure activities implemented by the PRI for [signatory companies](#), which also entails the completion of a publicly-available questionnaire.
- The group also participates in the French Forum for Sustainable Finance (FIR), the European Forum for Sustainable Finance (EUROSIF), and the Italian Forum for Sustainable Finance (FFS), all three of which are working groups bringing together the most important European players in the area of socially responsible investment.

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WORKING WITH OUR SUPPLIERS

We work in an increasingly complex global arena, where establishing a network of lasting and mutually beneficial **relationships with qualified contractual partners** is crucial to maintaining consistently **high standards of products and services quality**, which in turn ensures a competitive advantage for the Group.

Our main contractual partners are **service providers** linked to our core business, plus a smaller number of goods suppliers and providers of support services (such as cleaning, maintenance, transport, etc.).

For us, it is a strategic goal to develop relationships both with **national and local suppliers** that can provide goods and/or services throughout the country and support the group to meet specific local needs, and with **international and global suppliers** that can help us to compete in the international market by offering products and services that create a long-term competitive advantage in terms of cost and quality.

For both local and global supply, we select and use the most reliable suppliers and those that allow us to **limit the impact of our business activities on the environment** along the entire supply chain. To this end, we favour suppliers that have social responsibility policies and that apply an **eco-friendly approach**, such as using green technologies and procedures or offsetting emissions associated with the services they provide.

Generali Group aims at working with suppliers and external parties who share **Generali Values** and philosophy and who are committed to promoting respect of the global environment, the **human rights** and **labour rights**, safety, quality and any factors which contribute to the welfare of **society**.

over
40,000
suppliers*
about € 2.16 bln spent*

COMMUNICATING WITH GROUP PROCUREMENT

All suppliers wishing to contact directly **Group Procurement** can **email** it regarding:

- **inquiries** related to supplier's **qualification and evaluation**
- **inquiries** related to Procurement **procedures**
- **suggestions**
- any other supplier or procurement related questions (i.e. accounts payable, processes, contacts, etc.).

REPORTING CONCERNS AND WARNINGS ABOUT PROCUREMENT'S PRACTICES AND CONDUCTS

All suppliers wishing to report any concern or warning related to **procurement practices** or **conducts** that are, in good faith, considered - even potentially - as inappropriate or inconsistent with the law, the "Code of Conduct" or the "Group Rules" or other internal policies, are welcome to choose one of the options detailed under the **Code of Conducts** section.

*The estimated data refer to suppliers other than those involved in the claims management and included in the following scope: Italy, Germany, France, CEE, Austria, Switzerland, Spain, Europ Assistance, Argentina, Brazil, Colombia, Asia Regional Office

PURCHASING POLICY

Relations with contractual partners are governed by the **Ethical Code for suppliers of the Generali Group**, approved in December 2011 by the Board of Directors of the parent company; the **Procurement Code of Conduct**, approved in 2014; and by an internal **Policy**, which is closely linked to the group's Code of Conduct, designed to ensure the proper management of current and future **outsourced** activities.

In the **Ethical Code for suppliers of the Generali Group**, we have set out how risks and opportunities relating to the management of relationships with suppliers should be addressed and managed. This is aimed at ensuring the integrity of the supply chain with regard to principles on **human and labour rights, anti-corruption** and the **environment**, which we strive to adhere to in all our activities. To this end, the Code specifies the general principles that must form the basis for good relations with contractual partners: fairness and honesty, rejection of all forms of corruption, transparency and impartiality, prevention of conflicts of interest, fair competition, confidentiality, protection of workers, and environmental protection.

We ask our contractual partners to:

- **act in accordance with group policies** and ensure compliance at all levels of their supply chain;
- **operate according to the principles** set out in the document: fairness and honesty, transparency and impartiality, prevention of conflicts of interest, fair competition, confidentiality, protection of workers, and environmental protection;
- **comply with all applicable laws and regulations**, both on a national and international level, including the Fundamental Convention of the International Labour Organization (ILO), the United Nations Universal Declaration of Human Rights and the rules and standards of the respective business segments.

Compliance with the requirements that we request of our suppliers is ensured through appropriate **monitoring** procedures that take into account the risk profiles of different supplier categories.

If we find instances of non-compliance with the above principles, then the Generali Group works with the contractual partner to find a solution through close co-operation and dialogue. Where we cannot reach an agreement or if we discover serious breaches, then the group imposes appropriate sanctions that may go as far as cancellation of the contract.

In the **Procurement Code of Conduct**, signed by all group employees who are responsible for purchasing or who have business relationships with suppliers, we have formalised strict standards of conduct and instructions regarding the prevention of conflicts of interest and any form of corruption, as well as regulations concerning the acceptance and/or offering of gifts of any kind, and the handling and use of confidential information. We implemented these provisions in the various countries where we operate, also taking account of local legislation and practices.

In the **Group Policy for Outsourcing**, we have established rules and guidelines for activities and relationships with partners, which must be managed in a structured and compliant way across all group bodies. The document sets out the basic principles and the mandatory minimum standards that apply in all countries in which we operate, assigning key responsibilities and ensuring appropriate controls and adequate management structures.

We analyse all processes on a regular basis, to check that they all meet critical standards and to ensure that there is no conflict of interest.

Download "Ethical code for suppliers of the Generali Group" [https://www.generali.com/doc/jcr:16b0dd20-a8a8-4236-9b32-fafecee6909e/lang:en/Codice Etico per i Fornitori del Gruppo Generali.pdf](https://www.generali.com/doc/jcr:16b0dd20-a8a8-4236-9b32-fafecee6909e/lang:en/Codice_Etico_per_i_Fornitori_del_Gruppo_Generali.pdf)

[Discover the other group policies](#)

PURCHASING PROCEDURES

To generate a long-lasting competitive advantage in terms of service, quality, costs and social and environmental responsibility, we aim to foster a system of **efficient management of purchasing procedures**.

Accordingly, we identify and use the **most reliable suppliers** that can provide **high quality** products and services to the group within the **constraints of Generali's social and environmental guidelines**.

We **identify and select** suppliers **worldwide** through a series of **clear, precise and non-discriminatory procedures**, using parameters that are objective, well-documented and transparent, and based on the quality of the products and services offered. In doing so, we also take into account compliance with international ethical principles on labour and human rights, as well as the environmental impact of approaches to production and supply.



ACCREDITATION

The accreditation of suppliers in the main countries in which we operate takes place via a computer platform (Suppliers Portal). This process allows suppliers to enter their business details and to view and sign Generali group documents. At this stage, we ask suppliers to complete a series of questionnaires to verify their credentials; information required includes whether the supplier is in possession of environmental and social certification, and whether they have an environmental policy, or participate in any initiatives that focus on safeguarding the environment.

To encourage suppliers to adopt socially responsible, sustainable behaviour, during the selection process we favour those with **social and environmental certifications or policies**. In particular, the introduction of environmental factors in the assessment of our suppliers is in line with the objectives set out in the Generali Group Policy for the Environmental and Climate. We give each supplier in the Suppliers Portal a qualification score and, where necessary, evaluate them on the basis of service and quality indices. We then combine these metrics to determine whether or not the supplier remains on the approved list. **Qualified suppliers** under these standards can participate in the procurement process and we can select them to provide their services or goods to the group.

We follow Green Procurement standards when buying in goods and services, choosing those that have a lower impact on human health and the environment when compared to other products and services used for the same purpose.

