GROUP ANNUAL INTEGRATED REPORT 2021

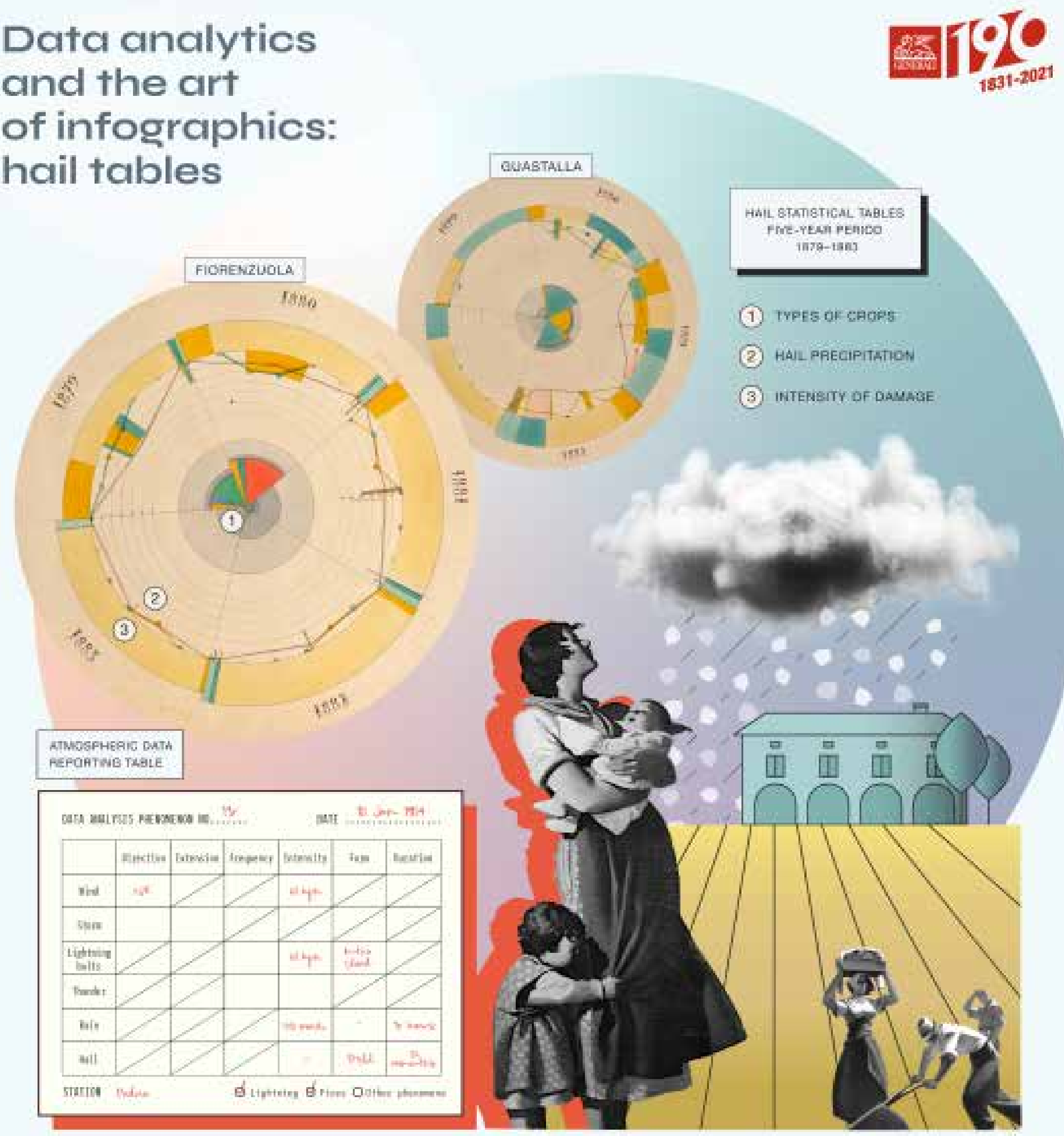
190th year
generali.com

GENERALI
190
1831-2021

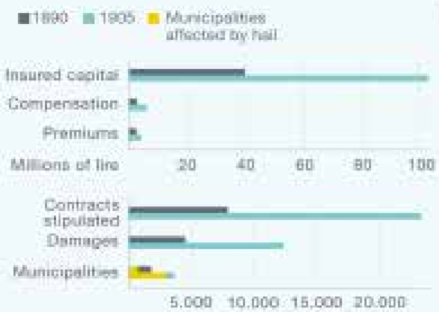
GROUP ANNUAL INTEGRATED REPORT 2021

Please note that the Report is translated into English solely for the convenience of international readers.

Data analytics and the art of infographics: hail tables



Anonima Grandine statistics



Insured value in Italy (1905)

In the nineteenth century, **insurance against hail damage was a new and risky sector**, because of the difficulty of setting appropriate rates and premiums due to a lack of data, as hail was an unpredictable atmospheric phenomenon. **Through Generali's efforts, the first Italian insurance policy against hail damage was issued in 1836**. In addition, the company strove to make up for the statistical deficit with its own **data collection work carried out in the field by its agency network**, which, shared with the insurance institutions of which Generali was a member, not only contributed to obtaining uniformity of criteria in estimating damages, but also advanced the study of atmospheric phenomena, with **the cooperation of the Central Meteorological Office in Rome from 1881**. These pioneering statistical surveys were used for the creation of fascinating and sophisticated graphics published on the occasion of the great universal exhibitions of the time.

Data: Assicurazioni Generali Historical Archive

GENERALI LIFE STORIES

In 2021, Generali celebrated the 190th anniversary of its foundation with events, initiatives, and projects involving the Group and its stakeholders.

One of the most innovative communication projects was 'Generali Life Stories'. This multimedia initiative featured podcasts, sophisticated infographics, historical fact sheets and art shots of objects and documents from Generali's heritage, telling the company's story from the point of view of people and the impact the company has had on their lives. It is a collective story, involving different countries and cultures in the spirit of cosmopolitanism and openness. The collection consists of 19 stories based on the values of innovation, the ability to respond to challenges, connection, internationalism and sustainability - values that we always hold and build upon.

The Generali Group's 2021 reports will provide several insights and images from these stories, offering most of all a sense of the company's 190-year-long adventure made by people and for people.

The cover of this report celebrates Generali's historic drive for innovation.
In 1836, the first Italian insurance policy against hail damage was created - the result of research in the field and data analysis that was unprecedented for that time.

Read more about the
Generali Life Stories

CORPORATE BODIES AT 14 MARCH 2022

Chairman	Gabriele Galateri di Genola
Vice-Chairmen	Clemente Rebecchini
Managing Director and Group CEO	Philippe Donnet
Board members	Paolo Di Benedetto Alessia Falsarone Alberta Figari Ines Mazzilli Antonella Mei-Pochtler Diva Moriani Lorenzo Pellicioli Roberto Perotti Andrea Sironi Luisa Torchia
Board of Statutory Auditors	Carolyn Dittmeier (Chairwoman) Antonia Di Bella Lorenzo Pozza Silvia Olivotto (Alternate Auditor) Tazio Pavanel (Alternate Auditor)
Board secretary	Giuseppe Catalano

Assicurazioni Generali S.p.A.
Company established in Trieste in 1831

Registered office in Trieste (Italy), piazza Duca degli Abruzzi, 2
Share capital € 1,581,069,241 fully paid-up
Fiscal code and Venezia Giulia Companies' Register no. 00079760328
VAT no. 01333550323
Company entered on the Register of Italian insurance and reinsurance companies under no.1.00003
Parent Company of the Generali Group, entered on the Register of insurance groups under no. 026
Pec: assicurazionigenerali@pec.generaligroup.com

ISIN: IT0000062072
Reuters: GASI.MI
Bloomberg: G IM

Contacts available at the end of this document

Comments and opinion on the Report can be sent to integratedreporting@generali.com

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THE INTEGRATED OVERVIEW OF OUR REPORTS

Our story of creating sustainable value continues to be based on the evolutionary adoption of integrated thinking, allowing us to live according to our values and to implement practices and processes aligned with our purpose.
In line with the Core&More[1] approach, the Annual Integrated Report represents the Group's Core report and illustrates our business model and our value creation process in a holistic way. Considering the expectations of our stakeholders, in the Core report we share information identified as material, both financial and non-financial. Through the More reporting, which includes other Group's reports and communication channels, we provide detailed information intended for a specialized audience or for actors who intend to deepen some specific issues.

GROUP ANNUAL INTEGRATED REPORT

It provides a concise and integrated view of the Group's financial and non-financial performance, also pursuant to legislative decree (leg. decree) 254/2016 and Regulation EU 2020/852.

ANNUAL INTEGRATED REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

It expands the content of the Group Annual Integrated Report, providing details of its financial performance in compliance with national and international regulations.

CORPORATE GOVERNANCE AND SHARE OWNERSHIP REPORT

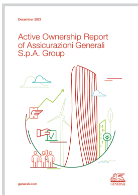
It outlines the corporate governance system of Assicurazioni Generali and its ownership structure.

REPORT ON REMUNERATION POLICY AND PAYMENTS

It provides specific information on the remuneration policy adopted by the Group and its implementation.

MANAGEMENT REPORT AND PARENT COMPANY FINANCIAL STATEMENTS

It provides information on the performance of Assicurazioni Generali, in accordance with currently effective regulations.

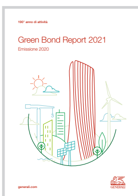


GROUP ACTIVE OWNERSHIP REPORT

It reports how the Group implements its engagement policy, including a description of dialogue with investee companies, exercise of voting rights and cooperation with other investors.

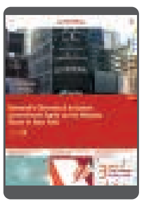
CLIMATE-RELATED FINANCIAL DISCLOSURE

It provides investors and other stakeholders with relevant information to assess the adequacy of the Group's approach to climate change and its ability to manage the risks and opportunities it brings.



GREEN BOND REPORT

It outlines the use of proceeds of the Generali's Green Bond issuance and associated impacts in terms of lower GHG emissions.



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for further information on the Group

1. The Core&More approach was developed by Accountancy Europe, that unites 50 professional organisations from 35 countries that represent one million qualified accountants, auditors and advisors. The approach provides for a core report, including a summary of all key information required to evaluate and understand a company, that is useful for all stakeholders, and more reports, presenting more detailed information for specific stakeholders. www.accountancyeurope.eu/ for further information.

ABOUT THE ANNUAL INTEGRATED REPORT

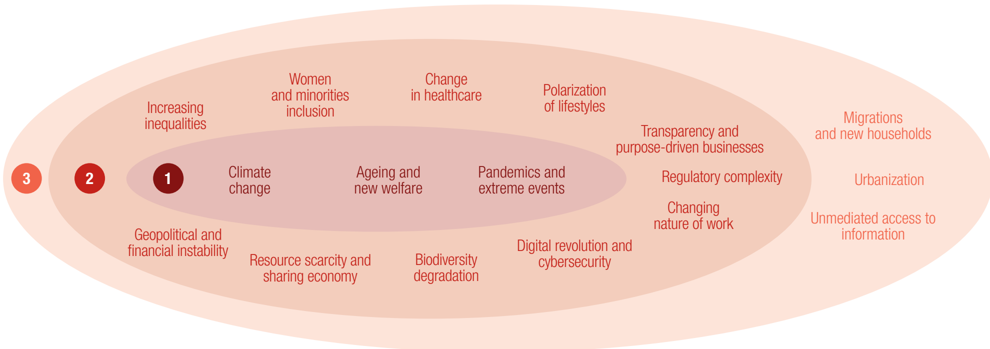
This Annual Integrated Report carries the Group's financial and non-financial performance and explains, through our value creation process, the connections between the context in which we operate, the Generali 2021 strategy, the corporate governance structure and our remuneration policy.

Information in the Annual Integrated Report refers to the topics identified as significant through a materiality analysis process, carried out by engaging both internal and external stakeholders. In 2019, we assessed with them the large social, environmental and governance transformations - also called mega trends - which are expected to be able to significantly change the world of enterprises, society and the natural environment over a ten-year horizon, and this entails risks and opportunities for the Group, its value chain and its stakeholders. Considered the crisis due to the Covid-19 pandemic, in 2020 the Generali top management reviewed the current relevance of mega trends and their distribution within the three priority clusters. While confirming mega trends in 2021, we considered the perspective of the double materiality, thus assessing the potential impact each mega trend might have on the Group and how they might be influenced by the Group, also through its value chain. Belonging to one of the three priority clusters determines the Group's approach for their management and reporting.

1 Central cluster that identifies the material mega trends on which the strategic initiatives common to the Group are focused and the disclosure of which is included in this Report

2 Intermediate cluster that groups the mega trends of considerable relevance, which are addressed by specific business units or functions

3 External cluster that groups the mega trends to be monitored, which are of minor relevance compared to the other factors analysed



Consolidated Non-Financial Statement, p. 129 for further information on the materiality analysis process and results

The Report is drafted in compliance with currently effective regulations, among which the provisions of leg. decree 254/2016 on the environmental, social, employee-related, respect for human rights and anti-corruption and bribery information, that forms the content of the Consolidated Non-Financial Statement (NFS) and is clearly identified through a specific infographic, as well as the provisions of Regulation EU 2020/852 (known as EU Taxonomy Regulation) and the relative Delegated Regulations which establish a common classification system for environmentally sustainable investments.

The Report is in accordance with the criteria of the International <IR> Framework issued by the International Integrated Reporting Council[2]. It adopts for the disclosure of non-financial matters envisaged by leg. decree 254/2016 selected indicators from the Consolidated Set of GRI Sustainability Reporting Standards and indicators in accordance with a proprietary methodology.

The Report is in line with the 2021 priorities on non-financial information by ESMA[3] and considers the TCFD[4] recommendations and the Guidelines on non-financial reporting of the European Commission[5] as for the the environmental matters.

Notes to the Report, p. 142 for the criteria of the International <IR> Framework and selected indicators

Responsibility for the Annual Integrated Report

The Board of Directors of Assicurazioni Generali is responsible for the Annual Integrated Report, which is presented also in accordance with the Guiding Principles and Content Elements established by the International <IR> Framework. The Board, through its competent Committees, and the Board of Statutory Auditors are regularly engaged by the management in specific meetings aiming at sharing the approach to the preparation and presentation of the Report.

2. The International Integrated Reporting Council (IIRC) is a global coalition of regulators, investors, companies, standard setters, the accounting profession and NGOs.
3. The document *European common enforcement priorities for 2021 annual financial reports* is available on www.esma.europa.eu.
4. The TCFD (Task force on Climate-related Financial Disclosures) was established in 2015 by the Financial Stability Board (FSB) with the aim to formulate a set of recommendations on reporting climate-change-linked risks in order to guide and encourage companies to align the information disclosed with the expectations and needs of investors.
5. *Guidelines on non-financial reporting: supplement on reporting climate-related information* (C/2019/4490) were published in June 2019. They are available on eur-lex.europa.eu.

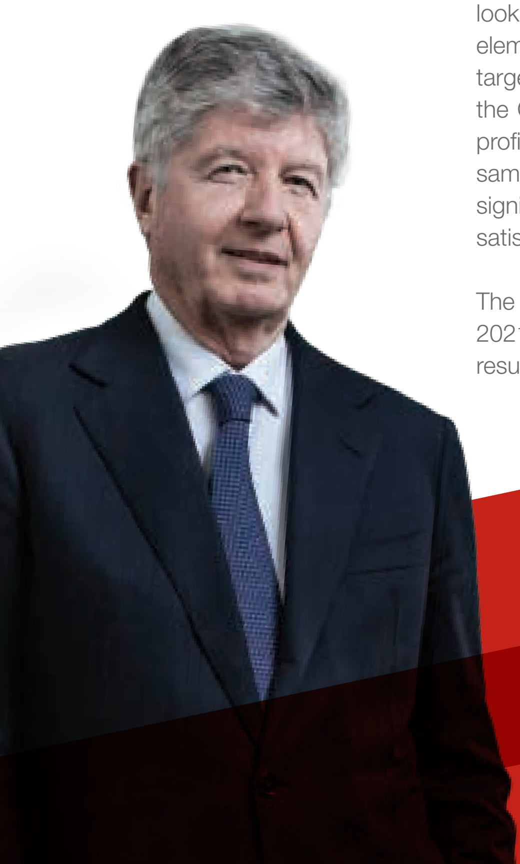
LETTER FROM THE CHAIRMAN AND THE GROUP CEO

Dear Reader and Generali Shareholder,

The past year was another year like no other. As the overall health situation remained challenging, with the persistence of the Covid-19 pandemic and the emergence of new variants of the virus, we witnessed a gradual economic recovery driven by the success of the vaccination campaign and the unprecedented economic and monetary support policies. Through the *Next Generation EU* recovery plan, Europe managed to redefine a single vision that had long been lacking and that is now finally directed towards sustainable development and digital transformation. This also benefited Italy, which has embarked on a deep transformation of many structural aspects through its National Recovery and Resilience Plan. This is a unique opportunity to redesign a future that currently presents many other issues. In addition to the ongoing pandemic, 2021 saw a resurgence of inflation that could weigh on household consumption and further deepen social inequalities, as well as bottlenecks in the global supply chain. Also, we cannot forget the concerns linked to the ecological transition and the international tensions in an increasingly critical geopolitical framework.

Against this backdrop, Generali celebrated its one hundred and ninetieth anniversary, having been founded in Trieste on 26 December 1831, and demonstrated its commitment, as it has done throughout its history, by taking action in the economic and social arenas. As part of this effort, we launched two large-scale projects: Fenice 190, a € 3.5 billion sustainable investment plan, and SME EnterPRIZE, an initiative aimed at promoting a culture of sustainability among European small- and medium-sized enterprises. The events also highlighted Generali's expertise in these particular fields. For almost two centuries, the company has often acted as an innovator not only within the insurance industry but also and more broadly in society. The new historic archive, housed in the newly renovated Palazzo Berlam in Trieste, provides many examples of how Generali has always looked ahead, anticipated trends and acted in the interests of all stakeholders and communities, with a view to protect individuals, families and businesses and help them build a safer and more sustainable future

Generali 2021, the three-year strategic plan that was presented to investors at the end of 2018, more than a year before the outbreak of the pandemic, reached its conclusion. It was a forward-looking plan that put a strong emphasis on digital innovation and sustainability, which are key elements of all the current recovery plans, and Generali was able to successfully deliver its targets even in unprecedented circumstances. Among the most remarkable achievements are the Group's excellent financial and capital position, diversified sources of income, steady and profitable growth and a proven ability to generate best-in-class returns for shareholders. At the same time, the ambition to be a Lifetime Partner to our customers has led the Group to improve significantly its Relationship Net Promoter Score, an indicator measuring customer loyalty and satisfaction.



The success of the three-year strategic plan was made possible also by the results achieved in 2021, which were marked by a positive development in all business lines. Generali posted record results, with strong growth in operating and net results and extremely solid capital postion. It confirmed its technical excellence in P&C, posting once again the best Combined Ratio among our peers. In Life, we recorded very solid growth in terms of net inflows with an excellent New Business Margin. Moreover, the Asset Management segment continued its development, thus positively contributing to the overall Group results. This allows us to distribute an increasing proposed dividend of € 1.07 per share.

Following up on these accomplishments, on December 15 we presented *Lifetime Partner 24: Driving Growth*, the new strategic plan for the 2022-2024 cycle, to the financial community. It is a plan based with the objective of generating sustainable growth, while further increasing our commitment as a Lifetime Partner to our customers. Generali will continue to strengthen its sources of revenues; it will increase the profitability of the Life business; it will invest more than € 1 billion in its digital and technological transformation; it will increase third-party revenues in the Asset Management segment and further improve operating efficiency.

Today, sustainability is the cornerstone of the Group's action in every area of activity – from governance to the insurance and financial business, to the initiatives for the communities. For example, to help accelerate reaching the goals of the Paris Agreement, in June we updated our strategy on climate change. As part of it, we will deploy between € 8.5 billion and € 9.5 billion in new green and sustainable investments between 2021 and 2025. We also aim to gradually reduce the exposure of the investment and insurance portfolios to the thermal coal sector to zero by 2030 in OECD countries and then in the rest of the world, as well as to make our investment and insurance portfolios climate neutral by 2050.
Just a few weeks after that, at the G20 Climate Summit that was held in Venice in mid-July, we presented the goals of the Net-Zero Insurance Alliance, of which Generali is one of the eight founding members. This important initiative marks the commitment of the insurance industry to accelerate the transition to a net-zero global economy.
In the social sphere, the commitment to our communities continued through the programmes of The Human Safety Net foundation, whose goal is to unlock human potential in the most vulnerable contexts. To give further prominence to these initiatives, we are about to unveil the new home of The Human Safety Net in the unique setting of the Procuratie Vecchie in St Mark's Square in Venice, restored and ready to reopen to the public for the first time in 500 years. Sustainability also means promoting an innovative, open and inclusive company culture. Every day, we work to increase Generali's ability to attract and retain talents, and we foster the well-being and continuous professional growth of our people, valuing the uniqueness and diversity that have always contributed to our Group's success. Such commitment is supported by concrete and ambitious goals in the framework of our new strategic plan, and it was recently acknowledged by the Top Employers Institute, which awarded the Top Employer certification to Assicurazioni Generali, Generali Italia, Cattolica Assicurazioni and Generali Spain.

In conclusion, we present this Report to all our shareholders and stakeholders knowing that, in such a meaningful year, we were able to write yet another page in Generali's history fully expressing our ultimate purpose as insurers, and we are ready to face the Next Normal with optimism and confidence.

Gabriele Galateri di Genola
Chairman

Philippe Donnet
Group CEO

WE, GENERALI

GROUP'S HIGHLIGHTS[1]

Glossary available at the end of this document

We are one of the largest global players in the insurance industry and asset management, with a strong international presence. In almost 200 years we have built a Group that operates in 50 countries, through more than 400 companies.

Our performance, p. 79

Share performance, p. 118 for further information on the dividend

GROSS WRITTEN PREMIUMS	€ 75,825 mln	+6.4%
OPERATING RESULT	€ 5,852 mln	+12.4%
NET RESULT	€ 2,847 mln	+63.3%
ADJUSTED NET RESULT[2]	€ 2,795 mln	+45.1%
PROPOSED DIVIDEND PER SHARE	€ 1.07	+ 5.9%
PROPOSED TOTAL DIVIDEND	€ 1,691 mln	+6.3%
TOTAL ASSETS UNDER MANAGEMENT (AUM)[3]	€ 710 bln	+8.4%
SOLVENCY RATIO	227%	+3 p.p.

LIFE

LIFE NET INFLOWS	€ 12,729 mln	+4.4%
NEW BUSINESS VALUE (NBV)	€ 2,313 mln	+24.2%
OPERATING RESULT	€ 2,816 mln	+7.2%

Gross written premiums € 51,680 mln (+6.0%)

PROPERTY & CASUALTY (P&C)

GROSS WRITTEN PREMIUMS	€ 24,145 mln	+7.0%
COMBINED RATIO (CoR)	90.8%	+1.7 p.p.
OPERATING RESULT	€ 2,650 mln	+7.9%

ASSET MANAGEMENT

OPERATING RESULT	€ 672 mln	+22.9%
NET RESULT	€ 504 mln	+30.4%
ASSETS UNDER MANAGEMENT	€ 575 bln	+2.5%

1. In November 2021, Assicurazioni Generali acquired control of the Cattolica group, with a stake equal to 84.475% of the Cattolica Assicurazioni's share capital, following the successful conclusion of the voluntary public tender offer on the totality of the ordinary shares of the issuer. The Cattolica group was then accounted for using the equity method for the first ten months of 2021 and consolidated line-by-line for the last two months of 2021.
All changes in this Report were calculated on 2020, unless otherwise reported. Changes in premiums, Life net inflows and new business were on equivalent terms, i.e. at constant exchange rates and consolidation scope; as a result, the contribution from the Cattolica group was neutralised in the calculation for changes on equivalent terms. Changes in operating result, general account investments and Life technical provisions excluded any assets under disposal or disposed of during the same period of comparison; as a result, they considered the contribution from the Cattolica group in percentage changes. The present value of new business premiums (PVNBP) and new business value (NBV) didn't include the Cattolica group in 2021.
The non-financial indicators in the NFS referred to consolidated line-by-line companies, unless otherwise reported in the chapters dedicated to them. All non-financial indicators - except for the number of employees and the breakdown by gender as well as for the provisions of Regulation EU 2020/852 and the relative Delegated Regulations - excluded from their scope the information of the companies of the Cattolica group, the acquisition of which was completed in November 2021. As envisaged by the relevant legislation, such exclusion was based on the timing of the transaction that did not allow adequate harmonization of procedures and criteria, adopted by the Group, for the recognition and measurement of their non-financial information.
2. The adjusted net result - defined as the net result without the impact of gains and losses related to acquisitions and disposals - was equal to € 2,795 million in 2021 and excluded € 52 million relating to the acquisition of control of the Cattolica group and to extraordinary costs for its integration (+45.1% on € 1,926 million at 31 December 2020, which neutralised € 183 million resulting from the settlement agreement for the BSI disposal). In addition, excluding from the 2020 adjusted net result the one-off expense of € 77 million, net of taxes, from the establishment of the Extraordinary International Fund for Covid-19 and the expense of € 73 million, net of taxes, from the liability management transaction, the increase in adjusted net result would have been 34.7%.
3. The 2021 disclosure took into account, from a managerial view, a more consistent representation of the third-party assets under management. The value of the comparative period was therefore restated, on which the relative change was calculated.

The Generali 2021 strategy, p. 38

NFS

NEW GREEN AND SUSTAINABLE INVESTMENTS (2021-2025)[4]

€ 2,537 mln

DIRECT INVESTMENTS BY THE GROUP'S INSURANCE COMPANIES SUBJECT TO RIG[5]

€ 312,772 mln | -4.2%

OUR PEOPLE

74,621 | +2.7%

DIVERSITY AND INCLUSION INDEX[11]

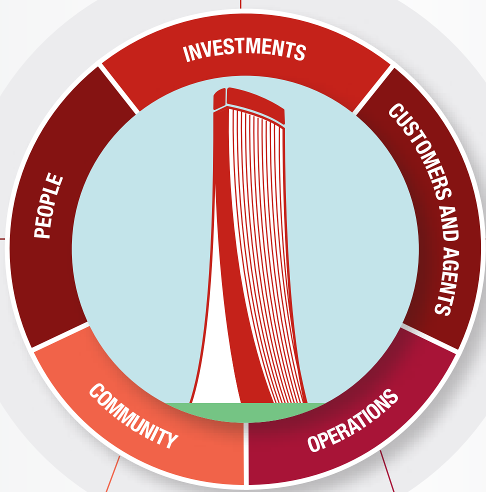
115% | +9 p.p.

RESKILLED EMPLOYEES[12]

68% | +16 p.p.

ORGANIZATIONAL ENTITIES WITH SMART WORKING POLICY[13]

100% | +17 p.p.



OUR CUSTOMERS[6]

67 mln | +1.6%

PREMIUMS FROM SOCIAL AND ENVIRONMENTAL PRODUCTS[7]

€ 19,894 mln | +17.5%

OUR AGENTS[8]

173 thousand | +4.5%

CHANGE IN RELATIONSHIP NPS[9] vs 1Q2019

+14.2

The Human Safety Net

ACTIVE COUNTRIES

23 | +4.5%

INVESTMENTS IN INTERNAL STRATEGIC INITIATIVES (2019-2021)

€ 1,224 mln

TOTAL GHG EMISSIONS[10] (Scope 1 and Scope 2)

33,964 tCO_2e | -21.0% vs base year 2019

4. They are investments that support green and/or social projects, with the explicit aim of creating a positive impact and contributing to the United Nations Sustainable Development Goals.
5. The Responsible Investment Group Guideline (RIG) is the document that codifies responsible investment activities at Group level.
6. They are either physical persons or legal entities that hold at least one active insurance policy and pay a premium to Generali accordingly, a banking product or a pension fund product.
7. Social and environmental products are products which, due to the type of customer protected or coverage supplied, have specific social or environmental characteristics.
8. They represent the sales force within traditional distribution networks.
9. The Relationship Net Promoter Score (NPS) is based on customer research data and calculated deducting the percentage of detractors from the percentage of promoters. It is a score expressed as an absolute number and and not as a percentage. The change in Relationship NPS is calculated compared to 1Q2019, when the measurement started.
10 They represent greenhouse gas emissions from direct operations, calculated according to the market-based method of GHG Protocol - Corporate Accounting and Reporting Standard.
11. The index is calculated as an average that differently weighs, according to our priorities, the progress of a series of indicators related to gender, age, culture and inclusion compared to ambitions set in 2021.
12. It represents the percentage of employees who completed the training in accordance with the Group's programme We LEARN.
13 They are the organizational entities where, in accordance with local laws and regulations, it is possible to adopt smart working through the application of a dedicated policy.

2021 KEY FACTS

www.generali.com/media/press-releases/all

JAN 21

NFS

Following an in-depth assessment carried out to verify the full compliance of the Tax Control Framework adopted for the detection, management and control of tax risks, Assicurazioni Generali was admitted to the cooperative compliance regime that enables an innovative way to maintain constant and pre-emptive dialogue with the Italian Revenue Agency (Agenzia delle Entrate). The admission to the regime, which is already valid for the 2020 fiscal period, is in line with international best practices and is in continuity with the Generali's Tax Strategy. The Group's Tax Strategy is in line with Generali's sustainability principles, which consider tax revenues as a significant contributor to the economic and social development of the communities in which it operates.

Our rules for running business with integrity, p. 66

The Board of Directors of Assicurazioni Generali approved a proposal from Group CEO for a new Group organizational structure, resulting in the termination of the General Manager function. The new organizational structure is designed to address the following key strategic priorities for the continued successful execution of the Generali 2021 strategy and prepare the Group for the next strategic cycle: enhance further discipline in asset liability management; accelerate the implementation of the Asset Management multi-boutique platform strategy, also through the development of additional skills; and speed up the pace of digital transformation.

FEB 21

NFS

The Human Safety Net and Fondazione Italiana Accenture joined forces, as part of a broader project shared by other leading Italian foundations, to accelerate the digitalisation process of the non-profit sector in Italy, thus fostering their growth and structural evolution in the emergency period caused by the spread of Covid-19.

NFS

At its 190th anniversary, Generali announced Fenice 190, a € 3.5 billion investment plan to support the recovery of the European economies impacted by Covid-19, starting in Italy, France and Germany and to then target all of European countries in which the Group operates throughout the five years of the plan. The extraordinary initiatives launched in 2020 to tackle the effects of the pandemic become permanent; they included investments in support of SMEs and the real economy already surpassing the established objective of € 1 billion. To add to this initial amount, Generali is pledging an annual commitment of € 500 million per year, over the next five years, for sustainable growth through international investment funds focusing on infrastructure, innovation and digitalization, SMEs, green housing, health care facilities and education.

Group's financial position, p. 91

MAR 21

The Board of Directors of Assicurazioni Generali approved the Annual Integrated Report and Consolidated Financial Statements, the Parent Company Financial Statements Proposal and the Corporate Governance and Share Ownership Report at 31 December 2020 and the Report on Remuneration Policy and Payments. It also approved a capital increase of € 5,017,194 to implement the Long-Term Incentive Plan (LTIP) 2018-2020, having ascertained the occurrence of the conditions on which it was based.

APR 21

The share capital of Assicurazioni Generali increased to € 1,581,069,241 in execution of the LTIP 2018 adopted by the Shareholders' Meeting in 2018.

NFS

The best agent in 2021 from the Group's global network was elected at the Generali's third Global Agent Excellence Contest. The agents were assessed on three key criteria - digitalization, customer contact, and production and retention - all of which are at the heart of the Group's strategic ambition to be Lifetime Partner. There was also recognition for agents that promoted the activities of Generali's The Human Safety Net Foundation, including fundraising to support vulnerable families and the integration of refugees through work.

NFS

A Memorandum of Understanding was signed among research entities and Generali to create the Data Science & Artificial Intelligence Institute. The goal is to create a centre of innovation to generate research and new business opportunities based on data science and artificial intelligence. The initiative aims to also pool young talent and foster new collaboration through joint activities.

The Shareholders' Meeting approved the Parent Company Financial Statements at 31 December 2020, setting forth the distribution of a dividend per share of € 1.47, split into two tranches of € 1.01 and € 0.46, respectively - the first tranche represents the ordinary payout from 2020 earnings while the second tranche is related to the second part of the 2019 retained dividend - and subjecting the payment of the second tranche to the verification by the Board of Directors of the absence of impeding supervisory provisions or recommendations; amendments to the Articles of Association; the Report on the Remuneration Policy, expressing a non-binding positive resolution on the Report on payments; the Group LTIP 2021-2023, which provides for the assignment of a maximum 12.1 million shares; and the delegation of powers to the Board of Directors, for a period of 5 years from 29 April 2021, to increase the share capital, with free issues and also in instalments for a maximum of 12.1 million of shares to service the Group LTIP 2021-2023 and the remuneration and/or incentive plans based on Generali shares in place.

MAY 21

The Board of Directors of Assicurazioni Generali approved the Financial Information at 31 March 2021.

NFS

Generali opened a representative office in Brussels to study the activities of European Union institutions and strengthen EU public affairs activities. Specifically, the Group aims to best represent its business priorities while playing an increasingly active corporate citizenship role in order to contribute to sustainable recovery and the European Green Deal.

The 2020 dividend payout on the shares of Assicurazioni Generali, equal to € 1.01, was distributed.

The Board of Directors of Assicurazioni Generali approved the launch of a cash voluntary public tender offer on all of the ordinary shares of Società Cattolica di Assicurazione S.p.A., including the treasury shares, reduced by the shares already owned by Generali. The proposed transaction will consolidate Generali's position in the Italian insurance market, reinforce its position amongst the largest European insurers and accelerate the business mix diversification towards the P&C segment, consistent with the guidelines of the Generali 2021 strategic plan - Leveraging strengths to accelerate growth.

Profitable growth, p. 41

Following receipt of all necessary approvals from the relevant regulatory bodies and competition authorities, Generali completed the acquisition of AXA Insurance S.A. in Greece, that was announced in December 2020. As a result of the completion of the acquisition, Generali Hellas also commenced its 20-year exclusive distribution agreement with Alpha Bank. The deal is in line with Generali's strategy to strengthen its leadership position in Europe as Generali becomes a leading player in both the P&C and Health segments and strengthening its position in Life, while gaining access to an important bancassurance channel in partnership with Alpha Bank.

Profitable growth, p. 41

JUN 21

NFS

At the time when the insurance industry is facing both tremendous challenges and opportunities, given the role it has in the reconstruction and development of the European area in the post-pandemic environment, Sandro Panizza, Group Chief Insurance & Investment Officer of Generali, was appointed Vice-President of Insurance Europe, the European Insurance and Reinsurance Federation, for a three-year term.

Fitch confirmed Generali's A- Insurance Financial Strength (IFS) rating and the BBB+ Issuer Default Rating (IDR). The outlook remained stable.

Generali signed an agreement in connection with the purchase of the majority of the shares held by AXA and Affin in the joint ventures AXA Affin General Insurance Berhad (49.99% from AXA and 3% from Affin and minorities) and AXA Affin Life Insurance Berhad (49% from AXA and 21% from Affin), respectively. The Group also submitted an application to the local regulator in order to acquire the remaining shares of MPI Generali Insurans Berhad (MPI Generali) held by its Malaysian joint venture partner, Multi-Purpose Capital Holdings Berhad (MPHB Capital). The transactions are subject to the approval of the Malaysian Minister of Finance and the Central Bank of Malaysia.
The total consideration for the combined transactions is of RM 1,290 million (€ 262 million) subject to closing adjustments.
As a result of the transactions, Generali will operate in Malaysia through two companies - one in the P&C segment and the other in the

Life segment. In the P&C segment, Generali plans to merge the businesses of MPI Generali with AXA Affin General Insurance. Once the transactions are completed, Generali will hold 70% in both the Life and P&C entities, which will trade under the Generali name. Affin Bank will hold the remaining 30%.
The acquisitions will position Generali as one of the leading insurers in the Malaysian market, creating the second P&C insurer by market share and entering the country's Life insurance segment.

Profitable growth, p. 41

NFS

Generali placed a new Euro denominated Tier 2 bond due in June 2032, issued in the form of a sustainability bond in accordance with its Sustainability Bond Framework. This new format confirms Generali's leading position on sustainability matters. The net of proceeds will be used to finance/refinance Eligible Sustainability Projects. During the book building process, it attracted an order book of € 2.2 billion from about 180 highly diversified international institutional investors, including a significant representation of funds with Sustainable/SRI mandates. Additionally, there will be a donation of € 50,000 to The Human Safety Net.