To promote green purchasing behaviour across all the countries in which we operate, we have launched a process involving all suppliers and purchase representatives with the aim of:

- Providing guidelines and methodological support for the introduction of green procurement criteria
- Applying environmental assessment and qualification criteria
- Encouraging good conduct
- Recognising efforts made and results achieved, encouraging the adoption of further sustainable practices
- Rewarding the most enthusiastic suppliers and employees, and those that have actively supported the group's decisions.

In addition, in some cases during the supplier selection process and when making purchasing decisions, we favour cooperatives or organisations with a social purpose, in order to support their efforts in providing assistance to disadvantaged people.

GROUP PORTAL

We are currently implementing a **Group portal** to improve the selection, assessment and qualification of partners. The project is divided into two phases and will initially involve our main business units (France, Germany, Italy, Generali Shared Services, Group Head Office). In defining the processes, we worked transversally with the departments in order to identify the most effective assessment systems able to combine impacts, risks and the sustainability of choices. A questionnaire was prepared based on environmental, social and health & safety issues and on compliance with the ethical principles, which represents the threshold to access the assessment process and then enter the Generali Supplier list. As previously mentioned, a basic requirement is compliance with the Ethical Code for suppliers of the Generali Group. Applicants may also provide us with any further useful information - such as policies, certifications or monitoring systems - which better specifies the management system they implement to ensure compliance with the rules.

The portal was also integrated with information from main infoproviders that provide us with significant economic and financial data, possible conflicts of interest and indications regarding reputational risks based on lists of companies that have been reported for corruption, money laundering, international sanctions, etc.

In order to avoid ruling out in advance small sized enterprises, which may not meet all the requirements requested from large enterprises, specific approval procedures were implemented which are designed to perform an ad hoc analysis. The supplier assessment process will be further developed during the course of 2017 and the supplier relationship manager will take on a new role aimed at ensuring greater transparency and fairness in the relations with suppliers.

[Find out more about our commitment to protecting the environment](#)

LIVING THE COMMUNITY

On the idea of community and its declinations we have built our history and our brand recognition:

live the community is one of our main [values](#).

We are aware of the long-term social and demographic trends that affect people's lives. Through [The Human Safety Net](#), our important initiative, we are focused on three socio-demographic issues:

- Social mobility, through The Human Safety Net for Families
- Migration, through The Human Safety Net for Refugee Start-Ups
- Newborns mortality, through The Human Safety Net for Newborns

The selection of programs, chosen among the proposals presented by Group employees, allows us to focus our global action. At the same time, local entities will continue to dedicate resources and financial support to different initiatives.

[Find out more about our sponsorship initiatives](#)

HOW WE CONTRIBUTE

In 2017, funds voluntarily allocated to non-profit organizations, or pursuing social goals, amounted to **€ 12.3 mln***.

Our activity, aimed at improving life in the communities in which we operate, is mainly based on:

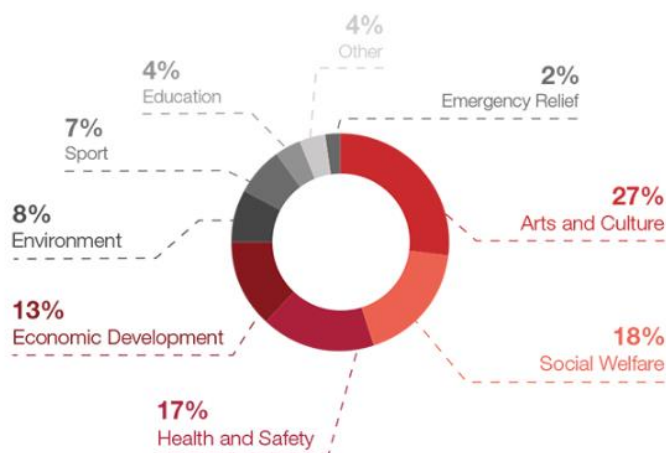
- financial donations
- donations of goods and services
- time donations: corporate volunteering

Countries operate autonomously: some concentrate resources on a few large initiatives or on a specific issue, others divide them among diversified interventions. In some cases, employees are involved in the choice of organizations to which allocate available resources.

Usually the interventions are managed directly by the companies, while in Austria, Germany, Italy, Czech Republic and Hungary we use specific local foundations, which operate according to the purposes of the respective statutes.

In January 2017, we joined the [London Benchmarking Group](#) (LBG) and started to reclassify our community investments according to their reporting method.

The **areas we contributed to** in 2017 were:



In 2017, **309** employees were involved in corporate voluntary initiatives, providing **1.546** hours during working time for activities in favor of non-profit organizations.

In 2017, following the launch of The Human Safety Net, we began to promote volunteering among employees and agents around the world.

*98,5% cash, 0,5% time, 1% in-kind

THE HUMAN SAFETY NET

CREATING OPPORTUNITIES FOR A BETTER LIFE



The Human Safety Net is a global movement to empower disadvantaged people, powered by Generali and launched in October 2017.

The Human Safety Net is how our Group is integrating sustainability into all that we do. Consistent with our Sustainability Framework, it is how we are becoming a company and brand with purpose.

Programmes target different societal challenges, but share a common purpose: to unlock human potential by inspiring people to help people.

We want to help unlock the potential of disadvantaged people so that they can transform their own lives and those of their families and communities.

Philippe Donnet, Group CEO

A MOVEMENT OF PEOPLE HELPING PEOPLE

The Human Safety Net is inspired by the idea of 'chain aid', where those who benefit may one day give back to someone else, creating a 'ripple' of positive change that extends worldwide with limitless potential.

Vision

We believe that everyone should have the opportunity for a better life through a sustainable livelihood.

Mission

Unlock the potential of disadvantaged people so that they can transform the lives of their families and communities.

Approach

The Human Safety Net is an accelerator that protects and supports disadvantaged people in creating opportunities that benefit themselves and the communities they live in. We do this through protecting, investing, training, and mentoring.

THREE PROGRAMMES

The Human Safety Net for Families

This programme will promote equal-life chances for children who grow up in poverty. The Human Safety Net will provide support to thousands of parents during the first six years of their child's life, which has been scientifically proven as the most formative period. These years will shape what a child achieves in school, their health, and their future career path

The Human Safety Net for Refugee Start-Ups

Generali is taking a different approach to the refugee crisis in Europe by empowering refugees to realise their entrepreneurial potential and build livelihoods in their new 'home' countries with dignity. This programme aims to help refugees to set up thousands of new businesses, jobs, and opportunities for work.

The Human Safety Net for Newborns

Generali will work with the medical community and parents to improve prevention and treatment for a devastating birth condition called asphyxia. Asphyxia leaves many babies handicapped for the rest of their lives and tragically even results in the death of newborns. The asphyxia programme aims to train and equip professionals to help save thousands of lives from this potentially fatal condition.

VENICE

Generali has given The Human Safety Net a home in one of its most prized real estate assets: the Procuratie Vecchie, in the world's most iconic square: Saint Mark's in Venice. World renowned architects are restoring the Procuratie Vecchie and adjacent Royal Gardens to their former glory for completion in 2020.

Visit [TheHumanSafetyNet.org](https://www.thehumansafetynet.org) to learn more.