Capital management and financial optimization, p. 42

NFS

Generali entered into a collateralized multi-year reinsurance agreement with Lion III Re DAC, an Irish designated activity company, providing cover to a part of the Group losses from windstorms in Europe and earthquakes in Italy over a four-year period. Lion III Re DAC, in turn, issued a single tranche of notes in an amount of € 200 million to fund its obligations under the reinsurance agreement, and the notes were placed with capital markets investors in a Rule 144A offering. The demand from capital market investors allowed the protection to be provided to Generali at a premium of 3.50% per annum on the € 200 million cover under the reinsurance agreement. Lion III Re DAC transaction is the first catastrophe bond embedding green features in accordance with the Generali Green ILS Framework, underlining once more the commitment of the Group in promoting green finance solutions.

Capital management and financial optimization, p. 42

NFS

The Group's new strategy on climate change was shared with the Board of Directors of Assicurazioni Generali. The strategy, which updates and extends the Group's existing plan approved in February 2018, pledges significant action related to investment and underwriting activities, committing to a low climate impact future. The new goals include, among other: € 8.5 - € 9.5 billion of new green and sustainable investments in the period 2021-2025; the definition of a roadmap for the complete exclusion of investments and underwriting activities in the thermal coal sector in OECD countries and in the rest of the world; the gradual decarbonization of the investment portfolio to become carbon neutral by 2050; and the decarbonization of Group operations leading Generali to be climate negative.

A continuous commitment to sustainability, p. 61

JUL 21

NFS

Eight of the world's leading insurers and reinsurers - AXA (as Chair), Generali, Allianz, Aviva, Munich Re, SCOR, Swiss Re and Zurich Insurance Group - established the Net-Zero Insurance Alliance (NZIA) and made an historic commitment to play their part in accelerating the transition to a global net-zero emission economy. The companies establishing the NZIA, convened by UNEP Finance Initiative's Principles for Sustainable Insurance, committed to reduce to zero the net emissions from their insurance and reinsurance underwriting portfolios by 2050, consistent with a global temperature rise of 1.5°C above pre-industrial levels. Each member will individually set intermediate targets every five years and independently report on their progress publicly and annually to contribute to achieving the goals of the Paris Climate Agreement.

A continuous commitment to sustainability, p. 61

NFS

Generali announced the extension until 2028 of its European partnership with Vitality Group for Generali Vitality, the innovative health and wellness programme designed to encourage and reward healthy behaviour for customers seeking a healthier lifestyle. Since 2014, Generali has held the rights to the programme in continental Europe.

AUG 21

The Board of Directors of Assicurazioni Generali approved the Consolidated Half-Year Financial Report at 30 June 2021.

SEP 21

On 10 September 2021, Delfin S.à r.l. and some companies of the Caltagirone group entered into a Shareholders' Agreement with immediate effect and expire date on the conclusion of the proceedings of the next Shareholders' Meeting. The Agreement is relating to the totality of Assicurazioni Generali shares held by the Parties. Under it the Parties agreed to consult one another in order better to weigh their respective autonomous interests with respect to more profitable and effective management of Assicurazioni Generali, geared to the technological modernisation of its core business, the strategic positioning of the company, and its growth in an open, transparent and competitive market environment. The overall number of shares under the Agreement were 10.948% of the share capital of Assicurazioni Generali. Fondazione CRT, representing 1.232% of the share capital, entered the Agreement on 17 September..

Our governance and remuneration policy, p. 70
www.generali.com/investors/share-information-analysts/ownership-structure

Institutional Investor, the specialist magazine and independent research company in the field of international finance, recognised Generali among the Most Honoured Companies in the insurance sector in the All-Europe Executive Team annual ranking. Recognitions also for Group CEO, Philippe Donnet, Group CFO, Cristiano Borean, and Head of Investor & Rating Agency Relations, Giulia Raffo. The ranking reflects the evaluations of over 1,500 professionals and investors from around 600 financial services companies..

The non-executive members of the Board of Assicurazioni Generali took note of the availability of the Group CEO, Philippe Donnet, to remain Chief Executive Officer for a third mandate.

The Board of Directors of Assicurazioni Generali approved, by a majority, the process for the presentation of the slate for the upcoming renewal of the Board of Directors by the outgoing Board, which may be subject to change in the event of potential requests by the supervisory authorities.

Our governance and remuneration policy, p. 70

NFS

In Brusells, Generali presented the first edition of SME EnterPRIZE, an initiative dedicated to European small and medium-sized enterprises (SMEs) and launched in 2019 to promote the adoption of sustainable business models and to provide visibility, also via a digital platform, to SMEs that have already done so, to stimulate public debate on the topic.

A continuous commitment to sustainability, p. 61

OCT 21

The Board of Directors of Assicurazioni Generali verified - as envisaged by the Shareholders' Meeting of 29 April 2021 - the effective non-existence at 1 October 2021 of supervisory provisions or recommendations impeding the distribution of the second tranche of the 2019 dividend, which was paid starting from 20 October 2021. The shares were traded without the right to a dividend starting from 18 October 2021, with the date of entitlement to receive the dividend on 19 October 2021.

Fitch revised Generali's outlook to positive from stable and confirmed Generali's A- Insurer Financial Strength (IFS) rating and the BBB+ Issuer Default Rating (IDR).

NOV 21

After having filed in June with Consob the document relating to the voluntary cash tender offer on all the ordinary shares of Società Cattolica di Assicurazione S.p.A. and after having received all the necessary authorizations between September and October, the transaction ended successfully: Assicurazioni Generali holds a stake of 84.475% of the issuer's share capital. The transaction, that is fully in line with the Generali 2021 strategy and is part of the Group's rigorous and disciplined approach to M&A, will allow Generali to accelerate business diversification in favor of the Non-Life segment, confirm its commitment to pursue the profitable growth of the Group and create value for customers in line with Generali's ambition to be a Lifetime Partner.

Profitable growth, p. 41

The Board of Directors of Assicurazioni Generali approved the Financial Information at 30 September 2021.

NFS

Generali confirmed in the Dow Jones Sustainability World Index and in the Dow Jones Sustainability Europe Index strengthening its leadership position in terms of sustainability performance as it ranks among the global top five companies in the insurance sector. The important benchmark recognises the Group's continuous commitment to integrate sustainability into its business activities, consistent with its Lifetime Partner ambition.

DEC 21

NFS

Generali joined forces with Accenture and Vodafone Business to create a package of cyber insurance services starting from 2022, to help corporate and SMEs clients quickly and effectively recognize, respond to and recover from cybersecurity threats and incidents. The offer of these integrated and prevention services in the P&C business is fully in line with the Generali 2021 strategy and reinforces the position of the Group within the corporate and SMEs segments.

In line with the contents of the consultation document published by Consob, the Board of Directors of Assicurazioni Generali approved some changes in the procedure for the presentation of the list for the renewal of the Board of Directors by the outgoing Board. The Board also approved the change in the composition of the Remuneration and Appointment Committee, in particulat the exit of the director Clemente Rebecchini from the Committee and the simultaneous entry into the Committee of the director Roberto Perotti.

Our governance and remuneration policy, p. 70

Fitch upgraded Generali's Insurer Financial Strength (IFS) rating to A and Generali's Long-Term Issuer Default Rating (IDR) to A-. The outlooks were positive.

The Group's new three-year strategy, Lifetime Partner 24: Driving Growth, was presented during the Investor Day. The plan sets out a clear vision for the Group in 2024 and is built on three strategic pillars: drive sustainable growth, enhance earnings profile, and lead innovation. The plan will deliver strong earnings per share growth, increased cumulative net holding cash flow and a higher dividend distribuited to shareholders.

NFS

Generali will go further in its sustainability commitments, with a continued focus on making a positive social, environmental and stakeholder impact, and will continue to invest in its people to ensure they are engaged with the successful delivery of the new plan while fostering a sustainable work environment.

Lifetime Partner 24: Driving Growth, p. 126

NFS

The Human Safety Net and Con i bambini, a non-profit organization, joined forces to support vulnerable families with children between 0-6 years old and doubled the number of support centres across Italy. The collaboration is part of Scale Up Impact strategy, which aims at amplifying the social impact of The Human Safety Net, encouraging other like-minded organisations to join in, so building up cross-sectoral collaboration between the public, private and social sectors.

A continuous commitment to sustainability, p. 61

Generali exercised the early redemption option in respect of all outstanding perpetual subordinated notes related to ISIN XS0283627908 for the current outstanding principal amount equal to £ 167.15 million. The early redemption was approved by Istituto per la Vigilanza sulle Assicurazioni (IVASS) and took place on 8 February 2022 in accordance with the relevant terms and conditions.

SIGNIFICANT EVENTS AFTER 31 DECEMBER 2021 AND 2022 CORPORATE EVENT CALENDAR

JAN 22

On 13 January, the director Francesco Gaetano Caltagirone, Deputy Vice-Chairman, non-independent director and member of the Appointments and Remuneration; Corporate Governance, Social and Environmental Sustainability; Investments; and Strategic Operations Committees, announced his resignation from the Board of Directors of Assicurazioni Generali.

Our governance and remuneration policy, p. 70

On 16 January, the director Romolo Bardin, independent director and member of the Appointments and Remuneration; Investments; Strategic Operations; and Related Party Transactions Committees, announced his resignation from the Board.

Our governance and remuneration policy, p. 70

NFS

Generali was awarded by Assosef (European Association for Sustainability and Financial Services) during the 15th edition of Green Globe Banking 2030 - Grand Prize for Sustainable Growth - Financial Services for SDGs, an annual event recognising the contribution of banks, insurers and financial institutions to achieve the goals of the United Nations' 2030 Agenda for sustainable development. The Assosef Scientific Committee awarded Generali for its "integrated approach to financial and non-financial information" and because it "has identified the material megatrends on which to focus the Group's strategic initiatives with the aim of engaging all business units and corporate functions, with particular reference to climate change, ageing population, pandemics, and extreme events." In addition, they highlighted "the commitment of Generali in promoting the objectives of enhancing the relationship with retail customers, on the one hand, with a significant increase in premiums from environmental products, and on the other, through the development of digital tools".

On 25 January, the director Sabrina Pucci, independent director and member of the Remuneration and Appointments and Risk and Control Committees, announced her resignation from the Board.

Our governance and remuneration policy, p. 70

In line with the Lifetime Partner 24: Driving Growth strategy aimed to strengthen the Group's presence in fast-growing markets, Generali signed agreements to become the majority shareholder in both its Life and P&C joint ventures in India. Both transactions are subject to the approval of relevant regulators.
In the P&C business, Generali agreed to acquire from Future Enterprises Limited 25% of the shares of Future Generali India Insurance (FGII) for a consideration of around € 145 million. After closing the transaction, Generali will hold a stake of around 74% in FGII.
In the Life business, the Group signed an agreement to acquire the entire stake (around 16%) held by Industrial Investment Trust Limited (IITL) in Future Generali India Life (FGIL) for a consideration of around € 26 million. In addition, Generali will subscribe to a preferential allotment of shares in FGIL (around € 21 million). After the closing of the transaction and completion of the preferential allotment, Generali will hold a stake of around 68% in FGIL, which may increase further to 71% by the end of 2022, following further preferential allotment of shares.

Crescita profittevole, p. 41

On 27 January, the companies of the Caltagirone group exercised their right of withdrawl from the Shareholders' Agreement, that was initially stipulated with Delfin S.à r.l. and that Fondazione CRT later entered, with immediate effect and for the total shares held and previously under the Agreement. Therefore, the Agreement binds Delfin S.à r.l. and Fondazione CRT, helding together an overall number of shares equal to 8.331% of the share capital of Assicurazioni Generali.

Our governance and remuneration policy, p. 70

www.generali.com/investors/share-information-analysts/ownership-structure

FEB 22

Generali signed an agreement for the acquisition of La Médicale, an insurance company for healthcare professionals, following the exclusive negotiation with Crédit Agricole Assurances, announced in November 2021, and the consultation of the dedicated workers' councils. The transaction also provides for the sale to Generali France of Predica S.A.'s death coverage portfolio, marketed and managed by La Médicale. The transaction is fully in line with the Lifetime Partner 24: Driving Growth strategy and confirms the Group's commitment to deliver profitable growth whilst creating value for customers, consistent with Generali's Lifetime Partner ambition. Generali's health and protection lines and the overall P&C business in France will be strengthen from both a strategic and commercial perspective. The total amount of the transaction is € 435 million, subject to adjustments at closing. The transaction is expected to close within 2022 and remains subject to the authorisation of the relevant antitrust and regulatory authorities.

Profitable growth, p. 41

Assicurazioni Generali decided to submit a request to IVASS, the Italian insurance regulator, to establish whether the overall stake acquired by the Caltagirone Group, Fondazione CRT and Delfin S.a r.l. (equal to 16.309% of the share capital as of the last official communication) is subject to prior authorisation, in accordance with the legislation for the insurance sector regarding coordinated purchases of qualified shareholdings that exceed 10% of shares. It also decided to submit a request to Consob, the Italian markets regulator, as to whether these purchases are subject to obligations such as the disclosure of future intentions in accordance with current legislation for shareholders and consortia holding in excess of 10% of the share capital, and if the rules regarding the disclosure of relevant information to the market have been respected.

The Board of Directors of Assicurazioni Generali approved changes to the membership of the Board Committees, also following the resignation of Paolo Di Benedetto from the Related-Party Transactions Committee.

The Board of Directors of Assicurazioni Generali took note of the decision of the Chairman Gabriele Galateri di Genola to withdraw his name from consideration for the upcoming Board renewal.

The Board of Directors of Assicurazioni Generali approved the Guidance for the shareholders on the dimensions and composition of the Board of Directors for the three-year period 2022-2024.

www.generali.com/governance/annual-general-meeting/AGM-2022 for further details

The Board of Directors of Assicurazioni Generali announced the co-optation of Alessia Falsarone, Andrea Sironi and Luisa Torchia as members of the Board and verified the suitability of the new members with the professional, reputational and independence requirements set forth for listed insurance companies by the applicable provision of law and by the Corporate Governance Code. At 28 February, the new members held no shares in Assicurazioni Generali.
Andrea Sironi will be put forward as the Board's candidate for Chairman in the list for the upcoming renewal of the Board of Directors.

MAR 22

Since the start of the war in Ukraine, Generali has been closely monitoring the situation and implications for operations and financial markets. As a result, it confirmed it will close its Moscow representative office; it has decided to resign from positions held on the Board of the Russian insurer Ingosstrakh, in which it holds a minority investment stake of 38.5% and on whose operations it therefore has no influence; Europ Assistance, which operates in the country, will wind down its business.
Generali's minor exposure to the Russian market in terms of investments and insurance business is also under constant evaluation and fully compliant with all applicable sanctions.
The Group also decided to donate € 3 million to support refugee programmes, including a donation to UNHCR, which is currently at the forefront of the humanitarian response in Ukraine. An employee donation campaign is also underway, with donations matched 1:1 by Generali, which will be given to Unicef in support of the work that it will carry out to help impacted families.

14 March 2022. Board of Directors: approval of the Annual Integrated Report and Consolidated Financial Statements, the Parent Company Financial Statements Proposal and the Corporate Governance and Share Ownership Report at 31 December 2021 and the Report on Remuneration Policy and Payments
15 March 2022. Release of the results at 31 December 2021

APR 22

29 April 2022. Shareholders' Meeting: approval of the Parent Company Financial Statements at 31 December 2021 and the Remuneration Policy as well as the appointment of the new Board of Directors

MAY 22

18 May 2022. Board of Directors: apapproval of the Financial Information at 31 March 2022
19 May 2022. Release of the results at 31 March 2022
25 May 2022. Dividend payout on the share of Assicurazioni Generali

AUG 22

1 August 2022. Board of Directors: approval of the Consolidated Half-Yearly Financial Report at 30 June 2022
2 August 2022. Release of the results at 30 June 2022

NOV 22

9 November 2022. Board of Directors: approval of the Financial Information at 30 September 2022
10 November 2022. Release of the results at 30 September 2022

NFS

THE VALUE CREATION PROCESS

We operate in a global context characterized by financial and geopolitical instability, digital revolution, cybersecurity issues, climate change, demographic aging and new welfare systems as well as the pandemic. We are committed to leveraging our capitals, classified according to *The International <IR> Framework's* principles. By leveraging our solid and resilient business model, we create value in the short, medium and long term for all our stakeholders, from our customers to shareholders, employees, agents, distributors, partners and the community, in order to guarantee a safer and sustainable future.

FINANCIAL CAPITAL
HUMAN CAPITAL
SOCIAL AND RELATIONSHIP CAPITAL
INTELLECTUAL CAPITAL
MANUFACTURED CAPITAL
NATURAL CAPITAL

Glossary available at the end of this document

OUR PURPOSE

Enable people to shape a safer future by caring for their lives and dreams

VALUES

- Deliver on the promise
- Value our people
- Live the community
- Be open

www.generali.com/who-we-are/our-culture

OUR BEHAVIOURS

- Ownership
- Simplification
- Innovation
- Human touch

BRAND

GENERALI

THE GENERALI 2021 STRATEGY, p. 38

Being a Lifetime Partner to customers, offering innovative, personalized solutions thanks to an unmatched distribution network

Leading the European insurance market for individuals, professionals and SMEs, while building a focused, global asset management platform and pursuing opportunities in high potential markets

OUR GOVERNANCE, p. 70

Within a challenging economic and financial environment, we believe that our governance - which complies with the best international practices as well as the principles and recommendations of the Corporate Governance Code - is adequate for effectively pursuing our strategy and the sustainable success of the Company.

NFS

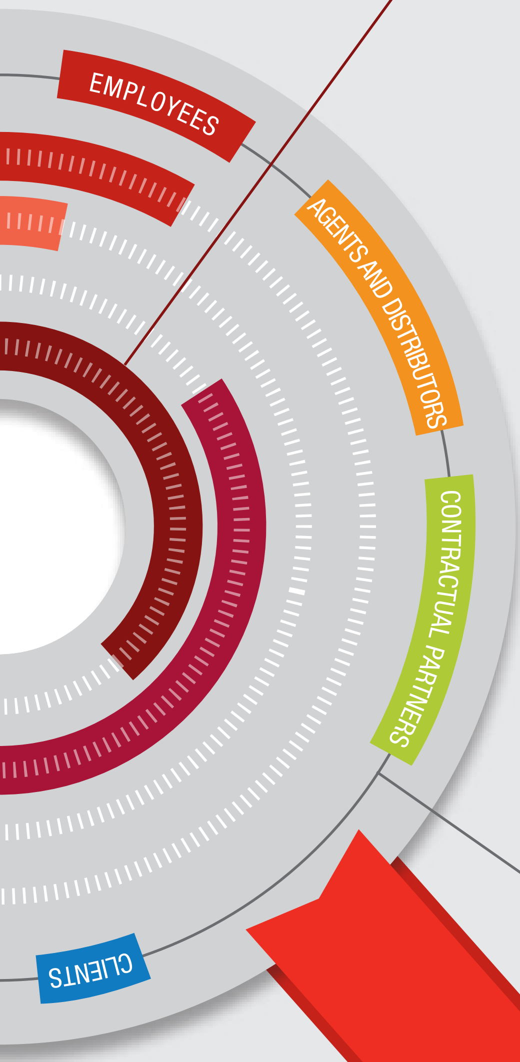
EXTERNAL CONTEXT

Challenges and opportunities of the market context, p. 24

- GEOPOLITICAL AND FINANCIAL INSTABILITY
- PANDEMICS AND EXTREME EVENTS
- DIGITAL REVOLUTION AND CYBERSECURITY
- CLIMATE CHANGE
- AGING AND NEW WELFARE

OUR BUSINESS MODEL

We effectively face the challenges of the market context, by leveraging our core strengths: a clear strategy, a focus on technical excellence, a strong distribution network, the Group's solid capital position and a **diversified business model**, that proved resilient even in a complex context like the pandemic one.



We develop simple, integrated, customized and competitive Life and Property&Casualty **insurance solutions** for our customers: the offer ranges from savings, individual and family protection policies, unit-linked policies, as well as motor third-party liability (MTPL), home, accident and health policies, to sophisticated coverage for commercial and industrial risks and tailored plans for multinational companies. We expand our offer to **asset management solutions** addressed to institutional (such as pension funds and foundations) and retail third-party customers. We rely on **innovation** as a key driver for future growth to allow for tailored solutions and quicker product development. We are also committed to **high value-added solutions from a social and environmental perspective**. Rigorous criteria for the risk selection are applied in the underwriting process.

We distribute our products and we offer our services based on a **multi-channel strategy**, while also relying on **new technologies**: not only through a global network of agents and financial advisors, but also through brokers, bancassurance and direct channels that allow customers to obtain information on alternative products, compare options for the desired product, acquire the preferred product and rely on excellent after-sales service and experience. Proprietary networks are a key and valuable asset for our business model. Their role is to regularly dialogue with and assist customers at their best, striving for customer experience excellence and promoting the Generali brand.

We receive premiums from our customers to enter into insurance contracts. They are responsibly invested in high quality **assets**, with a particular attention to the impact that such assets may have on the environment and society.

We pay **claims and benefits** to our policyholders or their beneficiaries after death, accidents or the occurrence of the insured event. The payment is guaranteed also through appropriate asset-liability management policies.

Information on STAKEHOLDERS, other than what reported in the relating chapters, is available in:

Notes to the Report, p. 142

www.generali.com/our-responsibilities/responsible-business/stakeholder-engagement

FINANCIAL CAPITAL p. 79
HUMAN CAPITAL p. 51
SOCIAL AND RELATIONSHIP CAPITAL p. 46, 60, 66
INTELLECTUAL CAPITAL p. 46, 70
MANUFACTURED CAPITAL p. 43, 91
NATURAL CAPITAL p. 61, 66

CHALLENGES AND OPPORTUNITIES OF THE MARKET CONTEXT

NFS

In an operating context characterized by countless challenges, including the persistence of the pandemic, we continued to monitor several mega trends that present significant risks and opportunities for the Group and for our stakeholders.

The integration within the Generali 2021 strategy of the challenges, the systematic assessment of risks[14] and the consequent definition of their monitoring allowed us to support our ability to create value over time, confirming the resilience of our strategic plan.

Risk Report, p. 139 in the Annual Integrated Report and Consolidated Financial Statements 2021 for more detailed information on the risk management model and on the capital requirements

Geopolitical and financial instability

2021 continued to be characterised by the Covid-19 pandemic, alternating between the positive impact resulting from the distribution of vaccinations, enabling the reduction in new cases and hospitalizations, and renewed uncertainties following the spread of new variants.

The rebound of production activities led to global economic recovery, which reached its peak in the second quarter; it suffered a set-back in the second half of 2021 due to a new surge in cases and the impact on supply chains, which was much longer lasting than policy-makers expected. In 2021, GDP grew by 4.6% in the Eurozone and 5.5% in the United States. The increase in commodity prices drove inflation up, negatively impacting consumers' buying propensity.

Expectations following the news on the effectiveness of the measures implemented to counter the pandemic influenced financial market volatility, which in any event continued to record much lower levels than those observed in 2020. In the latter part of 2021, several monetary policy decisions, such as the FED's announcement on the start of tapering and on the new strategy for average inflation targeting, generated operator uncertainty and expectations of higher volatility than in the past. Furthermore, the peak of inflation lasted longer than predicted by the monetary policy authorities, leading to more uncertainties as to the decisions of the central banks.

▶ Our management

The Group's asset allocation strategy is still mostly guided by consistency between liability management and targets on return and solvency. The situation of uncertainty due to the persistent health emergency, the constraints of the regulatory system and the continued low interest rates make it essential to manage assets in a rigorous and careful manner that is consistent with liabilities. More specifically, the long-term matching of liabilities to policyholders is performed above all through government bonds with a high credit rating. Geographical diversification and selective focus on private investments (private equity and private debt) and on real assets (real estate and/or infrastructure investments, both direct and indirect) continue to be important factors in current investment activities which aim to contain portfolio risks and sustain current return; the multi-boutique platform developed by the Group aims to enhance investment capacity in these market sectors.

NFS

We have also further integrated ESG dimensions in the process of strategic investment allocation, specifically focusing on climatic change, backing companies that have a lower impact in terms of fossil emissions and that are focused on sustainable development, both environmental and social

Group's financial position, p. 91

RISKS

We are exposed to market risks arising from the fluctuations in value investments and to credit risks linked to the risk of counterparties' non-fulfilment as well as to expansion of the credit spread. We are handling these risks by following principles of sound and prudent management, in line with the Prudent Person Principle and with the Group Investment Governance Policy and risk guidelines. We measure financial and credit risks using the Group's Partial Internal Model, which offers us a better representation of our risk profile.

14. The solid framework for the assessment and management of operational risks allowed the Group to obtain approval in 2020 from the main European regulators for the extension of the use of the Partial Interim Model to calculate capital requirements for Solvency II purposes also for this risk category.

Pandemics and extreme events[15]

The rapid spread of Covid-19 has become one of the greatest global challenges in decades. Spreading in China at the end of 2019, the virus quickly transformed into a pandemic in the first few months of 2020, with a global count of 318 million cases and over 5.5 million deaths at the beginning of 2022. The mass distribution of vaccines resulted in 79% of the population being fully vaccinated in Italy, 75% in France and 73% in Germany at the beginning of 2022. The vaccination campaign continues, although the spread of more contagious variants has slowed the recovery down.

As regards the insurance sector, the economic recovery, which was particularly strong around mid-2021, had a positive impact on the Life segment, which had suffered most from the pandemic crisis. The uncertainty linked to the duration of the pandemic and its economic consequences (especially in terms of labour market prospects) increased the risk aversion of households, making their consumption more cautious and increasing their propensity for precautionary saving: the peak in European household savings in 2020 was followed by a second peak in 2021, lower than the prior one, but significant in any event compared to the average of previous years. The recovery of the financial markets boosted unit-linked business. The savings and pension line, in particular, showed a recovery in new business compared to 2020. With respect to protection policies, a growing interest was observed in insurance solutions for personal and household protection, both at individual level and as regards company welfare.
In the Property & Casualty segment, the non-motor line posted excellent performance, particularly that relating to the health line, while the motor third-party liability line continued to suffer due to high competition on prices. With the return to normality and freedom to circulate, the claims frequency rose, although the levels reached were still lower than pre-pandemic ones.

The continuation of the pandemic into 2021, together with expectations following the news on the effectiveness of the measures implemented to counter it impacted financial market volatility.

Geopolitical and financial instability, p. 24

The Asset Management (AM) market emerged stronger, despite the pandemic, with assets that continued to rise in both the US and the European markets. The continued pressure on the commissions and operating costs needed to guarantee business continuity and the fulfilment of regulatory requirements indicate that the world AM market is entering a new phase, which will require new ways of doing business. In the coming years, the competitive advantage will be increasingly dependent on the use of Advanced Analytics in all business processes, with the objective of predicting trends and better understanding business development. In terms of growth, the new asset classes, with specific reference to the private and alternative markets, will become of fundamental importance and will mean that strategic lines will have to be redefined and the business model and processes will have to be adapted.

▶ Our management

Despite the persistence of the pandemic in 2021, we confirmed the Group's strategy and contibued to implement several initiatives aiming at ensuring the achievement of the targets set, both financial and non-finacial.

The Generali 2021 strategy, p. 38

The Group demonstrated its resilience, although the key markets of the Life business in Europe were significantly affected by the pandemic over 2021. New business slowed down as for traditional products, in line with the strategic objective to rebalance our Life portfolio. Unit-linked products continued the significant growth at the end of 2020, exceeding the pre-pandemic premium levels of the previous year already in the first months of 2021, and then continuing to grow in the following monthst, with a contribution from Italy, France and Germany. The resilience demonstrated in 2020 from underlying investment solutions to unit-linked products increased distributors' confidence in these solutions; this, along with product and underwriting strategies, accelerated their adoption. Protection products reported good performance in terms of new business, driven by the growing need for insurance protection. In this regard, since the beginning of the pandemic we promptly set several initiatives in motion to support our customers, both financially and by launching new value-added services, ranging from the care of physical and mental well-being to remote medicine through, among others, Europ Assistance.

15. Extreme events are illustrated in the Climate change mega trend. This section is drawn up also in accordance with *European common enforcement priorities for 2021 annual financial reports* by ESMA.

The Group confirmed premium growth in all the businees lines of the Property & Casualty segment, with different trends in the main markets where it operates. In continuity with 2020, it increased the range of products with new coverage and services, adapting contractual terms and conditions and improving, with extensive use of digital technology, the operating processes for underwriting policies and settling claims.
With reference to the loss ratio, we observed a recovery in the frequency of claims in the motor line, however lower than pre-Covid19 levels, following the reopening of economic activities and the consequent mobiilty. The average premium in the motor business recovered, but remained under pressure due to competitive pressures.
Higher volumes were reported in the non-motor line of business compared to the motor line; the economic contraction in some countries did not lead to a collapse in insurance activities. The travel line recovered, although it has not yet reached 2019 levels. The loss ratio remained substantially unchanged in terms of number, with the exception of the NatCat claims which were distinguished not only by frequency but above all by the severity of the events. Conversely, business interruption coverage led to claims that were not economically significant in 2021, thanks also to the revision of terms and conditions in the policy texts for new subscriptions.

In all business segments, the organisational response of Generali to boost its digitalisation process was a decisive factor since the beginning of the pandemic.
As well as managing sales and renewal processes remotely, we introduced new ways and occasions for interaction with our customers (for example, virtual events and loyalty campaigns) and provided support to our agents to be more visible on digital channels.
The omni-channel approach continues and will continue to underlie our future digital development. More specifically, digitalisation should be leveraged to boost and extend the abilities of the sales force of our physical network. In this regard, our objective is to continue to develop the following areas:

- to improve Customer Relationship Management (CRM) tools and promote the remote consulting model to understand the needs of our customers in a more structured manner, and to suggest the best possible solutions;
- to provide support to agents in managing changes in our network, in a gradual process, towards the increasing awareness of the benefits of digital transformation;
- to spread and extend the use of digital tools, which enable any indications of interest by prospects in our products and services to be collected and redirected to the physical network (for example, an agent re-contacts a prospect who has asked for a policy quotation on our website);
- to boost the presence and the visibility of our agents on social media and the web, for example by publishing contents that are relevant to their customers;
- to streamline and simplify processes, accelerating their automation thanks to the redesign and adoption of new Smart Automation (SA) technologies;
- to customize offers and services based on customer needs, stage of their lives, interests and context.

Given the persistence of low interest rates, in 2021 investment in the Group's insurance portfolio was based on sustaining the return on portfolios, while keeping a solid solvency position and adequate matching with liabilities. In the Life business, a balanced approach was maintained between corporate bonds - given the increase in yields compared to 2020 and the positive expectations on the economy and corporate fundamentals - and government bonds, mainly used to hedge long-term liabilities. In the P&C portfolios, considering the different characteristics of the liabilities, preference was given to the corporate sector and shorter maturities. Given the improvement in general confidence and the strong economic recovery, the exposure to listed equities was gradually increased to benefit from the positive market trend.
The interest in private and real assets was confirmed, continuing the portfolio diversification process through investments and agreements in private debt, private equity and real estate funds.
The increase in equity and real asset exposure is also aimed at positioning the portfolio in a prospect of a moderate rise in interest rates and inflation.

The Asset and Wealth Management segment benefited from the positive performance of the financial markets following optimistic forecasts of post-pandemic recovery already as early as the second half of 2020, which resulted in a rise in assets under management as well as a strong recovery of commissions.
The extension of the product range, a more solid track record also for the products managed by boutiques, and the significant recovery of the financial markets boosted the rise in recurring commissions, together with the one-off contribution of the real asset business. In 2021, the disciplined approach to the management of operating costs continued.

In addition to the positive performance of the market, Wealth Management also benefited from the success of the commercial policies, which enabled it to surpass the assets under management targets established in the 2019-2021 three-year strategic plan. The growth in size, also driven by the structural demand for qualified financial advice, boosted the increase in recurring income. The increase in revenues was accompanied by the disciplined management of costs, which enhanced the operating leverage of the business model, and therefore also led to higher profit margins.

The Group decided to launch Fenice 190 to support the recovery of the European economies impacted by Covid-19, starting in Italy, France and Germany. It is a five-year € 3.5 billion investment plan focusing on infrastructure, innovation and digitalization, SMEs, green housing, health care facilities and education.

Group's financial position, p. 91

RISKS

The pandemic may have direct and indirect effects on underwriting risks.
The direct effects on the Life and Health underwriting risks regard the potential increase in claims paid on policies that provide death or health coverage; the indirect effects regard the potential need of customers for liquidity, generated by the economic crisis, which may imply higher surrender payments. In both cases, the impact observed on the Group to date has been fairly insignificant. To continue to effectively manage death or health risks, we adopt adequate underwriting processes that assess the health conditions and the demographics of the policyholder in advance. In addition to underwriting processes, we monitor changes in claims and, in this regard, we assess the lapse risk and mortality risk, including the catastrophe risk resulting from a pandemic event, using the Group's Partial Internal Model.
The possible impact of the pandemic on P&C underwriting risks is represented by a possible increase in the reserving risk which, however, we monitor in terms of changes in claims and risk assessment through the Group's Partial Internal Risk Model.

The pandemic is an event included in the Group's operational risk management framework, which can seriously compromise the continuity of company business and, as such, is continuously assessed, mitigated and monitored. The pandemic event in progress has increased exposure to several risks that affect the people, processes and IT systems of the Group and, clearly, the external environment.
To manage the emergency caused by the Covid-19 pandemic, a common approach was adopted Group-wide, based on the measures adopted in Italy as a benchmark, as it was the first area in Europe to be affected.
The combined adoption of all these mitigating measures is the real key to their effectiveness, guaranteed through the monitoring developments and coordinated action. This means that the risk profile related to operational risk is impacted by the pandemic to a limited extent.

As regards our people, to manage the emergency, at Group and local level, dedicated task forces were set in place to monitor developments in the situation and to guarantee coordinated action on the measures to be implemented:

- remote working was envisaged where possible, depending on the type of work, and was extended to most of administrative employees during the emergency phase;
- a system to categorise the level of risk for all countries was established, on the basis of which international business trips were blocked or limited;
- Group events were suspended, or, where possible, held in virtual/hybrid mode using different technological solutions;
- rules of access to company offices were established, as well as measures to limit the risk of the virus spreading;
- in some countries, a toll-free number managed by Europ Assistance - *Help Line Covid-19* - was activated to provide information and, where necessary, medical and psychological assistance to Group employees and their families;
- in some countries, employees were offered the option of receiving a flu vaccination to facilitate diagnosing infections from Covid-19 and to potentially reduce the consequences.

Guaranteeing our people an effective work experience, also remotely, through the support of digital and flexible tools was key during the pandemic crisis in order to preserve the safety of people and their engagement as well as business continuity. A hybrid work model will be fundamental also for the future of work in Generali, the so-called New Normal.

The management of pandemic risk impacts the normal performance of both internal processes and those managed through external suppliers.
To manage the crisis provoked by Covid-19, ad hoc measures were set in place to guarantee the continuity of operating processes. More specifically, IT infrastructures were adapted to be able to withstand the extensive use of remote working. Therefore, investments were made to:

- provide employees with laptop computers, if not already assigned, to enable them to work remotely;
- increase connection speed;
- strengthen the tools to manage remote connections safely;
- increase processing capacity to make IT systems more efficient as a whole.

Innovation and digital transformation, p. 46

The extensive use of remote working has also led to a greater threat of cybercrime. For this reason, changes in the types of attack have been constantly monitored, and the tools in place to identify the attacks and to manage the most appropriate and timely responses have been promptly updated. In addition, campaigns to increase the awareness of our employees to potential cyber threats related to suspicious and malicious communications were conducted. Potential new vulnerabilities regarding the solutions used to facilitate remote work have been constantly monitored; in particular, the procedures for updating company PCs have been enhanced to ensure the installation of the latest versions of updates of both operating systems and Office Automation tools, reducing their vulnerability.
In terms of technological evolution, also driven by the pandemic event, the Group, in line with the market, is moving towards an increasingly structured use of Cloud services, with benefits in reducing internal data traffic and greater flexibility in the use of infrastructure and application services.