[Learn more about The Human Safety Net](#)

[Find out how we support art and culture](#)

[Find out more about our commitment to local environmental issues](#)

WE INNOVATE FOR SOCIETY

New needs are emerging in our society which cannot be met by using tools of the past. We need to find innovative approaches,

relationships and production methods in order to meet the increasing demands of people, companies and institutions.

WE INNOVATE THROUGH COLLABORATION WITH VENTURE CAPITAL INITIATIVES

In view of the continuous development of technology, there is also the need to create communities of people who share knowledge and skills. This is why we foster synergies between different environments and ways of thinking.

We participate in the **GrowITup** project, dedicated to the promotion of innovative Italian start-ups and promoted by Microsoft Italia and Fondazione Cariplo. This is an 'open' partnership between major Made in Italy businesses and promising start-ups and has the dual goal of supporting the growth of innovative, up-and-coming Italian companies and assisting established firms in the design of their future development strategies. The project will receive € 10 million in 3 years and aims to attract up to € 1 billion in investments by 2020.

We were main sponsors of the second edition of **Scale It**, supporting the growth of the most promising start-ups by fostering the interest of institutional investors. Scale It is a fundraising initiative that brought together 15 fast-growing Italian scaleups and over 20 international venture capital funds in Milan. In the first edition, 8 of the 11 selected scaleups raised a total of € 43.5 million, an average of € 5.4 million each, proof of the quality of the projects.

Scaleups are innovative start-ups that have successfully come through the launch phase of their business model and which are seeking capital and strategic agreements with large enterprises to finance their growth and international expansion phase.

WE INNOVATE THROUGH PARTNERSHIPS

Thanks to our partnership with **Microsoft** we are working on the digital transformation of the Group through the development of internal collaboration and customer relations. More specifically, we are in the process of establishing innovative channels of communication with clients such as online meeting apps and chatbots, messaging platforms that exploit artificial intelligence so we can reply to our clientele automatically and in real time, providing relevant and suitable information both through simple text content and links, images, audio and video

We have also signed up to the **Industrial Liaison Program of Massachusetts Institute of Technology**, a programme dedicated to the creation and strengthening of relations between the numerous start-ups and research projects followed directly by MIT and companies from all over the world.

To stay at the cutting-edge in the field of behavioural profiling, exploiting advanced data analytics to establish concrete benefits for responsible drivers, we have finalised an agreement with **The Progressive Group of Insurance Companies**, global leaders in the field of telematics applied to motor insurance. This partnership will enable us to strengthen our expertise in the area of data analytics and expand our product range. As part of the agreement, the two companies will further develop their behavioural profiling systems in order to design innovative telematics products that reward those drivers most attentive to safety, helping them to improve their driving style via an individual feedback system.

BEST PRACTICES

HEALTHY WORKPLACES FOR ALL AGES

Generali Employee Benefit (GEB) Network is present in over 100 countries and serves more than 1,500 multinational companies with products and services that protect and increase employees' well-being: from traditional life, accident and disability products to highly innovative coverage for risk management, assistance, medical and wellness programmes, as well as programmes for expatriates.

In 2016, GEB became an **official partner of the Healthy Workplaces for All Ages campaign**, sponsored by **the European Agency for Safety and Health at Work (EU-OSHA)**, which involves several partners and seeks to share knowledge on safety, management and risk prevention with regard to health at work.

In the 2016-2017 period, the activities of the campaign focused on the aging population and the pension reforms adopted by countries. European policies have already been set up to simplify staying at work even after retirement age, however, at least 25% of workers believe that staying at work could have a negative impact on their health and the results of surveys show that only 12% of people know about the existence of these policies.

The campaign therefore plays a key role in providing information about an issue of systemic relevance such as the duration of working life, which must involve:

- an approach focused on prevention and well-being during the individual's entire life
- diversity management based on specific approaches by different age group
- specific support to small and medium businesses.



IMAGINE BOCCONI

Imagine Bocconi is an innovation hackathon that was held in 2017 and sponsored for the second time by Generali. Its goal is to create a dialogue with millennials. Participants are selected from among the students of **MBA Bocconi** and other important business schools like INSEAD, HEC and the universities of Tel Aviv and Rotterdam. The initiative comprised **four steps**: the identification of the problem, the generation of the idea, prototyping and communication. Split into teams, the participants confronted each other on an issue decided by Generali: savings; they were asked to develop an alternative investment and savings experience to the banking industry or the usual options. Unveiled at the final presentation, held on 22 May 2017 in front of a jury made up of Generali experts, Bocconi professors and External Business Angels, the winning idea managed to reconcile the concept of “saving through playing” and personalised solutions for freelancers.

BEST PRACTICES

Even before launching The Human Safety Net in 2017, Generali has long worked towards positive social change in diverse areas.

HEALTH AND SAFETY

People's health is very important to us: it is one of the essential parts of our business activities and a major area of social intervention. We are committed to raising awareness and providing education on the issues of sustainability, ageing populations, disease prevention and addiction, maternal and neonatal health, and the adoption of healthy lifestyles, including amateur sports initiatives.

We support medical research, with a particular focus on degenerative illnesses. In terms of safety, we also focus on projects to improve road safety.

- [EDWARD - EUROPEAN DAY WITHOUT A ROAD DEATH](#)
- [HEALTH BUS](#)

SOCIO-ECONOMIC INCLUSION

Given the current period of severe economic crisis, we want to make a contribution to promoting social integration and inclusion by supporting initiatives for youth rehabilitation and for the insertion – or reinsertion – of individuals into social and working environments. We also believe that financial education programmes are of fundamental importance in providing basic knowledge on key topics that are often not covered in the regular school curriculum.

- [MUKTSHALA RESIDENCE](#)
- [ELLE active!](#)

CULTURE AND ENVIRONMENT

We are committed to preserving our artistic, cultural and environmental heritage, firm in the belief that we must take care of the beauty we are surrounded by today, in order to be able to enjoy it tomorrow.

- [ROOTS OF THE PRESENT](#)
- [LIGHT A BILLION LIVES](#)

EMERGENCY INTERVENTIONS

In case of catastrophic events such as floods and earthquakes, we act as insurers, by setting up dedicated channels and preferential procedures for the claims settlement, and we also provide financial and material help to the populations affected.

- [EARTHQUAKE IN ITALY](#)

OUR COMMITMENT TO THE ENVIRONMENT AND CLIMATE

We want to play an active role in supporting the transition towards a more sustainable economy and society. We will continue to monitor and reduce our direct and indirect impacts through our products, services and investments, dialoguing and collaborating with Governments and associations, in line with the declarations in our Group Policy for the Environment and Climate.

For years we have managed our environmental impact, a commitment reiterated on the occasion of the 21st Conference of the Parties (COP21) by the United Nations on climate change held in Paris in December 2015.

We feel obliged to act on various fronts: we are committed to reducing our **direct impact** in an optimal manner. Furthermore, using suitable measures we can encourage the adoption of environmentally sustainable behaviour in our spheres of influence, particularly those of our clients and the companies in which we invest, in order to reduce the **indirect impact** of our activities. In this regard, the Board of Directors of Assicurazioni Generali approved on February 21st 2018 the **strategy on climate change** that includes specific actions in investments and underwriting and identifies the dialogue and involvement of our stakeholders as the tool to facilitate the transition towards a society with a low environmental impact.

For further information read the [press release on the strategy on climate change](#).

Direct impact

- Reduce our greenhouse gas emissions by 20% by 2020 (base year 2013)

Supporting the 'green' business:

- Increasing investment in green sectors by 3.5 billion euros by 2020
- Increasing the percentage of the premium portfolio related to the renewable energy sector
- Increasing the offer of products with environmental value for the retail market and SMEs

Define our positioning in coal-related activities:

- Not making any new investments in businesses associated with the coal sector
- Disposing of equity investments and gradually eliminating bond investments with reference to the current exposure to the coal sector, amounting to approximately 2 billion euros
- Continue the policy of minimal insurance exposure to coal-related activities

Public commitment

To promote dialogue and involvement of issuers, clients and other stakeholders monitoring their plans to reduce the environmental impacts, the planned measures of protection of the community and citizens, the strategy to transition to activities with low environmental impact.

GROUP POLICY FOR THE ENVIRONMENT AND CLIMATE

We finalised and adopted our new Group Policy for the Environment and Climate in 2014.

The new policy replaces the former Generali Group Environmental Policy, which we updated to reflect the changes within the Group and externally in the five years since it was drawn up. In particular, these include a greater awareness of the risks and opportunities deriving from climate change.

The policy reiterates Generali's commitment to protecting the environment, as stated in the Code of Conduct, and sets out the guidelines underpinning our strategies and goals on environmental management in order to ensure:

- protection of the environment;
- prevention of pollution;
- protection and conservation of biodiversity;
- an appropriate response to the challenges posed by climate change.

To implement the policy and pursue continuous improvements in environmental performance, thereby contributing to the fight against climate change caused by greenhouse gas emissions, the Generali Group has identified the following areas of intervention, along with specific indicators and targets:

- reducing the business's environmental impacts;
- incorporating environmental and climate considerations into investment strategies;
- promoting and increasing awareness of environmental and climate risks;
- public engagement on climate;
- disclosure and transparency.

Download "Group Policy for the Environment and Climate" https://www.generali.com/doc/jcr:59d2114b-c3d6-4ed6-a4e7-ebcd7fdf5c4b/lang:en/Group_Policy_for_the_environment.pdf

GREENHOUSE GAS EMISSION

We believe that the correct and systematic quantification and reporting of greenhouse gas (GHG) emissions is important for verifying the results of initiatives to reduce them, in order to contribute to reducing global pollution. To this end, we have implemented a **monitoring system** at all our sites and set up periodic checks. Based on the results, we assess the effectiveness of our actions and identify new ways to ensure that our facilities are increasingly efficient.

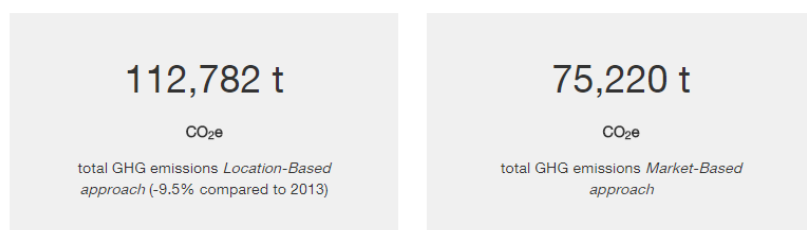
We produce an annual **Inventory of Greenhouse Gas Emissions of the Generali Group**, with reference to the Environmental Management System, which quantifies, analyses and reports on GHG emissions in a clear, detailed and transparent way.

In 2017, the GHG accounting methodology has been updated to reflect current best practice following the publication of the **Market-Based** method by WRI's GHG Protocol. This method allows companies to account for indirect emissions from electricity consumption with appropriate emission factors collected from suppliers. With a view to ensure consistency and transparency over time, we will report our GHG emissions calculated using both methods: the Location-Based approach (i.e. the method used so far) and the new Market-Based approach.

TARGET 2020

The group has set the goal of **cutting emissions 20%** by 2020 (base year 2013)

PERFORMANCE IN 2017



BREAKDOWN OF GHG EMISSIONS

	Location-Based	Market-Based
Energy	65%	48%
Electrical energy	47%	21%
Trigeneration	8%	13%
Natural gas (methane)	5%	7%
District heating/cooling	4%	6%
Diesel oil	1%	1%
Mobility	27%	40%
Road travel (no fleet)	14%	22%
Car, motorbike, etc travel (own fleet, no private use)	8%	12%
Business flights	4%	5%
Rail travel	1%	1%
Other	8%	12%
Paper	6%	9%
Waste	1%	2%
Water	1%	1%

BREAKDOWN OF GHG EMISSIONS BY SCOPE

Source	GHG Emissions (t CO ₂ e)		
	2013 (base year)	2017 Location- Based	2017 Market- Based
Scope 1- Direct emissions, produced by heating systems and using the fleet of company vehicles	18,402	24,408	24,408
Scope 2- Indirect emissions from energy consumption, associated with the use of electricity and district heating	59,070	50,820	13,258
Scope 3- Indirect emissions not from energy consumption, connected to employee business travel, consumption of paper and water, and waste disposal.	47,184	37,553	37,553
Total	124,656	112,782	75,220

Download [“Inventory of Greenhouse Gas Emissions of the Generali Group 2016”](#)

Download [“Verification statement of the emissions inventory 2015”](#)

Download [“Inventory of Greenhouse Gas Emissions of the Generali Group 2015”](#)

Download [“Verification statement of the emissions inventory 2014”](#)

OUR IMPACTS

Our Environmental Management System covers **direct impacts** arising from the Group’s activities, as well as **indirect impacts** associated with purchasing, planning and providing insurance and financial products, and with institutional investment activity.

DIRECT ENVIRONMENTAL IMPACTS

In view of the significance of the associated environmental impacts, we have identified the areas for priority attention:

- **management of company buildings and facilities:** this is increasingly geared towards continuous improvement in our staff’s ability to use natural resources efficiently. To minimize adverse environmental impacts, the Group works:
 - to reduce energy, water and paper consumption;
 - to manage **waste** more efficiently by increasing separate collection;
- **managing business travel:** to manage business travel by administrative staff in a sustainable way, the Group travel



policy requires:

- a **reduction in travel**, through increased video- and teleconferencing, delivering training via e-learning, etc.;
- a **preference for public transport** or collective transport, such as shuttle services, car pooling, etc.

INDIRECT ENVIRONMENTAL IMPACTS

We can encourage green behaviour among our stakeholders by involving them in appropriate environmental protection initiatives. Specifically, the main areas where we can exert this influence are relationships with suppliers (procurement ecology), customers (product ecology) and share-issuing companies (investment ecology).

- Procurement ecology: to ensure integrity in the supply chain, we have set up mechanisms (such as penalty clauses leading to contract cancellation) to prevent our suppliers and their supply chains from violating regulations on workplace health and safety and environmental protection, or the Group's ethical principles.
- Product ecology: to encourage eco-friendly behaviour among customers and consumers in general, we intend to expand and strengthen our range of insurance products and services, including tailored educational and awareness-raising programmes.
- Investment ecology: we have an investment policy and ethical guidelines designed to eliminate the risk of supporting companies involved in serious environmental damage, by investing in them.