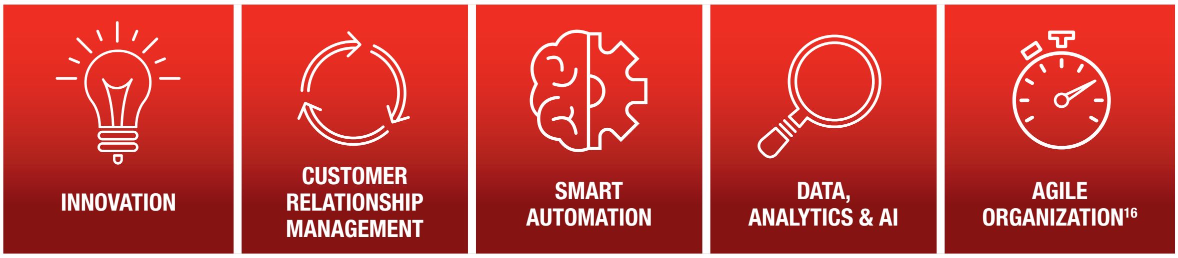
In the event of a further deterioration of the crisis, liquidity could become a topic of concern for the insurance sector.
To date, the impact observed on the Group's liquidity position has been immaterial, also due to the precautionary management measures taken and to the implementation of the financial optimisation strategy. .

Digital revolution and cyber security

We are facing a profound change guided by the interaction, cumulative effects and rapid evolution of various technologies: Internet of Things, cloud services, cognitive computing, advanced analytics, Smart Automation (SA), Artificial Intelligence, 5G and the development of mobile networks are elements that contribute to creating a renewed environment in which to operate in order to optimise efficiency, operations and proximity with customers, agents and employees. We are particularly witnessing the spread of public and context data, the progressive digitalisation of interaction with customers and the growing appetite for personalised products, also thanks to computing power and storage spaces available at low prices. These elements allow insurance companies to transform their way of doing business and interacting into the so-called world of digital ecosystems, where the borderlines between businesses at one time different and distinct are becoming fainter and fainter in order to offer customers a mix of innovative services and traditional products.
Technological evolution also involves exponential growth in cyber threats, such as attacks aimed at stealing information or blocking operational processes. Adequate management of this risk is therefore fundamental in order to limit potential effects of economic and operational nature but also to preserve, in particular, the confidence of customers in the processing of their data, which are frequently sensitive. The issue is also increasingly relevant for regulators which have in recent years introduced specific safety measures as well as reporting processes in the case of security incidents (for example, General Personal Data Protection Regulation).

Our management

Our digital ambition translates into our lust to provide our customers, agents and employees with a superior experience, transforming Generali into an agile, innovative, digital organization that leverages strategic use of data. We want digital to accelerate the change in paradigm we have identified: for example, moving from a traditional world of insurance coverage, policy renewal upon expiry and reimbursement of any claim, to an innovative world where we offer tailor-made solutions, which integrate the insurance component, which remains central, to services with a high technological content of prevention and customer support.
In order to feed and accelerate our path to become true Life Partners and digitize the operating model, we have defined the Generali Digital Strategy which relies on five key enabling factors.



Innovation and digital transformation, p. 46

The digital path is enriched by a particular attention to convergence, a fundamental strategy for a Group with a global presence like ours. Convergence towards Group standards, common taxonomy, centers of excellence and selected solutions that we adopt in specific areas identified as priorities of the digital world. The goal we have set ourselves is to accelerate the so-called time to value, i.e. speed and flexibility in implementation, while respecting our Group organizational model.

With a view to continuous improvement and exploring new opportunities, we are continuing to scout innovative technological platforms that allow to enable digital ecosystems, both within the Group and with selected partners.
Two centers have been created for the development of innovative services, in the field of Connected Insurance and the Internet of Things, related to urban mobility, smart home, health and the connected world of work: one center is for the development of innovative services and a second for research and development, prototyping, collaboration with companies, research institutes, universities and start-ups.

We are committed to guaranteeing that the Group is constantly equipped with appropriate security systems, thus becoming increasingly more reliable for our stakeholders.
To be able to effectively manage the increasing complexity of security-related risks, we have adopted a One-Security approach, based on a strong integration between Information & Cyber and Physical & Corporate Security.The adoption of such holistic approach for security leads to the integration of processes and tools for the identification, assessment and management of security risks and to an increasing resilience against adverse events. More specifically, we pledge to:

- protect the Group's ecosystem and strengthen its security standards;
- define internal security regulations and monitor their implementation;
- define a solid management process for IT security-related risks;
- ensure the implementation of security measures for the management of threats;
- raise awareness and understanding around the issue among all Group employees..

Our IT security strategy, named Cyber Security Transformation Program 2, 2020-2022, aims to further increase our security posture through the adoption of innovative and advanced solutions and the progressive standardisation and centralisation of the Group security services. We engage more than 40 countries and business units through 27 projects. We are strengthening the Group resilience thanks to the enhancement of our ability to prevent, identify and respond to potential cyber attacks, and increasing assessments to ensure adequate security levels to our business initiatives based onnew technologies, like cloud and Internet of Things technologies.
We adopt tools and implement actions through which we guarantee constant protection from threats, such as:

16. *Agile Organization* is intended not only as methodology of project implementation, but in its broadest sense of defining a complete digital path - a 360° experience - for our employees, an aspect increasingly relevant in these days.

NFS

- the Security Operation Center (SOC) to monitor all events recorded by our security solutions 24 hours a day, detect potential incidents and step in with containment and restoration actions. SOC's performance are monitored in a structured manner through specific indicators, that are not reported due to security reasons. We have defined a Business Continuity and Disaster Recovery plan together with an Incident Response procedure to adequately guarantee the preservation or the timely recovery of data, services and critical business activities in case of a significant incident or crisis;
- our intelligence service that monitors the threats landscape evolution and trends, thus enabling us to proactively prevent or be ready to react to potential threats;
- internal and external vulnerability assessments in order to identify potential vulnerabilities in our systems. We also test the response capacities of our SOC through cyber attack simulations as well as customer solutions, including those based on Internet of Things technology;
- processes and tools focusing on the whole supply chain management that enable us to identify, assess and manage the third-party security risk, with a strong commitment to secure the transition to and the use of cloud services;
- proper procedures to guarantee the protection of company buildings, internal workspaces and employees during business travels as well as to manage all the aspects related to the corporate security;
- an intervention assessment and prioritisation framework in accordance with the operational risk management model. It is supported by an IT tool available to the countries where we operate to execute periodic risk assessments and to continuously take a census of and manage cyber risks. A new methodology for calculating cyber risks has been defined and measurements have been started in the different countries;
- a structured regulatory framework,that is constantly updated with respect to regulatory developments, market standards and cyber threats;
- an IT security awareness program for all our employees which consists of various initiatives such as dedicated training courses, videos and ad hoc communications. Internal campaigns simulating phishing have also involved the Group and virtual challenges like cyber quiz designed to increase the engagement of employees and promote good conduct practices in the area of IT security;
- a Group insurance policy to reduce residual exposure to cyber risk. Its effectiveness is considered in the Group's Internal Model for calculating the capital for operational risks;
- relevant certification released to Generali Operations Service Platform (GOSP), a company that provides IT services and infrastructures to the main Group countries.

GOSP is certified according to standard ISO/IEC 27001:2013 - Information Security Management System. This certificate is valid for: information security management for the delivery of IT infrastructural services for the Group companies; delivery of hardware, IT services, IT engineering, project management, organization, security services; as well as management of information security incidents according to the ISO/IEC 27035-1:2016 and ISO/IEC 27035-2:2016 guidelines..

GOSP is certified by an external auditor according to standard ISAE 3402 Type 2 - Third Party Assurance Report. This standard, widely used and internationally recognized for service providers, aims at certifying that the internal control system is suitably designed and operates effectively.

www.generali.com/our-responsibilities/responsible-business/cyber-security for further information on security and the Security Group Policy

RISKS

Risks related to cyber security and malfunctions of IT systems are operational risks we measure following the regulatory standards and with qualitative and quantitative models that allow us to grasp our main exposures and to define the adequacy of the existing controls.

Climate change[17]

Climate change is a material mega trend, with potential more limited effects over the short term, however potentially catastrophic over the long term. Associated with this mega trend is a high degree of uncertainty in accurately determining a time frame and magnitude of the impacts in the different geographies.
Climate change risks can be divided in:

- physical risks, arising from the worsening of catastrophic events that result from climate change, such as storms, floods, heat waves;
- transition risks, arising from the economic developments generated by the transition to a greener economy, with lower or virtually zero levels of greenhouse gas emissions.

Climate change also generates opportunities for companies that are able to develop financial products and solutions that sustain and support the transition to a climate resilient economy and that increase its resilience through adaptation.

As for the insurance industry, the worsening of climate-related weather phenomena - as part of physical risks - may impact the P&C segment in terms of pricing and occurrence of catastrophic events, impacting- conditions being equal - the number and cost of the claims and their management expenses, as well as reinsurance costs.
The Life segment might also be impacted: the intensification of the heat waves, the increased frequency of floods and the expansion of the habitats suitable for hosting carriers of tropical diseases indeed might worsen the expected mortality and morbidity rates.
The physical risks caused by climate change, which worsen the living conditions of the population and increase damages not covered by insurance, might also lead to a deterioration of socio-political stability and the macroeconomic and geopolitical conditions, with cascade effects on the financial system and on the overall economy.

The transition to a greener economy (transition risks) is driven by changes in national or international public policies, in technologies and in consumer preferences that might affect different sectors, especially those with a higher energy intensity, up to leading to the phenomenon of the so-called stranded assets, that is the complete loss of value of financial assets relating to the so-called carbon intensive sectors.
A good portion of the impact of these risks depends on the speed to come into line with stricter environmental standards and on the public support that will be guaranteed for reconversion. The transition risks are therefore influenced by factors marked by a high degree of uncertainty, such as political, social and market dynamics and technological changes. Even though the speed of transition and its risks are hard to determine today, they will probably have wide-ranging consequences, especially in several sectors such as energy.
Financing or insuring companies operating in sectors characterized by high greenhouse gas emissions and do not have adequate decarbonisation strategies might also expose to reputational risks.

Climate mitigation and adaptation strategies offer investment opportunities as well as opportunities for the development of the insurance market. As weather phenomena and extreme natural events evolve and intensify, a related increase in the demand for protection through specific insurance solutions and risk management is plausible.
The new regulations and the public plans launched in Europe aimed at creating incentives for transition to a green economy, together with the changes in consumer preferences, are supporting the demand for insurance products tied to the sector of renewable energy, energy efficiency and sustainable mobility. They are increasing the retail demand for green insurance products linked to sustainable lifestyles and strengthening the demand for investment products linked to green finance.
The decarbonisation of the economy and, more specifically, the large-scale spread of systems producing energy from renewable sources require substantial investments that are only partly covered with public funds, in this way increasing investment opportunities for private parties.

▶ Our management

We have defined processes and tools to mitigate climate risks and to seize the opportunities arising from the green transaction. These include monitoring the adequacy of the actuarial models to assess and rate risks, recourse to risk transfer mechanisms, periodical analysis of the investments, product and service innovation processes, dialogue with stakeholders and development of partnerships to share knowledge and identify effective solutions. Particularly noteworthy is our participation in the Net-Zero Asset Owner Alliance, the Net-Zero Insurance Alliance, the UNEP-PSI TCFD[18] work group, the PRI (Principles for Responsible Investments) Climate Action 100+ network, the PRI and LSE (The London School of Economics and Political Science) Investing in a Just Transition project, and the Investors Leadership Network.

17. The *Climate change* mega trend also includes extreme events.
18. The TCFD (Task force on Climate-related Financial Disclosures) was established in 2015 by the Financial Stability Board (FSB) aiming at formulating a set of recommendations on reporting climate change-linked risks in order to guide and encourage companies to align the information disclosed with the expectations and needs of investors.

RISKS

We manage short-term physical risks by adopting a risk monitoring and careful selection aimed at optimizing the insurance strategy with the use of actuarial models that are periodically updated in order to estimate potential damage, including natural catastrophe damage, influenced by climate change.
We turn to reinsurance contracts and alternative risk transfer instruments, such as the issue of insurance securities protecting against natural catastrophe risks, i.e. cat bonds, like Lion III Re.

Capital management and financial optimisation, p. 42

In order to reduce exposure to physical risks of our corporate customers in the Property & Casualty segment, we provide consulting services to introduce technical-organisational improvements capable of increasing the protection of the insured assets even from extreme natural events, and we define claim prevention programs and periodically monitor them.
We have set up special procedures to speed up damage appraisal and claims settlement in the case of natural catastrophes and extreme events so as to strengthen the resilience of the territories struck and to facilitate the post-emergency assistance and return to normality phase.

As for the transition risk management, we are reducing the already limited exposure of the investment portfolio to issuers of the coal sector in order to reach zero exposure in OECD countries by 2030 and in the rest of the world by 2040. A gradual exclusion approach is applied to the tar sand sector, too. We also set the target of making our investment portfolio climate neutral by 2050, in line with the Paris Agreement's goal of limiting global warming to 1.5°C compared to pre-industrial levels.
The exposure of our client portfolio to fossil fuel sector is low: we exclude underwriting risks associated with coal, gas and oil exploration and extraction - conventional and unconventional - and since 2018 we no longer offer insurance coverage for the construction of new coal-fired power plants, for existing coal-fired power plants of new customers and for the construction of new coal mines. Also for underwriting, we set the goal of gradually reducing our current limited exposure to the thermal coal sector in order to reach zero exposure in OECD countries by 2030 and in the rest of the world by 2038.
In those countries where coal accounts for over 45% of the domestic electricity mix[19], to limit the negative social impacts deriving from our decision to quit this sector, we are carrying out engagement activities with the companies with whom we have trade relations to implement the principle of just transition that combines the need to protect the climate with minimisation of social consequences for local employment and energy procurement. The engagement activity is focused on monitoring GHG emission reduction, worker protection and retraining, and community support plans by analysing their costs and investments allocated for these purposes.
To demonstrate consistency with the commitments required to our customers, issuers and business partners, we are reducing greenhouse gas emissions from our sites and business trips by optimizing spaces, purchasing green energy and promoting the use of more sustainable means of transport.

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Our rules for running business with integrity, p. 66
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In order to seize the investment and development opportunities arising from mitigation and adaptation to climate change, we offer: insurance solutions to protect customers from natural catastrophe damage, including damage influenced by climate change; coverages for industrial power generation plants from renewables; and insurance solutions to support customers in adopting sustainable lifestyles. We are also expanding the offer of thematic investment products linked to green finance for the retail segment.
We are increasing our direct investments in green and sustainable assets. In 2021 we issued our first Sustainability Bond with the aim of financing or refinancing Eligible Sustainability Projects. They are identified according to the eligibility criteria defined by the Sustainability Bond Framework which includes, among the various investment categories, also those relating to green building, renewable energy, energy efficiency and clean transportation.

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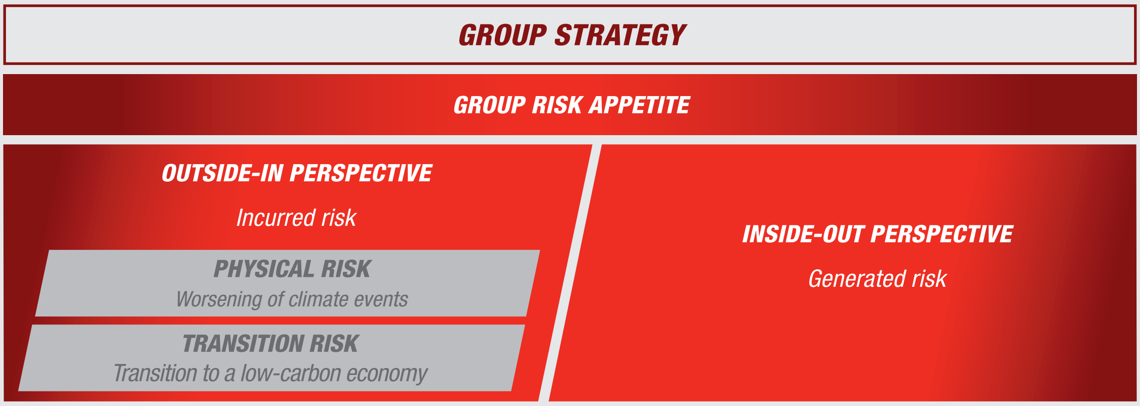
19. Data provided by the International Energy Agency.

Climate change risk management framework

In line with the recent European regulatory developments, regarding the definition of the risk management framework related to climate change (so-called climate risk), as Generali Group, we distinguish between two perspectives:

- *Outside-In* (or incurred risk) related to the impacts of climate change on the Group, in particular on the value of the investments and on the profitability of services and products provided;
- *Inside-Out* (or generated risk) related to the impacts that the Group generates through its operating activities and, indirectly, through investments and services and products provided.

In 2019, the Group Risk Management function launched the multiyear Climate Change Risk Project, with the aim of defining a climate risk management framework that considers both perspectives jointly: incurred risk and generated risk[20].



The project is encompassed within:

- the process of emerging and sustainability risks' identification, already defined in the Risk Management Group Policy;
- the Strategy on Climate Change, in particular, referring to the Net-Zero Asset Owner Alliance and the Net-Zero Insurance Alliance initiatives, through the introduction of a model to monitor the achievement of the targets.

With reference to the project governance, the complex nature of the risk and the need to establish an important integration within the business required the direct involvement of several functions: Group Sustainability & Social Responsibility, Group Integrated Reporting and Group Corporate Affairs, as well as Group P&C, Claims & Reinsurance and Group Investments.

The framework, under development, as well as the findings of the assessments were presented to the working group, to the Group's insurance companies – to which the operating model will be cascaded with the simultaneous sharing of local best practices – during dedicated Group Risk Councils, to the Senior Management, to the Board of Directors and to the Risk and Control Committee.

The framework is structured in four phases, as defined in the Risk Management Group Policy, namely identification, measurement, management and reporting.

In 2021, we consolidated the risk identification and measurement phases, and we launched the definition of the risk management model, with the simultaneous preparation of the documentation related to the *Own Risk and Solvency Assessment* (ORSA) process.