[Discover our products with environmental value](#)

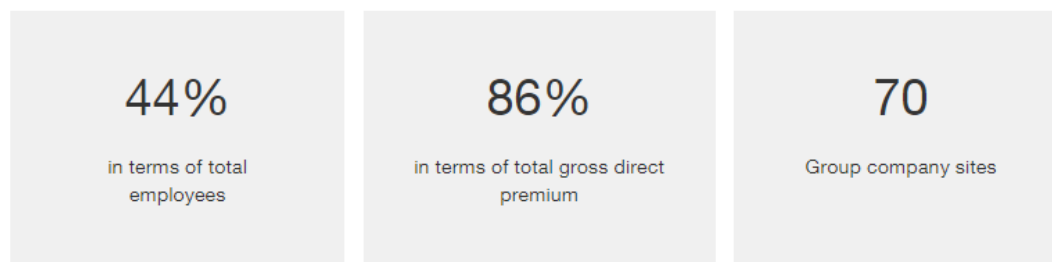
[Find out more about responsible investments](#)

[Read about our Environmental Management System](#)

ENVIRONMENTAL MANAGEMENT SYSTEM

Applying our Group Policy for the Environment and Climate implies an ability to effectively manage the most significant environmental issues. To this end, in 2009 we introduced a Group Environmental Management System (EMS) based on the **ISO14001** standard.

The **System has become bigger** over time: today it encompasses around 70 Group company sites and over 350 local offices, covering 44% of our employees and 86% of total gross direct premiums. The premises included in the EMS are located in seven countries (Austria, Czech Republic, France, Germany, Italy, Spain and Switzerland), but our commitment to improving environmental performance is global and affects all the countries where we are present.



[Find out about our Policy for the Environment and Climate](#)

[Find out more about our impact on the environment](#)

ENERGY

Electricity accounts for the majority of our energy consumption, as we use it for lighting, operating machinery, cooling buildings and, in France and Spain, also for heating.

We use fossil fuels and district heating to heat our workplaces. Natural gas accounts for the biggest proportion of the fossil fuels we use, thanks to the gradual replacement of diesel boilers with the latest-generation gas condensing boilers.

Our **Data Processing Centres (DPCs)** are highly energy intensive – especially the one at Mogliano Veneto (Italy), which services the entire group. To limit the amount of electricity this facility uses, we have built a natural gas trigeneration plant that enables combined production of power, heating and cooling. A new trigeneration plant was also introduced at the German site in Bernried which will cover at operating speed 95% of electricity requirements.

We are continually upgrading our buildings to work towards eco-efficient energy consumption.

Where possible, we use energy-saving lighting, heating and cooling technologies such as:

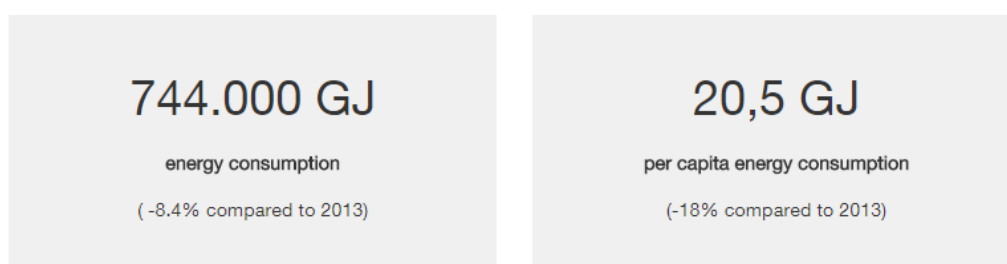
- low-energy LEDs
- building covers, insulation, and thermal doors and windows
- underfloor, ceiling or direct expansion (heat pump) heating and cool systems
- presence sensors or timers to control lights.

Also in 2016 we purchased **electric energy from renewable sources** contributing to the preservation of natural sources

TARGET 2020

- **-25% per capita energy consumption**

PERFORMANCE IN 2017



Breakdown of energy consumption	
Electrical Energy	56%
District heating	23%
Natural Gas	11%
Trigeneration	9%
Diesel oil	1%

PAPER

Paper is the **most used material** in our industry.

The following systems **to reduce paper consumption** are already widely used:

- electronic file storage and document “dematerialisation”
- the use of email and text messages in communications between companies, agencies and clients
- the sale of insurance products using tablets and electronic signatures (pilot project)

In all countries covered by the EMS, individual printers, photocopiers and fax machines are being replaced with multifunctional machines and centralised printers for each office or floor.

PURCHASING POLICIES

To limit the overall weight of the paper we consume, wherever possible we purchase material with a lower-than-average unit weight. Over 86% of the paper used in 2016 was certified **ecological paper** from forests managed in accordance with

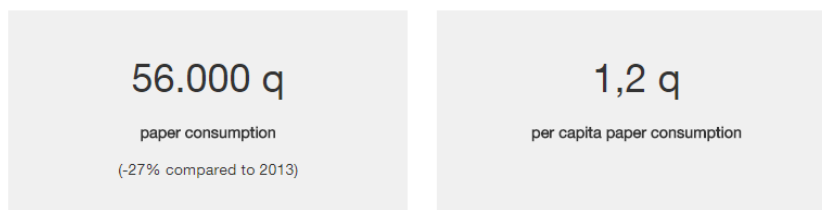
environmental, social and economic standards set by national and international regulations.

Aside from eco-friendly paper, we are also committing to buying **low environmental-impact stationery** and **toner**. Many countries have a catalogue of green products including solvent-free pens with water-based inks, pencils made with wood from sustainably managed forests, and toner produced with recycled and/or regenerated materials.

TARGETS 2020

- **15% paper consumption**
- **Achieving 95% in the amount of ecological paper**

PERFORMANCE IN 2017



WATER

We believe that water is a crucial resource and try to use it sparingly at all Group sites.

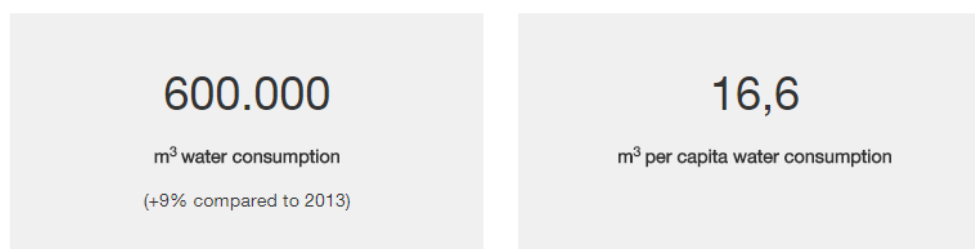
We mainly use water for hygiene and sanitary purposes and to operate and cool air conditioning equipment. Water is only used at some sites to maintain green spaces. Almost all water consumed comes from municipal or national pipes.

To reduce water consumption, we have introduced systems at our sites that mix water and air, or, alternatively, we have installed photocells or timed controls that control water flows and reduce waste to a minimum.

TARGET 2020

- **-15% water consumption**

PERFORMANCE 2017



WASTE

We have invested heavily in waste separation and recycling in recent years, as we believe that nothing should be wasted and everything can be recycled.

To improve the effectiveness of our initiatives, we have launched dedicated campaigns at many Group companies to raise employee awareness on separated waste.

Paper and cardboard account for the majority of separately collected waste. At every site there are containers for separate collection of paper and cardboard, plastic, glass and aluminium. Other metals, wood, wet waste, used oil, sanitary waste, hazardous waste, IT waste and toner are also collected separately.

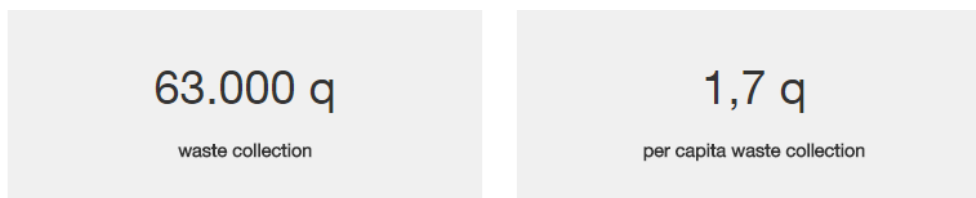
We pay close attention to proper disposal of waste that poses the greatest threat or damages the environment.

IT waste, comprising disused electronic equipment, is returned to suppliers or sent to plants that dispose of them and recover any reusable parts.

The majority of **used toner cartridges** are returned to suppliers to be recycled or refilled, while the remainder are disposed of as required by law.

Hazardous waste (neon tubes, batteries, etc.) accounts for only a tiny percentage of our rubbish and is disposed of separately in an appropriate manner, using specialist companies and maintaining records and mandatory documentation, in accordance with the regulations in force in each country.

PERFORMANCE IN 2017



Separate waste collection	
Separately collected waste	75%
Incinerated waste/Waste disposed of landfills	25%

MOBILITY

We also seek to reduce greenhouse gas emissions through the sustainable management of mobility.

First and foremost, we try to cut down employee travel by promoting the use of **video** and **teleconferencing**.

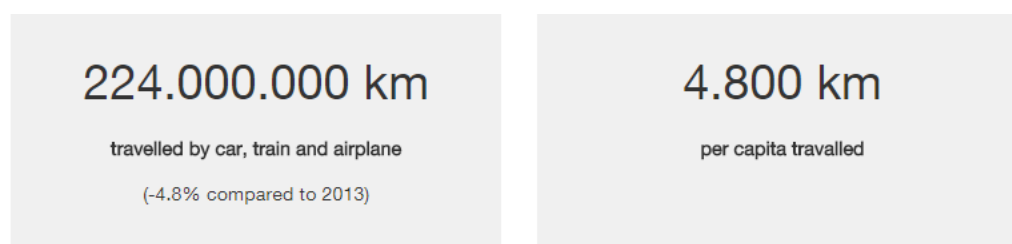
In France, Germany and Italy, employees can access video conferences from individual workstations through specific applications such as Microsoft Lync.

Telecommuting is possible in many countries, while in all countries our **travel policy** prioritises the use of public transport rather than private cars, favouring the uses of the most environmentally friendly forms of public transport (e.g. trains rather than planes). Our **car policies** set maximum limits on CO2 emissions for company cars.

Finally, we also use tele-appraisal systems for managing claims in Austria, France and Italy, reducing the number of car journeys made by assessors.

In 2017, Group employees made work-related journeys by car, plane and train over **224 millions of km**.

PERFORMANCE 2017



Employees on duty travels	
Train	19%
Airplane	19%
Private car	39%
Corporate fleet	23%



BEST PRACTICES IN MANAGING CORPORATE MOBILITY

GERMANY

With the slogan Avoid-Reduce-Optimize, Generali Deutschland has been able to significantly reduce the impact of its mobility over the past 4 years. The simplification of some projects, the increased use of alternative communication technology systems and incentives for the use of train transport were key factors for the success of the project. In particular, Generali offers the Bahncard Business, a travel document to purchase discounted train tickets up to 100%.

SLOVENIA

Generali's corporate fleet received the ECO fleet challenge award in 2013, 2014 and 2015, making it the most environmentally friendly fleet among all Slovenian businesses. Between 2013 and 2016, Generali Slovenia was indeed able to reduce the average emissions per vehicle from 132 to 110.5 grams of CO₂ per kilometre.

CROATIA

We started to cooperate with the start-up Nextbike for the development of a public bike-sharing system spread across 10 cities in the country and reaching around 9,000 users, including employees of Generali. The system consists of registration by users with a dedicated website, activation of credit to be used for renting a bike in city stations and rental management via a smartphone application.

THE NETHERLANDS

The car policy for managers was changed to introduce the option of using hybrid or electric cars. Two charging columns for electric cars were installed in the company car park, which can also be used by guests. In addition, Generali offers a number of bicycles for its employees who need to move for business purposes in the vicinity of their offices.

ARGENTINA

We received the Sustainable Mobility Friends award promoted by the local government for the innovative programme of sustainable mobility started in 2015. The actions implemented included in-depth conferences for all employees with authoritative speakers and opinion leaders, the creation of a platform for organising car pooling among employees when commuting, and awareness of the use of bicycles.

REAL ESTATE INVESTMENTS

The Generali Group is a global asset manager which also takes account of the issue of environmental respect in its investment strategies. Our sustainable investment guidelines are designed to avoid shareholdings in companies that seriously damage the environment and to guarantee highly sustainable real estate assets.

Generali Real Estate (GRE) is the Group company that manages real estate assets of a value of around **€ 26 billion**. Through the management of a portfolio of unique diversity, made up of both historic and recently-constructed buildings, GRE has developed in-depth know-how of technological innovation and sustainability. More specifically, as part of the European Green Building Workshop project, GRE has developed the **Green Building Guidelines** (GBG), which aim to improve the environmental performance of the Group's real estate assets, ensuring they reach high levels in order to create environmentally-sustainable value. We have set ourselves two ambitious goals with this initiative, i.e. to pre-empt the regulations in order to contain the future obsolescence of real estate, and to make sure that through the whole real estate value chain (developers, managers, occupiers) efficient sustainability rules are known and implemented.

Moreover, through the policy document **Green Leases: Recommendations for an environmentally sustainable approach to the real estate sector**, we created guidelines and non-binding principles to share best practices and raise awareness on the commitment to environmental sustainability, reducing costs and improving the working environment.

The progress made in the implementation of the guidelines is periodically monitored by referencing a series of specific indicators. The development of the project has resulted in HQE, DGNB, LEED and/or BREEAM certification for an increasing number of buildings. Below is a summary of some of the most significant projects carried out in 2016:

CORSO ITALIA 6

The building in Milan obtained the LEED sustainability certification. Among the main improvements put in place were the improvement of the thermal performance of the building through the insulation of the external walls and the installation of high-performance windows, as well as the installation of a latest generation air-conditioning system. Furthermore, for reducing the electrical consumption, LED lights were installed in the common parts of the property.

PLACE DE L'OPERA 4

The building in Paris, one of the most prestigious properties of Generali's real estate assets built in Haussman style, obtained HQE Exploitation certification for the degree of sustainability achieved. After its purchase in 2013, GRE renovated the building to achieve the highest sustainability standards, both as regards the building's structural part and the management of energy consumption. The tenants of the property were made aware of and actively involved in adopting the environmental performance improvements. Despite some regulatory restrictions on historic buildings, the results were comparable to the standards of new buildings, with an overall limited investment compared to the property's market value.

FARRAGUT BUILDING

The **Farragut** building in Washington DC received LEED Platinum certification for its efficient use of resources, after having obtained the LEED Gold certificate in 2012. These recognitions are even more significant if we consider the age of the building (1961) and its complex management (over 30 tenants). The main improvements implemented by the team of Generali engineers regarded the cooling system with the installation of new chillers, an innovative approach to daily energy management and with continuous adjustments determined by weather conditions, interventions on the lighting system with the installation of sensors and LED lights and on the hydraulic system to minimise consumption.