Identification

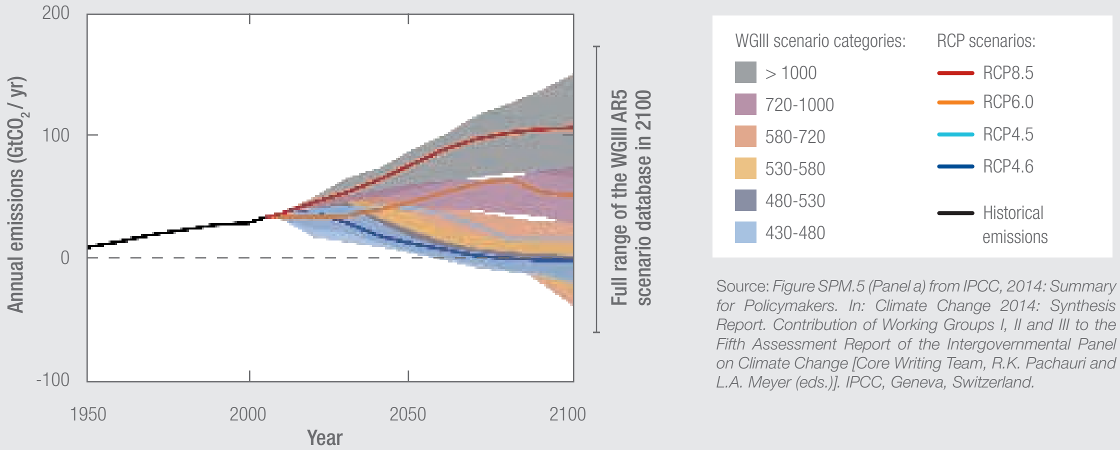
In the risk identification phase, two activities were carried out:

- climate scenarios' selection;
- materiality analysis on risk exposures.

Climate scenarios, currently used, describe a change over a certain time horizon of the global temperature, deriving from the assumptions on the amount of CO_2 present in the atmosphere and its effect on the geophysical variables that regulate Earth's climate. Scenarios with a lower increase in the global temperature are typically used to assess transition risk, which is mainly concentrated in the short-medium term, while higher temperature scenarios are typically used for physical risk, whose effects are expected to span over longer time horizons, with a more pronounced acceleration in the second half of the century.

20. In the first phase of the framework's definition, transition risk and physical risk were included. Liability risk, which stems from lawsuits for environmental damages and/or following improper or missing corporate disclosure on environmental standards, will be considered within ongoing future developments.

Annual anthropogenic CO_2 emissions



Source: *Figure SPM.5 (Panel a) from IPCC, 2014: Summary for Policymakers. In: Climate Change 2014: Synthesis Report. Contribution of Working Groups I, II and III to the Fifth Assessment Report of the Intergovernmental Panel on Climate Change [Core Writing Team, R.K. Pachauri and L.A. Meyer (eds.)]. IPCC, Geneva, Switzerland.*

We selected three scenarios mainly based on the Representative Concentration Pathways (RCPs) developed by the Intergovernmental Panel on Climate Change (IPCC) and on the World Energy Outlook Scenarios developed by the International Energy Agency (IEA). Each scenario is identified by the global warming level assumed in 2100 compared to pre-industrial levels.

SCENARIO[21]	DESCRIPTION	TRANSITION RISK	PHYSICAL RISK
1.5 °C	Strong and rapid emissions' reduction and temperature increase consistent with Paris agreement and, from 2021, with the target of net zero emissions by 2050.	Transition risk is described by a combination of socio-economic variables, including the development of regulations, of new technologies and of consumer preferences.	
3-4 °C	More fragmented and less rapid global decarbonization process.		Physical risk is described by a combination of physical variables, including increased frequency of extreme climate events such as floods, heat waves, storms, wildfires, droughts and of chronic climate events such as sea level rise.
>4 °C	Emission growth, without global decarbonization actions.		

To capture the most significant expected impacts, for transition risk we focused on short and medium-term time horizons, while for physical risk we also considered longer time horizons. In particular, time horizons taken into account for all scenarios were 2025, 2030, 2050.

Regarding the scenarios' selection, we are monitoring the evolution of the regulatory environment and of market best practices, in particular the development of the recommendations by the Network for Greening the Financial System (NGFS)[22], the development of IPCC's scenarios, and, in general, the regulatory stress tests introduced within individual European countries.

In relation to the *Outside-In perspective (or incurred risk)*, carrying forward the activities already undertaken, in 2021 our analysis focused on the:
- investment portfolio, including equity and corporate bonds, government bonds and real estate;
- Non-life underwriting portfolio.

To identify the most material exposures, we analysed for investment in equities and corporate bonds all economic sectors and we focused mainly on understanding those most vulnerable to climate change (so-called climate relevant sectors identified based on recognized market frameworks, including TCFD guidelines). In particular, the very limited exposure to the sectors most impacted by climate change, such as the fossil, metallurgical and transport sectors was confirmed.

21. The main publications considered as source for the scenarios include: Assessment Report 5 (IPCC) - RCP 6.0, RCP 8.5 -www.ipcc.ch/report/ar5/syr/synthesis-report/, Net Zero by 2050 - *A Roadmap for the Global Energy Sector (IEA)* - www.iea.org/reports/net-zero-by-2050, *World Energy Outlook* 2020 (IEA) - www.iea.org/topics/world-energy-outlook, *Energy Technology Perspectives 2020 (IEA)* - www.iea.org/topics/energy-technology-perspectives.
22. The Network for Greening the Financial System consists in a group of Central Banks and supervisors committed to sharing best practice, to contributing to the development of climate-related risk management in the financial sector - and the environment - and to mobilize finance to support the transition to a sustainable economy.

Government bonds were classified based on the reference country; most of these bonds were attributable to European countries.
Even the real estate portfolio, analysed on the basis of buildings' energy characteristics, is mostly attributable to the most efficient energy classes and to European countries.
Analogously to the analyses carried out for investment portfolio, for Non-life underwriting portfolio we also considered the different geographies and for the purpose of the analysis we focused on the most relevant lines of business for the Group, namely Fire and other damage to property insurance and Motor.

In relation to the *Inside-Out perspective (or generated risk)*, our analysis focused on the investment portfolio, including equity, corporate bond and real estate, in line with the targets already announced as part of the Net-Zero Asset Owner Alliance initiative.

Measurement

In relation to the *Outside-In perspective (or incurred risk)*, we measure physical and transition risk using models that allow to determine the impacts of climate scenarios on the exposures identified based on the climate stress tests.
Impacts are represented by the Clim@Risk metric, that is defined for:
- the investment portfolio, at individual counterparty level and considering a combination of sector and geography, and for real estate at energy class level. For government bonds we considered the reference country;
- the underwriting portfolio, considering a combination of line of business, sector and geography.

The proposed metric measures:
- a change in Net Asset Value for the investment portfolio;
- a change in the Group's operating result for the Non-life underwriting portfolio.

The results obtained provide forward-looking indications of climate change effects on Group's portfolios. They show mostly limited impacts over short-time horizons and more significant but still limited impacts over long-time horizons, mostly deriving from physical risk in higher temperature scenarios. In analysing transition risk, we also observed that impacts substantially depend on the ability of companies to adapt to the process of cutting emissions, for example, through the use of green energy and the improvement in energy efficiency.

In analysing the investment portfolio, in the 1.5°C scenario we observed positive impacts due to transition risk mainly stemming from the equitiy and corporate bond portfolio, as companies in which the Group invests are assumed to grow and remain competitive by adapting their business model to the transition. Opportunities are driven by the utility sector, given the increased demand and profits from renewable sources, while the impacts from the fossil sector remain negative. On the contrary, in case of lack of adaptation measures of the business model, the impacts are negative since companies do not grow and lose competitiveness, especially in the utility sector which suffers from the lower production of non-renewable energy, while other sectors such as chemicals and industrial suffer from higher costs due to the increase in carbon price. In absence of energy adjustment and energy efficiency measures, even the real estate portfolio value decreases, whilst showing a slight increase in case buildings are upgraded to new energy efficiency standards. The impact on government bonds, which stems largely from the effects of the transition on government revenues, i.e. taxes, and infrastructure costs, remains more limited with respect to the other two portfolios.
In the 3-4°C scenario without considering business model adaptative capacity, the impacts related to transition risk are smaller than in the 1.5°C scenario (without adaptation). On the contrary, we observed strong negative impacts for physical risk due to the increased frequency and severity of natural climate events, particularly floods, storms, and tropical cyclones. Again, the impacts are mainly attributable to the equity and corporate bond portfolio and to the real estate portfolio, while only to a lower extent to government bonds.
The >4°C scenario showed even more pronounced negative impacts for physical risk in the second half of the century caused by sea level rise, drought, and forest fires in addition to the above-mentioned events.

In analysing the Non-Life underwriting portfolio, we observed impacts caused by transition risk in the scenarios 1.5°C and 3-4°C on the Motor line of business, which shows a gradual replacement of ICE (Internal Combustion Engine) vehicles with hybrid and electric ones and at the same time a general growth in the Fire insurance and other damage to property insurance line of business driven by increased market demand. However, the most significant impacts were observed for physical risk in the 3-4°C scenario as a result of higher claims' costs induced by floods and storms and, in scenarios with higher level of global warming, such as in the >4°C scenario, and longer time horizons, also induced by wildfires, droughts, sea level rise, which are not currently relevant in terms of claims.

The use of different scenarios has proved effective in gaining a broader understanding of the Group's resilience to climate change risk, given the complexity of the phenomenon addressed and the long-time horizons over which it manifests itself.

In relation to the *Inside-Out perspective (or generated risk)* and to the decarbonization target for the investment portfolio carbon intensity of 25% by 2024, announced in the context of NZ AOA, we are internally defining targets to be monitored on a regular basis, in order to identify and track more precisely any deviations from the announced targets. In particular, these targets will be based on carbon Intensity metric components: the active portfolio management lever and the levers not directly under Generali's control (namely the individual counterparty emissions and the trend of their market value, expressed in terms of EVIC – *Enterprise Value Including Cash*).

Group's financial position, p. 91

Management and reporting

Climate risk, considering both incurred risk and generated risk, is integrated in decision-making processes through the definition of a specific appetite, including tolerances, limits, and escalation processes in case of breaches.
With reference to limits and tolerances, the issuance of a dedicated internal guideline is planned during 2022, to complement the existing set of controls related to the application of the ESG principles in the investment and underwriting processes.
This integration has the two-fold objective of:
- maintaining Group's risk profile within the thresholds defined based on the *Clim@Risk*, at portfolio level and for individual combinations of sectors and geographies identified as most vulnerable;
- ensuring the achievement of emissions' reduction targets by establishing a tolerance limit on decarbonization targets.

Finally, the reporting has the primary objective of raising awareness on the impacts of climate change and is carried out on two layers:
- as part of the ORSA process, in order to update the Senior Management and the Board of Directors on the assessments performed and on the development of the risk management model;
- within the *Group Emerging Risks Booklet* dedicated to sustainability and emerging risks, available to the entire corporate population, which considers surveys conducted at Group level.

Ageing and new welfare

Modern communities continue to be influenced by distinct demographic and social phenomena with a strong impact on their socio-economic balances.
In the more mature European economies, we are witnessing a continual process of population aging, driven by an increase in life expectancy, net of the still uncertain pandemic effects, and a decrease in birth rates. The international migration phenomena only partially counter-balance this trend, which is in any case otherwise influenced by socio-political initiatives adopted locally.
In the most European countries, the younger age groups are affected by a reduced and often discontinuous capacity to generate average income; this is strongly influenced by a flexible but precarious labour market that does not ensure reasonable certainty for financing the public welfare system. The pandemic will lead to some impacts - although still not well defined - on the communities' demographic structure: mostly the elderly were affected by Covid-19, but at the same time increased the weakness of singles and young families, who are part of that unstable labor market most heavily affected. Therefore, it is expected the confirmation of unbalanced communities, where the increase in social security and healthcare needs does not match the appropriate funding and coverage of public systems by the active population.
The healthcare need naturally evolves towards increasingly sophisticated, hence costlier, supplies and services, which have to face new, and even extreme and emergency, needs, as the pandemic has highlighted. At the same time, an enhanced awareness of the bond between health, lifestyles and the environmental context is developing thanks to both public social initiatives and greater proactiveness and promotion from private market.
Erratic local political choices are weighing on the resilience of welfare systems, whose fragility has been further exacerbated in the pandemic context. A greater perception of uncertainty impacts the coverage of the immediate healthcare and public welfare access requirement, so it is altering system balances that can only take shape over a long-term horizon.
In the context described above, the limited financial resources produced by the younger categories of the population, or from private savings in general, have to be directed and valued more carefully.

Our management

We actively engage in creating more stable communities while monitoring and tackling the effects of a changing society. This is why we develop and offer flexible, modular pension and welfare solutions for the coverage of healthcare costs and other potential current and future needs for individuals, families and communities. We are committed to become a Lifetime Partner to our customers, strengthening the dialogue with individuals during their entire period of interaction with our companies through new, streamlined services accessible 24/7. The pandemic scenario has highlighted even more how the availability of appropriate services and easily accessible information can be a key element of differentiation. We are increasingly paying attention to the digital transformation, both as a communication channel and as a lever to enhance the efficiency in services to our customers and our distribution network. Through its digital approach, Generali stood close to its customers and its network even in the lockdown phases.

Pandemics and extreme events, p. 25

We provide customers with complete and easily accessible information on products and services, while helping them to understand the primary factors that may affect their income capacity and quality of life, and aiding them in accurately assessing their capacity to save as well as identifying their current and future needs. We believe that insurance coverage is the most appropriate tool to forecast and meet potential needs for people of all ages with the required advance notice; we therefore formulate, and present offers even in the case of market contexts with little knowledge and low individual propensity for insurance solutions.

RISKS

Life and Health products, including pension and welfare products, imply the Group's acceptance of biometric underwriting risks, typically mortality, longevity and health. We therefore need to manage them through underwriting processes that are based on an updated assessment of the socio-demographic conditions of the population whose purpose is to understand their relative trends. We also have solid pricing and product approval processes that offer a preliminary analysis of the cases regarding the biometric factors, in line with Local Product Oversight Governance Policies. Such processes are part of a structured governance defined in the Group Policy on Life underwriting. Lastly, we measure the mortality, longevity and health risks using the Group's Partial Internal Model.

The actuarial framework on sustainability risks

Within the activities of the Group's actuarial functions, we have started including some considerations on ESG factors, with a particular focus on the megatrends identified in the materiality analysis process.

Consolidated Non-Financial Statement, p. 129

In 2021, we launched a specific project at Group level, divided into phases, aimed at defining a common framework to coordinate and guide the analyses on ESG factors conducted by local actuarial functions.
The first phase involved the identification and study of the main risk factors within the material megatrends belonging to the central cluster (*Climate change, Ageing and new welfare, and Pandemics and extreme events*): a qualitative assessment of their possible impact on underwriting, with reference to both Life and P&C business, allowed to select the sustainability risk factors being of greatest interest for subsequent in-depth analysis.
The second phase concerned the definition and development of qualitative and quantitative analyses, conducted in particular at a local level, with the aim of investigating the exposure of portfolios to the selected risk factors and assessing the level of maturity of underwriting processes to derive some initial considerations on the impact of ESG factors. The most exposed portfolios will be then further analysed, in order to assess the strategies adopted by Group legal entities to manage risks and opportunities related to ESG factors.

The project is also coherent with the changed regulatory context: as provided by the Delegated Regulation EU 2021/1256 on the integration of sustainability risks in the governance of insurance and reinsurance undertakings, from 2 August 2022, the actuarial function will have to include sustainability risks among those examined as part of the analyses performed for expressing its opinion on the underwriting policy.

THE GENERALI 2021 STRATEGY

Being a Life-time Partner to customers, offering innovative, personalized solutions thanks to an unmatched distribution network.

Leading the European insurance market for individuals, professionals and SMEs, while building a focused, global asset management platform and pursuing opportunities in high potential markets.

PROFITABLE GROWTH

p. 41

STRENGTHEN LEADERSHIP IN EUROPE:
reinforce #1 market position[23]

FOCUS ON HIGH POTENTIAL INSURANCE MARKETS:
15%-25% earnings CAGR 2018-2021 depending on country/segment

DEVELOP GLOBAL ASSET MANAGEMENT PLATFORM:
15%-20% earnings CAGR 2018-2021

CAPITAL MANAGEMENT AND FINANCIAL OPTIMIZATION

p. 42

INCREASE CAPITAL GENERATION:
> € 10.5 billion cumulative capital generation 2019-2021

ENHANCE CASH REMITTANCE
+35% cumulative cash remitted to holding 2019-2021 compared to period 2016-2018

REDUCE DEBT LEVEL AND COST:
€ 1.5-2.0 billion debt reduction by 2021;
€ 70-140 million reduction in annual gross interest expense by 2021 vs 2017

INNOVATION AND DIGITAL TRANSFORMATION

p. 46

BECOME LIFETIME PARTNER TO CUSTOMERS

ENABLE DIGITAL TRANSFORMATION OF DISTRIBUTION

TRANSFORM AND DIGITALIZE OPERATING MODEL

***about € 1 billion** total investment in internal strategic initiatives 2019-2021*

3 KEY ENABLERS WHICH DRIVE THE EXECUTION OF THE STRATEGY

01 OUR PEOPLE

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23. Based on IAS-IFRS gross written premiums in Europe at year-end 2017.

GENERALI 2021 FINANCIAL TARGETS

GROWING EARNINGS PER SHARE

6%-8%
EPS CAGR RANGE[24]
2018-2021

7.6%
ACHIEVED

GROWING DIVIDEND[25]

€ 4.5 - € 5 bln
CUMULATIVE DIVIDENDS
2019-2021

€ 4.52 bln
ACHIEVED

HIGHER RETURN FOR SHAREHOLDERS

> 11.5%
AVERAGE RETURN ON EQUITY[26]
2019-2021

RoE 2019
12.4%
ACHIEVED

RoE 2020
7.7%
Impacted By Covid-19 and ONE-OFF

RoE 2021
12.1%
ACHIEVED

Our performance, p. 79

02 A STRONG BRAND

p. 60

03 A CONTINUOS COMMITMENT TO SUSTAINABILITY

p. 61

24. 3 year CAGR; adjusted for impact of gains and losses related to acquisitions and disposals.
25. Due to the global spread of the pandemic in 2020, the Group's net result was affected by one-offs and impairments on investments, mainly in the first half of 2020, that led to a 2020 payout ratio of 120.2%. Consequently, the financial target on dividend growth mainly considered cumulative dividends, as the target on a payout ratio between 55% and 65% was to be considered as a guidance within the objective of steadily growing dividends.
26. Based on IFRS Equity excluding OCI and on total net result. The average RoE in 2019-2021 was equal to 10.7%.

In light of a context still characterized by the persistence of the pandemic, we confirmed our strategy and commitment to be a Lifetime Partner to our customers also in the year when the Generali 2021 strategic plan ended. That was thanks to three key factors:

- resilience of our financial and operating performance sustained by a clear strategy, a focus on technical excellence and a high-quality, diversified business model;
- increasing digitalization of our business model with a digital transformation of our sales networks and an effective adaptation of our organization to the new way of working;
- far-sightedness of our core convictions underpinning the plan, which are today more relevant than ever and allowed us to capitalize on emerging opportunities in 2021.

In 2021 we pursued the implementation of our strategic initiatives with the aim of ensuring the achievement of the financial and non-financial targets of the three-year strategic plan. The approach adopted ensured engagement of both the corporate functions and the Group's geographies throughout all the plan period. The strategic initiatives actively involved hundreds of colleagues worldwide, and their goal was to accompany the Group's business units on their paths to meeting the goals of the plan, by promoting an agile and entrepreneurial work method.
As to monitor the execution of the strategy and share its progress, we continued to use the Group FastBoard tool, that summarises the performance of the key indicators functional for carrying out the Generali 2021 strategy.

Communities of Practice

The Communities of Practice represent one of the building blocks of our strategy. They promote a collaborative approach among colleagues, by removing any functional and geographical barriers; they share knowledge and work together also for the identification and scale-up of best practices in the Group. Thanks to their new way of working, based on collaboration and co-creation, they accelerate the implementation of innovative ideas in an inclusive environment, in full alignment with strategic initiatives.

Communities of Experts

Through the power of collaboration and sharing of innovative ideas and experiences among subject matter experts, the Communities of Experts are transforming our way of working and learning from one another, helping Generali in its ambition to become a Lifetime Partner to our customers all over the world..

PROFITABLE GROWTH

STRENGTHEN LEADERSHIP IN EUROPE | *FOCUS ON HIGH POTENTIAL INSURANCE MARKETS* | *DEVELOP GLOBAL ASSET MANAGEMENT PLATFORM*

The core convictions underpinning the three-year plan were also reinforced in light of current trends. They offered us the opportunity to strengthen our leadership position in Europe and our presencein high potential markets through the disciplined execution of the strategy, to seize growth opportunities by leveraging business diversification in the core Life and P&C segments, and to continue to develop the Asset Management, while accelerating digital transformation.
We are well positioned to seize opportunities for profitable growth, with an overall insurance and financial offer that increasingly includes sustainable solutions. In the P&C segment, by leveraging excellent technical margins, with the lowest and the least volatile combined ratio among peers. In the Life segment, by increasing capital-light, unit-linked and health products as well as pension business in a context where the demand for such solutions and, in general, the awareness of the need for insurance protection increase. In the Asset Management segment, through a continuous improvement in distribution and products.

We defined rigorous and disciplined criteria for M&A transactions and identified three key strategic areas where acquisitions and partnerships could boost our existing offer. We were consistent with our strategic priorities and we successfully enhanced our leadership position in Europe and in selected high potential markets, effectively integrating acquired companies and creating incremental value through partnerships.

STRATEGIC PRIORITIES	ACQUISITIONS AND PARTNERSHIPS
REINFORCE LEADERSHIP IN EUROPE AND HIGH POTENTIAL MARKETS	**ADRIATIC SLOVENICA E CONCORDIA** to reinforce our presence in Central-eastern Europe **SEGURADORAS UNIDAS** to enhance our strategic positioning in Portugal **CATTOLICA** to strengthen our leadership position in Italy and Europe and to accelerate business diversification in favor of the Non-Life segment **AXA INSURANCE S.A.** to strengthen our leadership position in Greece. Extended its distribution agreement in place with ALPHA BANK, a partnership that is in line with the ambition to enhance the bancassurance channel in order to boost P&C sales in Greece **AXA AFFIN GENERAL INSURANCE BERHAD E AXA AFFIN LIFE INSURANCE BERHAD*** to enhance the strategic leadership in the P&C segment in Malaysia and to enter the Life insurance segment aiming at becoming among the main insurers of the country **FUTURE GENERALI INDIA INSURANCE E FUTURE GENERALI INDIA LIFE**** to enhance our presence in India, becoming the first player among international insurers to step-up to a majority stake in both our Indian insurance joint ventures since the new foreign ownership cap came into effect **LA MÉDICALE***** to strengthen health and protection lines and the overall P&C business in France
ENHANCE ASSET MANAGEMENT CAPABILITIES	**LUMYNA** leader company in the development of alternative UCITS (Undertaking for the Collective Investment of Transferable Securities) strategies **SYCOMORE** partnership to enrich the offering with innovative investment solutions, and to strengthen the focus and capabilities on sustainability and responsible investments for customers **KD SKLADI** a Slovenian mutual fund manager **UNION POLAND** a Polish asset management company
INCREASE SERVICE-BASED REVENUES	**ADVANCECARE** a Portuguese service platform operating primarily in the healthcare sector, a leader in the management of medical service outsourcing

* The transactions are subject to the approval of the Malaysian Minister of Finance and the Central Bank of Malaysia, expected in 2022.
** Agreements to become the majority shareholder in our joint ventures in India are subject to the approval of relevant regulators.
*** The agreement was signed in February 2022, following the exclusive negotiation with Crédit Agricole Assurances, announced in November 2021, and the consultation of the dedicated workers' councils. The transaction is expected to close within 2022 and remains subject to the authorisation of the relevant antitrust and regulatory authorities.

CAPITAL MANAGEMENT AND FINANCIAL OPTIMIZATION

INCREASE CAPITAL GENERATION | *ENHANCE CASH REMITTANCE* | *REDUCE DEBT LEVEL AND COST*

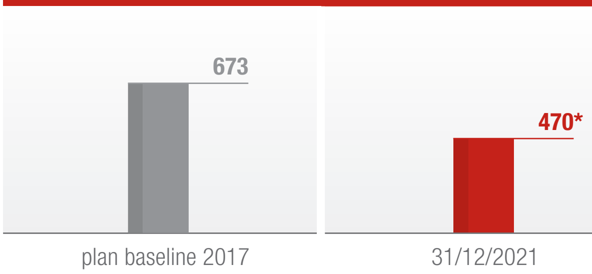
The implementation of our capital management framework is fundamental to achieve our cash and capital targets. The framework provides risk-adjusted and return on equity metrics used as threshold of capital and M&A strategic choices. Our capital planning and monitoring process allowes us to measure cash remittances from the business units, also through a standardised assessment of the free excess capital that leverages our Internal Model and considers local limits and risk tolerance. Effective actions and governance structure allow to optimize cash and capital remittances among the holding and business units.
The Group has a solid capital position at both Group and major business units' level, even under stress scenarios. Our solid solvency is supported by capital management actions and a consistent capital generation, driven by a resilient Life new business and an excellent P&C current year best estimate result measured according to Solvency II criteria.

We are consistent and effective in our cash centralization strategy by extending the participation to newly acquired entities and by enabling new levers to complete the centralized treasury model. This has translated into a greater discipline in cash management across the Group, as reflected in a higher and more stable cash position at Parent Company level.

Thanks to the initiatives undertaken through an active financial debt management approach, we reduced gross interest expense by € 203 million in the period 2017-2021, thus overachieving the target set in the Generali 2021 strategic plan for an amount between € 70 and € 140 million compared to 2017[27].
We reduced the financial debt by € 1.9 billion in the period 2018-2021. This result met the higher end of the financial debt reduction target that was set in the Generali 2021 strategic plan and ranged between € 1.5 and € 2.0 billion compared to the level at the end of 2018[27].

Group's financial position, p. 99

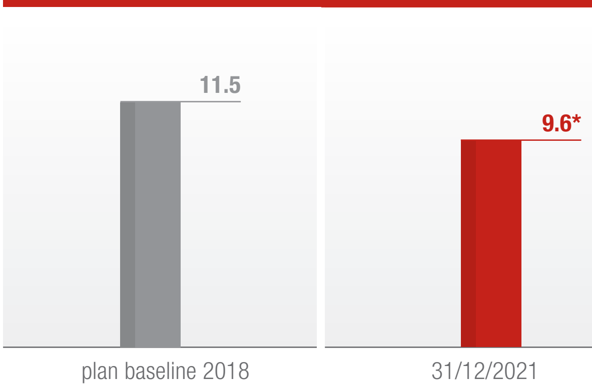
INTEREST EXPENSE REDUCTION - Gross of tax (€ mln)



TARGET (€ 70 - € 140 mln by 2021) OVERACHIEVED

* This amount excluded the gross interest expense on the € 500 million new Tier 2 issue in June 2021 to partially refinance 2022 maturities, and the gross interest expense on Adriatic Slovenica and companies of the Cattolica group subordinated debt. Considering also these gross interest expense, the amount was € 478 million.

FINANCIAL DEBT REDUCTION (€ bln)



TARGET (€ 1.5 - € 2.0 bln by 2021) ACHIEVED**

* The Adriatic Slovenica subordinated debt was not included consistently with the Investor Day 2018 target definition. The subordinated debt of the companies of the Cattolica group and that of the € 500 million new Tier 2 issue in June 2021 to partially refinance 2022 maturities were excluded, too. Considering also these subordinated debts, the amount was € 10.7 billion.

** The € 1.9 billion reduction was made up of € 1.75 billion of nominal amount of bonds reimbursed and additional around € 150 million debt reduction related to FX hedges on GBP debt reimbursed.

27. The year is considered as the baseline for this indicator.

We took a proactive approach aimed at rebalancing the debt maturity profile while optimizing our Solvency II position, in terms of capital quality. Our proactive financial debt management strategy was implemented through 4 key steps.

JANUARY 2019

We announced the redemption of € 750 million subordinated debt. We replaced it with an issue of only € 500 million subordinated debt, thus reducing our external financial debt by € 250 million.

SEPTEMBER 2019

We launched the first liability management transaction, followed by a second one in July 2020, in order to smoothen the 2022 maturity peak resulting in a more balanced debt profile. The first transaction led to € 250 million deleveraging while the second one was neutral in terms of outstanding debt, but it contributed to further reduce the refinancing risk.

JANUARY 2020

There was the redemption of € 1.25 billion senior debt with internal resources.

JUNE 2021

We issued a new ten-year Tier 2 subordinated debt to partially refinance 2022 maturities.

The maturity profile was significantly reshaped due to these transactions, thus avoiding peaks in specific years and with a longer average duration.

NFS

Through the issuance of two Green Bonds and a Sustainability Bond, we confirmed our focus and innovation on sustainability, that is part of our business model, as well as our commitment towards the achievement of environmental and sustainability targets.
The first green bond issuance by the Group, that also represented the first issuance by a European insurance company, was a Tier 2 green bond of € 750 million maturing in 2030; it attracted investors with order in excess of 3.6 times the offer. The second issuance, a Tier 2 green bond of € 600 million maturing in 2031, was highly appreciated by investors, too: it attracted an orderbook of more than 7 times the offer.
In June 2021, we issued our first sustainability Tier 2 bond of € 500 million maturing in 2032, which attracted an orderbook of € 2.2 billion during the placement phase.
All the aforementioned bonds were allocated for a significant amount to investors dedicated to the green and sustainable bond market or to highly diversified institutional investors willing to implement green and sustainable investment plans.

We illustrated the allocation of proceeds from the first and second issuance and presented an overview on the related impacts in the Group's Green Bond Reports, published in November 2020 and September 2021, respectively. The content of both documents is in line with the Green Bond Framework and the Sustainability Bond Framework, respectively. The Sustainability Bond Framework extends the criteria for allocating proceeds to social categories.
The allocation of proceeds from the third issuance will be described in the Sustainability Bond Report, which will be published in 2022, and will follow what is defined in the Sustainability Bond Framework.

NFS

Sustainability Bond Framework

In June 2021, Generali published its Sustainability Bond Framework, which represents an extension of the Green Bond Framework and therefore defines a new outline for the issuance of future Green Bonds, Social Bonds and Sustainability Bonds.

01 USE OF PROCEEDS AND FUNDS

- Green buildings
- Renewable energy
- Energy efficiency
- Clean transportation
- Sustainable water management
- Recycling, re-use and waste management
- Access to essential services/ social infrastructure
- Affordable housing
- SME financing, socioeconomic advancement and employment generation
- Response to health and natural disaster crises

02 PROJECT EVALUATION AND SELECTION

- Analysis of the green eligibility
- Confirmation of eligibility and allocation decision by a new dedicated Committee, named Sustainability Bond Committee

03 MANAGING OF PROCEEDS AND FUNDS

- Allocation according to the equivalence principle
- Maximum 2-year look back period
- Full allocation within 1-year on a best effort basis

04 REPORTING

- Allocation report, including amounts per category and, if any, unallocated amounts
- Impact report on a best effort basis subject to data availability
- Annually until full allocation

FRAMEWORK

- » Extension of financing activities.
- » Fully consistent with our Group sustainability strategy.
- » Second Party Opinion issued by Sustainalytics[28].

In line with the structure of the Green Bond Framework, the Sustainability Bond Framework was designed following 3 key principles:
- simplicity: written clearly and unambiguously, it aims to be understood by both market professionals and the common reader of financial reports;
- transparency: based as much as possible on independent evaluation criteria, it reduces the margin of subjective judgement of the Group regarding the selection and inclusion of the pool of eligible assets;
- consistency: in line with the Group's investment and sustainability strategy, including green and social categories and selection criteria.

www.generali.com/investors/debt-ratings/green-bond-framework to learn more about the Green Bond Reports and the Sustainability Bond Framework

In capital management, we integrated sustainability principles in the implementation of alternative solutions for risk transfer, thus further underlining our commitment in promoting green finance solutions.
In June 2021, we entered into a multi-year reinsurance agreement fully collateralized by highly rated assets with Lion III Re DAC, an Irish special purpose company not consolidated by Generali, providing cover to a part of the Group potential catastrophic losses from windstorms in Europe and earthquakes in Italy over a four year period.
Lion III Re DAC, in turn, issued a single tranche of notes in an amount of € 200 million to fund its obligations under the reinsurance agreement, and the notes were placed with capital markets investors in a Rule 144A offering.
The demand from capital market investors allowed the protection to be provided us at a premium of 3.50% per annum on the € 200 million cover under the reinsurance agreement, which Lion III Re DAC will in turn pay to investors as a component of the interest paid on the notes. All or a portion of the interest amount and the principal payable in respect of the notes will be reduced in case of losses sustained by the Group due to windstorms in Europe or earthquakes in Italy, exceeding a predefined threshold for each peril.

28. Sustainalytics, an ESG firm, assessed the compliance of our Sustainability Bond Framework with Sustainability Bond Guidelines 2021, Green Bond Principles 2021 and Social Bond Principles 2021, issued by the International Capital Market Association (ICMA).

Lion III Re DAC transaction is the first catastrophe bond embedding innovative green features in accordance with our Green Insurance Linked Securities (ILS) Framework:

- Generali's freed-up capital resulting from this transaction will be allocated to green projects;
- the collateral will be invested into highly rated green notes issued by the European Bank for Reconstruction and Development (EBRD);
- in 2022, investors will be provided with a dedicated reporting of the allocation of freed-up capital in eligible projects as well as with a EBRD reporting on its green projects portfolio. In addition, the primary service providers engaged have already shown commitment to a sustainability framework in their business activities.

Green Insurance Linked Securities

The Green Insurance Linked Securities (ILS) Framework, Generali published in February 2020, aims at defining a scheme for structuring alternative mechanisms for the transfer of insurance risk to institutional investors. The value of these instruments depends mainly on the probability that the insured events will occur, and the related return is uncorrelated with the financial market. Green ILS are characterised by the investment of collateral in assets with a positive environmental impact, and by the allocation of the transferred solvency capital to sustainable initiatives - like investments in green assets and support to the underwriting of green policies - according to predefined selection and exclusion criteria.

www.generali.com/our-responsibilities/our-commitment-to-the-environment-and-climate/green-financial-management

NFS

INNOVATION AND DIGITAL TRANSFORMATION

BECOME LIFETIME PARTNER TO CUSTOMERS | *ENABLE DIGITAL TRANSFORMATION OF DISTRIBUTION* | *TRANSFORM AND DIGITALIZE OPERATING MODEL*

Our ambition is to become a truly innovation-led, digitally-enabled, data-driven and agile organization to our people, our agents and our customers. Our goals are:

- to become Lifetime Partner to our customers;
- to support the digital transformation of the distribution network;
- to transform our operating model with a view of greater digitalization.

The Generali Digital Strategy is the engine that powers and accelerates our journey towards becoming a true Lifetime Partner. It relies on five Digital Enablers, that trace the route to achieve our ambition and lie at the core of our efforts to transform and digitalise our operating model throughout our digital journey.

INNOVATION	INSPIRE AND EQUIP TO EXPLOIT NEW BUSINESS OPPORTUNITIES AND TECHNOLOGY
CUSTOMER RELATIONSHIP MANAGEMENT	TRANSFORM CUSTOMER JOURNEYS, EXPAND CUSTOMER KNOWLEDGE, AND IMPROVE TOUCHPOINTS, TRANSPARENCY AND INTERACTIONS
SMART AUTOMATION	ACCELERATE PROCESS AUTOMATION THANKS TO RE-ENGINEERING AND THE ADOPTION OF NEW TECHNOLOGIES
DATA, ANALYTICS & AI	GUIDE BUSINESS DECISION-MAKING AND ENHANCE COMPETITIVE ADVANTAGE THROUGH DATA, ANALYTICS AND ARTIFICIAL INTELLIGENCE
AGILE ORGANIZATION[29]	BECOME A LEAN, FLEXIBLE AND FOCUSED ORGANISATION ON MOVING FASTER

We continued in 2021 along the path started in the last years, developing further projects aimed at increasing the level of innovation and digitalization of the Group.

The Center of Excellence (CoE) on Smart Automation, an entity focused on boosting our digital strategy and providing centralised services, leverages the cutting-edge experience of several companies, a specific Community of Practice and a global team comprised by experts from various functional areas, who work together to define the priorities, identify the most relevant processes and highlight local success stories, sharing experiences and promoting strategic initiatives in different geographical areas.

The Center of Excellence (CoE) on Customer Relationship Management (CRM) provides support to all business units globally in 5 fundamental areas: implementing global or multi-divisional CRM projects, enhancing CRM skills in various areas, intensifying business alignment and that of IT organisations, reducing risk and increasing the quality of the release lifecycle and guiding the implementation of processes by sharing know-how, resources and tools.

The Innovation Fund is a fund created to provide economic and methodological support to the most innovative ideas. In 2021, the fund was structured as follows:

- Early-Stage Engine to experiment promising ideas;
- Acceleration Engine to finance highly innovative projects across all business units.

In its new configuration, the Innovation Fund financed over 100 new projects, some of which are contributing to a significant improvement in the level of innovation of the activities of numerous Group units, in all business lines.

29. *Agile Organization* is intended not only as methodology of project implementation, but in its broadest sense of defining a complete digital path - a 360° experience - for our employees, an aspect increasingly relevant in these days.