PUBLIC COMMITMENTS

We can make an educational and informative contribution, helping people and Governments to better understand the risks of climate change, making them aware and seeking to provide support as regards both their mitigation and adaptation actions. We believe in the importance of innovation in this field and we are committed to investing in research. We participate in numerous initiatives and working groups on environmental issues connected with climate change.

In line with the commitments made when adhering to certain important international initiatives (Paris Pledge for Action, The Geneva Association - Climate Risk Statement, European Financial Services Round Table), we actively participate in work groups as well as national and international events pertaining to green finance, including the Italian National Dialogue on Sustainable Development promoted by UNEP and the Italian Ministry of the Environment. We have organized significant institutional events, including the presentation of the Interim Report by the High-Level Group (European Commission) on sustainable finance in Italy.

In 2016, we took part in the project of the **Italian National Dialogue on Sustainable Development**, sponsored by UNEP and the Italian Ministry of Environment, for the preparation of the paper [Financing the future](#) on mitigation and adaptation to climate change through insurance and investment activities.

In addition, we joined the research and dissemination project named **Disclosure, Measurement, Management and Mitigation of Climate Change Risk for Companies**, promoted by the Fondazione Eni Enrico Mattei, which aims to stimulate a public debate, scientifically founded, on the risks associated with climate change for Italian companies.

We have signed up to some of the leading international initiatives:

- **Paris Pledge for Action** (2015), an initiative that provides an opportunity for the private sector to engage in the implementation of the Paris Agreement COP21.
- **Climate Risk Statement of The Geneva Association** (2014), the document with which the leaders of the insurance and reinsurance industry will assume a common set of commitments on the measures to be taken to address and mitigate climate change.
- **CDP Climate Change Program** (from 2010), it is the leading international database which contains data of the companies on the annual GHG emissions, and their approach to risks and opportunities of climate change. It is the main reference for investors who want to consider this issue.
- the **European Financial Services (EFR) Statement** (2015), in support of a strong will of the members to increase the focus on a reduction of risks related to CO2 emissions and to accompany consumers towards a future low-emissions and examine how the financial industry can support the Sustainable Development Goals of the United Nations.



PERFORMANCE AND REPORTING

SUPPORT FOR EXTERNAL INITIATIVES

[See](#) which external initiatives we support.

ETHICAL INDICES

As time has gone on, the level of our commitment and the results we have achieved on various aspects of sustainability have brought an improvement in our Socially Responsible Investment (SRI) ratings, as awarded by various agencies specialising in the analysis of environmental, social and governance (ESG) performance. As a result, we have been included in major ethical indices and international ranking.

[See more.](#)

FACTS AND FIGURES

There are many more facts and figures available besides those shown in the website.

Find them out [here](#).

DATA AND PERFORMANCE

[Generali in figures 2017 \(excel\)](#)

[Generali in figures 2017 \(pdf\)](#)

HOW WE REPORT

We started reporting on our commitment to contribute to society fourteen years ago through our Sustainability Report, published annually and approved by the Group's Board of Directors. For the last three years we have also published an Integrated Report, which makes clear to all our stakeholders how sustainability underpins our business development and its results.

In 2018, the Group presented its value creation process in the long term in the [2017 Annual Integrated Report and Consolidated Financial Statements](#), in an organic way, connecting financial and non-financial information. This approach is in line with our [Charter of Sustainability Commitments](#) and with the goal of integrating sustainability into the business.

A number of functions across the company have collaborated in defining and implementing a common reporting approach. The Integrated Report contains a Consolidated Non-Financial Statement in compliance with Legislative Decree no. 254 of 31 December 2016 implementing Directive 95/2014/EU on the "disclosure of non-financial and diversity information by certain large undertakings and groups". The Statement includes certain non-financial information, previously in the Sustainability Report, and identified through a specific materiality process. Additional non-financial information previously contained in the Sustainability Report will be made available on the Group website, informing our stakeholders of our commitments, actions and performances in the social and environmental spheres, which also underline our support for the United Nations [Sustainable Development Goals](#).

EXTERNAL COMMITMENTS

Since 2007, Generali has been a participant in the [UN Global Compact](#), a voluntary United Nations initiative that encourages businesses worldwide to create an economic, social and environmental framework aimed at promoting a healthy and sustainable world, giving everyone a chance to share in the benefits. To this end, as a participant in the initiative, the group – within its spheres of influence – is committed to sharing, supporting and applying a set of ten fundamental principles on human rights, labour standards, environmental protection and anti-corruption.

These are universally shared principles derived from the Universal Declaration of Human Rights, the Declaration of the International Labour Organisation, the Rio Declaration and the United Nations Convention against Corruption.

FIND OUT ABOUT THE 10 PRINCIPLES OF THE GLOBAL COMPACT

Human Rights

Principle 1

Businesses should support and respect the protection of internationally proclaimed human rights within their respective spheres

of influence; and

Principle II

make sure they are not complicit, even indirectly, in human rights abuses.

Labour

Principle III

Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle IV

the elimination of all forms of forced and compulsory labour;

Principle V

the effective abolition of child labour; and

Principle VI

the elimination of all forms of discrimination in respect of employment and occupation.

Environment

Principle VII

Businesses should support a precautionary approach to environmental challenges;

Principle VIII

undertake initiatives to promote greater environmental responsibility; and

Principle IX

encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption

Principle X

Businesses should work against corruption in all its forms, including extortion and bribery.

The Global Compact supports the creation of local networks to promote the initiative and its principles in specific countries or regions. In 2013, the Global Compact Network Italy, active since 2002, established itself as the [Global Compact Network Foundation Italy](#), of which Generali is one of the founding members.

In December 2014, Generali signed the [United Nations Environment Programme's Principles for Sustainable Insurance](#) (PSI), a voluntary initiative, supported by the United Nations, aimed at addressing the risks and opportunities associated with environmental, social and governance (ESG) issues.

Launched in 2012, the PSI are aligned with and complement the principles of the United Nations Global Compact, which promote the adoption in all industries of sustainable business practices; specifically regarding human rights, labour, the environment and anti-corruption.

Download the "[PSI Report 2016](#)"

In May 2011, the Generali group signed up to the [Principles for Responsible Investment](#) (PRI), a United Nations initiative created to support investors in the implementation of six principles, which commit them to incorporating social, environmental and governance aspects when evaluating investments. Signatories have access to a network that allows investors to share best practices, facilitates collaboration with other signatories and gives them the opportunity to participate in a variety of activities and workshops.

Following the COP21, at the end of 2015, Generali has joined the [Paris Pledge for Action](#), an initiative that represents a unique opportunity for non-state actors to welcome the Paris Agreement on climate change and commit to implement it.

The pledge demonstrates that non-state actors are ready to play their part to support the objectives of the Paris Agreement. By joining the pledge, businesses, cities, civil society groups, investors, regions, trade unions and other signatories promise to ensure that the ambition set out by the Paris Agreement is met or exceeded to limit global temperature rise to less than 2 degrees Celsius.

As member of the [European Financial Services Round Table](#) (EFR), we endorsed a statement in support of a strong and



ambitious response to Climate Change, which was sent to European Governments, the European Commission and other public officials ahead of the 21st Conference of the Parties (COP21). The statement expresses EFR members' commitment, inter alia, to put more focus on understanding, managing and reducing carbon asset risks, to support customers in their transition to a low carbon future, and to examine how the financial sector can support progress towards the United Nations' newly agreed Sustainable Development Goals, which have the potential to significantly mitigate the impact of climate change. The EFR brings together Chairmen and Chief Executives of leading European banks and insurance companies. The purpose of the EFR is to contribute to the European public policy debate on issues relating to financial services and to the financial stability with the completion of the single market in financial services. The EFR deals in particular with the global G20 agenda, regulation and supervision, consumer protection and climate change related matter and its impact on the financial sector.

In 2010, the Generali group also joined the [CDP](#), an initiative supporting commitments to tackle the challenges of climate change and to limit its impact through eco-sustainable behaviour. The CDP is an independent, non-profit organisation with 722 participating institutional investors that manage 87 trillion dollars of assets. It provides investors that are sensitive to climate change with information on the environmental strategies and performance of companies in which they invest or plan to invest, collected through a comprehensive questionnaire sent annually to the major listed companies across all industries. In January 2011, we also joined the **CDP Water Disclosure** project, a similar initiative that aims to collect information on water management by the companies that use it most intensively in order to make it available to the market and guide investments towards companies that use water sustainably. There are 530 participating investors, with 57 trillion dollars of assets under management.

The Generali Group became a signatory of the **Climate Risk Statement** of [The Geneva Association](#) in Kyoto in 2009 and in Toronto in 2014, assuming a series of shared commitments on the measures to be adopted to address and mitigate climate change. In 2015 the Group has reaffirmed such commitment in the run up to the United Nations Convention COP21. The Geneva Association is an international, non-profit organisation for the study of insurance economics, identifying and seeking to understand fundamental trends and strategic issues where insurance plays a substantial role or which influence the insurance industry, in order to disseminate its expertise on the subject. In line with all major groups in the industry, Generali participates at the highest level through the Group CEO.

The [Business Integrity Forum](#) (BIF) is the evolution of the traditional cooperation that Transparency International Italy has developed with companies in recent years, and that now is part of a broader field expanded with the coordination of Transparency International, global leader in the fight against corruption, operating in more than 100 countries. This project is addressed to Italian companies that are already active on the issues of integrity and transparency, that are committed to fighting corruption and supporting the fight against corruption in business practices and that cooperate on joint projects aimed at cultural diffusion, communication and adoption of tools against corruption.

Within the **International Integrated Reporting Council** (IIRC) the Generali Group participated to the <IR> Pilot Programme (now ended) from 2012 to 2014 and since September 2014 it has been participating to the **<IR> Business Network**, where it co-chairs the [<IR> Insurance Network](#). This latter is a network aiming at developing, sharing and spreading best practices for drawing up of an integrated report in the insurance sector. The Group continues to be committed to progressing with <IR> and presenting its Annual Integrated Report, that also meets the guiding principles and content elements envisaged by the **International <IR> Framework**.

ETHICAL INDICES

Since March 2011 Generali is constituent in the **FTSE4Good Global index** and **FTSE4Good Europe**. The FTSE4Good Index Series is designed to measure the performance of companies demonstrating strong Environmental, Social and Governance (ESG) practices. Transparent management and clearly-defined ESG criteria make FTSE4Good indices suitable tools to be used by a wide variety of market participants when creating or assessing responsible investment products. In 2017, Generali has been upgraded to '4.6' rating (from '4.5' in the year 2016 and from '4.1' in the year 2015) where 5.0 is the highest and 0 the lowest.

Generali is a constituent of [MSCI Global Sustainability Indexes](#) that its aim to represent companies with high ESG ratings. The indexes are designed for investors seeking exposure to companies with strong sustainability profiles with relatively low tracking error to the underlying equity market and are reconstituted annually. MSCI Inc., a leading provider of global benchmark indexes, has over 500 equity and fixed income environmental, social, and governance (ESG) indexes.

Assicurazioni Generali is included in the **Euronext Vigeo World 120**, **Euronext Vigeo Europe 120** and **Euronext Vigeo Eurozone 120** indices, which are part of a range of indices established by Vigeo Eiris in partnership with Euronext. Euronext Vigeo Eiris indices are composed of the highest-ranking listed companies as evaluated by the Vigeo Eiris agency in terms of



their performance in corporate responsibility.

Since September 2012, Generali has also been included in the **ESI** (Ethibel Sustainability Index) **Excellence Global** index, which selects the best companies in terms of corporate social responsibility performance in Europe, North America and Asia Pacific, according to the criteria established by the independent Belgian association Forum Ethibel. Forum Ethibel has also confirmed Generali's place in the **ESI Excellence Europe** index, which selects the 200 highest rated companies in Europe. For inclusion in these indexes, Forum Ethibel refers to the analysis performed by French rating agency Vigeo.

Since September 2012, Generali has been included in the following STOXX®Global ESG Leaders indices: **EURO STOXX ESG Leaders 50**, STOXX Global ESG Environmental Leaders, STOXX Global ESG Governance Leaders, STOXX Global ESG Leaders, STOXX Europe Sustainability, EURO STOXX Sustainability. Companies included in the STOXX® Global ESG Leaders are selected, according to best-in-class criteria, on the basis of the sustainability rating assigned by Sustainalytics – a leading company in research and social-environmental analysis – with reference to the main performance indicators.

Assicurazioni Generali ranks among the Corporate Knights' 2017 Global 100 Most Sustainable Corporations in the World. Corporate Knights is a forward-looking Canadian market research company which, since 2005, has evaluated the sustainability activities of more than 4,300 companies worldwide with a market capitalisation of more than two billion US dollars.

Assicurazioni Generali is in the following ECPI indexes: **ECPI Global Ethical Equity**, composed of the 300 most capitalised companies in the global market; **ECPI Euro Ethical Equity** and **ECPI EMU Ethical Equity**, comprising the 150 most capitalised companies in Europe and the eurozone, respectively.

ECPI, established in 1997, is a leading rating and sustainability index company that conducts research according to ESG (Environmental, Social and Governance) parameters with the aim of integrating non-financial information into the investment process.

SRI RATINGS

MSCI Inc. is a leading provider of global benchmark indexes. **MSCI ESG Ratings** is designed to identify ESG risks or opportunities for institutional investors that may not be captured through conventional financial analysis. Research, ratings and analysis of corporate management of environmental, social and governance (ESG) factors provides institutional investors with the tools to integrate ESG analysis into their investment decision making process.

In 2016, Generali has been upgraded to '**AA**' rating from 'A'.

Oekom research AG, one of the world's leading rating agencies based in Germany, has assigned to Generali an overall grade of C with "Prime" status. Consequently, Generali' bonds and shares are qualified for investments which take ESG (environmental, social and governance) considerations into account.

Generali has been reconfirmed for **inclusion in the Ethibel PIONEER and Ethibel EXCELLENCE Investment Registers** since 28 June 2016. This selection by Forum ETHIBEL indicates that the company can be qualified as a sector leader in terms of Corporate Social Responsibility.

Institutional Shareholder Services Inc. (ISS) is a leading provider of governance and responsible investment solutions to the global financial community. **Environmental&Social QualityScore** is a component of ISS corporate profiling for institutional investors. E&S QualityScore represents a data driven approach to measuring the quality of corporate disclosures on environmental and social issues, including on sustainability governance.

CONTACTS

<https://www.generali.com/our-responsibilities/contacts>