To achieve our strategic digital targets, also the analysis, enhancement and governance of data are increasingly rooted in the DNA of the Group's processes. At the end of 2019 we launched a program to accelerate the adoption of Advanced Analysis and Artificial Intelligence (AA&AI) techniques throughout the whole Group. This led to the development of over 200 initiatives, followed by a growing number of dedicated resources, which affect all the aspects of the insurance value chain with the aim to produce economic benefits both in terms of value generation and cost reduction: from effective and efficient management of claims also thanks to artificial intelligence applied to image analysis, to customised solutions, from fraud prevention to processes automation, with a view to enhance the experience of our customers, distributors and employees.

The formulations and analyses necessary to enrich customer relations are carried out - while guaranteeing anonymity - both by the single business units on their own and with the Group's support through specific tools and skill sets.
The processes are constantly optimized thanks to a growing adoption of Smart Automation, which reduce the time required for operations and maximize the impact on the business with a convergent approach, collaboration and innovation, and lead to significant improvements in the company's operations and also the user's experience.
Our commitment is now aimed at extending the success stories achieved in the digital and technological field by some of our companies to the entire Group, thus achieving economies of scale: teams of experts and dedicated centers of excellence guide this process and also rely on the strength of internal sharing consisting of the numerous Communities of Practice and Experts, which catalyze the interests of sector and business experts, making the sharing and orchestration of investments effective.

We want to be an Agile Organization - lean, flexible and empowered to move faster. Our new way of working aims at identifying and adopting methodologies and tools to accelerate the achievement of challenging Group targets. This is why we are accelerating convergence towards Agile standards and methodology as well as towards the technological tools required by the DevOps approach (a combination of software development and IT operations). Employees represent a key stakeholder of our Digital Strategy, therefore the digitalisation of their journey shows we care and reflects our commitment towards simplifying their daily activities, modernizing company processes and increasing their engagement.

In line with the 2019-2021 strategic plan, in order to accelerate our business transformation, in 2021 we invested about € 400 million in strategic initiatives, mainly addressed to operating transformation.

INVESTMENTS IN INTERNAL STRATEGIC INITIATIVES (2019-2021)

€ 1,224 mln

TARGET (€ 1 bln by 2021) OVERACHIEVED

As for the European insurance business, the initial target of € 200 million in expense reduction, that was achieved already at year-end 2020 thanks to disciplined execution of savings and transformation initiatives, was increased to € 300 million. Throught new ways of working and external services optimization, we got additional savings, enabling us to reach the target at year-end 2021.

NFS

Become Lifetime Partner to customers

Our journey to achieve Generali 2021 continues. Every day, we work to bring our Group closer to our ambition of becoming a Lifetime Partner to our customers, thus fulfilling our purpose, i.e. to enable people to shape a safer future by caring for their lives and dreams.
We have a clear vision of what Generali will be and how to reach it, by changing our way of doing business through a cultural and operational transformation with eight Hallmarks and ourselves as a reference.

OUR CUSTOMERS[30]

67 mln +1.6%

HUMAN & CARING EXPERIENCE

Our mission is to offer our customers a Human and Caring experience every time they interact with us. In 2021 we continued with the implementation of key initiatives such as the Welcome Call, the immediate resolution of requests, update notifications and Empathy training. Furthermore, to create more proximity with our customers, we have defined and implemented a holistic contact strategy, leveraging all channels. The contact actions were particularly important and appreciated by customers during the Covid-19 emergency.

B1 LANGUAGE

The commitment is to write all our documents in clear, transparent and understandable language (B1 level, understood by 95% of the population). We have trained and certified people from all functions involved in drafting documents in all countries and we have a documentation rewrite plan addressed to customers. To date, more than half of the documents have been written in B1 language.

DIFFERENTIATING VALUE PROPOSITIONS

Our goal is to offer customized solutions that help customers every day of their life thanks to solutions enriched by a combination of value-added services such as prevention, protection, assistance.
In 2021, we mapped all existing services in the Group. We conducted a research across 13 markets identifying which services are most important to customers. We have also implemented an innovative program in 10 markets to develop new services based on customer needs. We have embarked on a path of transformation by developing global guidelines to develop customer-oriented solutions, ensuring collaboration between the various functions starting from customer needs.

SEAMLESS OMNICHANNEL EXPERIENCE

The focus of the activity was concentrated in 2021 on enriching the digital experience, starting from customers' feedback. In this way, new functionalities have been identified and, partially already developed. These functionalities provide customers with more information, making them more autonomous and aware, therefore increasing their satisfaction. Work has also begun to extend digital services to the so-called conversational channels (WhatsApp, Messenger, etc.) in order to create an increasingly integrated and coherent ecosystem that allows the user to choose in total freedom and according to his preferences the channel thorugh which to interact with us.

30. The number of customers refers to all insurance entities, banks and pension funds (line-by-line consolidated entities, few insurance entities in Asia measured with the equity method where Generali has relevant shareholdings, and relevant direct B2C - Business to Consumer - business of Europ Assistance in some countries.

Enable digital transformation of distribution

OUR AGENTS[31]

173 thousand	+4.5%

Hallmarks to transform our agents in Lifetime Partners

DIGITAL VISIBILITY

87%[32] of consumers start their search online when they seek product or service information. That is why our first hallmark aspires to ensure all our agents have the necessary tools and know-how to support a strong and professional online presence, including social media.

Today our markets have an array of tech-enablers at their disposal ranging from a content sharing platform, to video creation platform, to a presence management solution. Our agents can easily share relevant health and lifestyle content with their customers and our customers can continue to converse with our agents using social.

A core ingredient to our success has been our Digital Sales Champions, who accelerated the Digital Visibility Hallmark in each market by providing tailored social media training and enabling our agents to continue to be Lifetime Partners to our clients.

MANAGEMENT OF GENERATED LEADS

In 2021, our global guidelines to push the digitalisation of the customer experience and facilitate the sale of Generali products were consolidated and implemented in 7 pilot markets, leading to both an increase in the effectiveness and efficiency of marketing campaigns.

To further accelerate this transformation, a global monitoring dashboard with key performance indicators was created and it is now active across all markets.

The commercial focus on digital channels remained high both through the activation of advertising campaigns aimed at collecting contacts from potential customers and the sending of automatic e-mails to facilitate appointments with agents.

NEEDS'-BASED ADVISORY

Our 173 thousand agents are the human faces of our company, they serve, advise and tailor solutions to our customers with passion and dedication. 81%[33] of customers are seeking professional advise on insurance, risks & finance and they want it to be personalized to their specific needs also covering prevention, protection and assistance.

The goal of our distributors is to become Lifetime Partners to our customers leveraging on a needs'-analysis process together with a 360° view of customer data to advise customers and find the best solutions for changing needs and lifestyles. Products and services will be modular and will allow for a high level of personalization. Our agents and sales managers will benefit from behavioral training, digital tools, advisory incentives and agent contact strategy to nurture long-term meaningful relationships.

PAPERLESS

We want to be a sustainable Group. We want to be efficient. We want to increase productivity. Part of this means providing an increasingly remote digital experience in order to reduce the use of paper documents as well as eliminate operational complexity and waste (e.g. printing, filing, missing data and travels).

99% of our agents already have the necessary tools (e.g. e-signature, e-payment, video & co-browsing) and know-how to sell remote digital policies.

31. The number of customers refers to all insurance entities, banks and pension funds (line-by-line consolidated entities, few insurance entities in Asia measured with the equity method where Generali has relevant shareholdings, and relevant direct B2C - Business to Consumer - business of Europ Assistance in some countries.
32. Source: Salesforce and Publicis.Sapient research.
33. Source: Epiphany, RNPS research.

NFS

Transform and digitalize operating model

The digital transformation of the operational model is systemic.

In Generali, it passes through the revision and radical reappraisal of processes, informatic systems, procedures and roles of the entire Group structure.
We are redesigning the processes using the design thinking methodology, including both experts of the sector and those directly involved and leveraging the new automation technologies. We are developing Artificial Intelligence technology-based tools; we are introducing new tools to manage customer relations in mobility or, whenever possible, digitally, and we are creating innovative products based on data generated by Internet of Things sensors.
We also believe that it is necessary to adapt and expand knowledge and skills of our people. The GPeople 2021 strategy is planning a specific training programme for reskilling and upskilling involving most of our employees through online learning tools and high-level training courses enabling to acquire and develop unique digital skills in the industrial landscape, so that they can perform activities with more effective tools while relying on information and records generated by advanced analysis and intelligent process automation systems.

Our people, p. 51

Digital transformation also has a significant external impact, first and foremost on the offer to our customers and in the experience of our agents.
We undertake to create and consolidate digital access points able to guarantee the use of information and services coupled with a rich, simple and quick experience using many digital channels.
We are also continuing down our technology observation and testing journey to support the digitalisation of the operating model and ecosystem in which we operate. New platforms, automation tools, automatic image analysis tools and biometric technologies are allowing processes, even those that are highly complex, involving the Group's customers, partners and companies to be transformed.

NFS

THREE ENABLERS DRIVING THE GENERALI STRATEGY

01 OUR PEOPLE

People in the Group work every day to deliver the ambition to become a Lifetime Partner to our customers.

OUR PEOPLE		WOMEN		MEN	
74,621	+2.7%	51.4%	+0.4 p.p.	48.6%	-0.4 p.p.

The increase in the numeber of our people was mainly due to the acquisition of the companies of the Cattolica group.

In 2018 we developed the Generali People Strategy, GPeople 2021, that is focused on five priorities:

01	Foster a customer-centric, inclusive and open **culture**
02	Build and evolve key **skills** for the digital age
03	Grow global and diverse **leaders** and talents
04	Reward **excellence** and sustainable value creation
05	Become a simple, agile and efficient **organization**

Each priority is supported by Group and local initiatives, which are monitored based on defined targets.
Such priorities and initiatives have played a key role in preparing the Group to face the Covid-19 outbreak and the following, challenging scenario for our people and communities in 2020 and 2021. Even remotely, GPeople2021 initiatives were delivered and other initiatives, like *MAP2TheNew*, were added to those already planned with the aim of further supporting our people in the new way of working.

The Group has a framework for the assessment and management of operational risks inspired by international best practices and consistent with the requirements of the Solvency II directive. As part of the assessment conducted by the Group companies every year, the risks that could impact areas concerning our people were identified and precisely analysed, and the initiatives implemented with a view to mitigating such risks were evaluated. The areas of analysis regarded the following specific categories:

- employment relationships, with a particular focus on matters relating to key people and business ethics;
- safety at work;
- discrimination, diversity and inclusion;
- new skills and competences for the execution of the Group strategy.

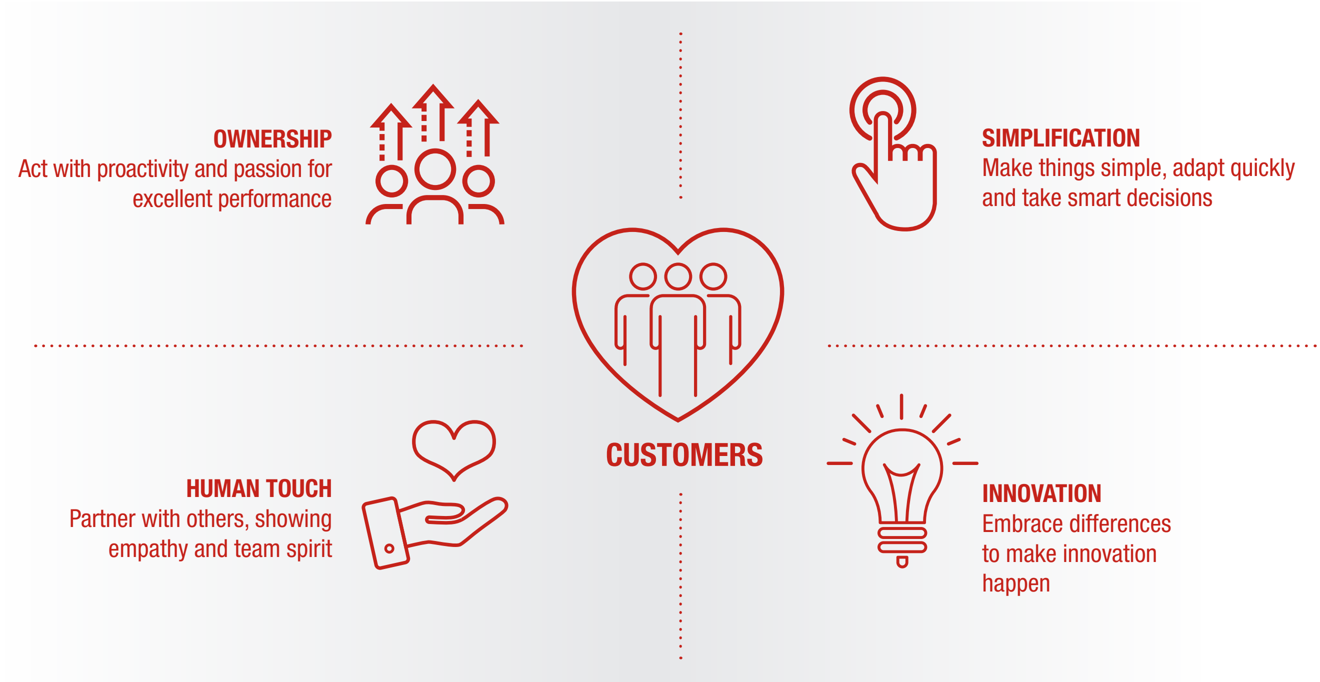
The assessment was confirmed as satisfactory, also in light of the initiatives implemented within the GPeople 2021 and the centrality of our people within the Group strategy.

NFS

01. Foster a customer-centric, inclusive and open culture

LIFETIME PARTNER - BEHAVIOURS

As to promote a culture of innovation and become a Lifetime Partner to our customers, the adoption of four behaviours in everything that we do is still key.



In 2021, we continued to deliver *Behaviours Digital Experience*, an e-learning course aiming at understanding and adopting such behaviours. More than 44,400 employees completed the course. We continued to deliver also the Behaviours in action experience, training more than 44,000 employees. The initiative was converted in virtual, named LTP *Behaviour Webinars*, to cope with the restrictions imposed by the global pandemic, allowing our people to still experience the four behaviours.

MANAGERIAL ACCELERATION PROGRAM (MAP) AND MAP2THENEW

In 2017, we launched the *Managerial Acceleration Program (MAP)*, dedicated to all people managers of the Group. It is based on the eight principles of the Generali Empowerment Manifesto (GEM) and it aims to encourage a people empowerment-based managerial culture. Updated in 2019 to be in line with Generali 2021, it remains the reference point for new hired and new people managers.

In 2021, the pandemic led to an evolution of our way of working, including a different managerial approach that would help to outline a new hybrid working model and ensure that we can get the best out of the physical as well as the virtual environment. With this ambition in mind, *MAP2theNew* was launched, the new managerial training program based on the Generali culture's pillars, i.e. Lifetime Partner Behaviours and Generali Empowerment Manifesto principles. It aims to offer competences to more than 8.000 Group managers to lead their team in a hybrid work environment. The course follows MAP and is spread through all the countries where we operate.

GENERALI GLOBAL ENGAGEMENT SURVEY

As to measure and promote the engagement of our people, in October 2021 we carried out the fourth edition of the *Generali Global Engagement Survey*, a managerial tool for continuous improvement.

RESPONSE RATE[34]

89% **0 p.p. vs 2019**

+62,000 EMPLOYEES

+180 ORGANIZATIONAL ENTITIES

+36,400 OPEN COMMENTS RECEIVED

ENGAGEMENT RATE[34]

83% **+1 p.p. vs 2019** **+1 p.p. vs market benchmark**

TARGET (> market benchmark) OVERACHIEVED

MORE THAN 8 OUT OF 10 FEEL ENGAGED

The engagement score is based on the average percentage of favourable responses collected, based on the following questions:

I strongly believe in the goals and objectives of my Company	81% FAVOURABLE RESPONSES
I am proud to work for the Generali Group	87% FAVOURABLE RESPONSES
I am willing to work beyond what is required to help my Company succeed	86% FAVOURABLE RESPONSES
I fully support the Values for which the Generali Group stands	88% FAVOURABLE RESPONSES
I would recommend the Generali Group as a place to work	85% FAVOURABLE RESPONSES
My Company inspires me to do my best work	73% FAVOURABLE RESPONSES

We want to accelerate towards excellence, leveraging our strengths and acting quickly upon our main opportunities for improvement. Three global priorities were identified on the basis of the results achieved:

1. equip our people and managers to lead the way for smart habits and well-being for the Next Normal;
2. ensure a diverse, equitable and inclusive workplace;
3. accelerate process simplification and speed of execution.

DIVERSITY & INCLUSION STRATEGY

The Group has further enhanced the promotion of an inclusive environment and organisation culture, which values all diversities. Inclusion is a key factor to create value for employees and customers, particularly in times of social and economic challenges. Our strategy, based on four priorities - gender, generations, culture and inclusion - can rely on global and local plans. Thanks to the Group Diversity and Inclusion Index (D&I Index), in 2021 we continued to monitor progress compared to the Group ambitions that were set.

D&I INDEX[35]

115% **+9 p.p.**

TARGET (100% by 2021) OVERACHIEVED

The improvement in the D&I Index to 115% was thanks to good results confirmed from some key Group projects that are focused on increasing the percentage of female managers and young talents as well as the involvement of employees in upskilling and reskilling programmes. The increase in the number of organizational entities that introduced smart working policies and action plans on disabilities was extremely positive, too.

34. The indicator also includes other than consolidated line-by-line companies. The market benchmark refers to the European HQ Financial Services Norm by Willis Towers Watson.
35. The index refers to companies, that can be also other than consolidated line-by-line, where the priorities forming the index itself are measured. It excludes companies of the Cattolica group.

NFS

GENDER

Aiming at further improving the presence of women in senior leadership positions and in succession plans, we completed the Lioness Acceleration Program, an 18-month journey for female senior managers that was made up of mentoring and coaching activities and insights on leadership issues, by a panel of international experts.
As to enhancing the presence of women in managerial positions, *Elevate Circles* were launched, which consist in small-group coaching programs lasting six months aimed at consolidating the executive presence of our female managers.
These programmes at Group level were complemented by about 100 actions launched at local level, such as women mentoring and STEM women recruitment programmes.
In October 2021, Generali signed the *The Women's Forum CEO Champions Commitments*, confirming our commitment in favor of gender equality.

CULTURE

In order to foster and sustain the Group's transformation, by attracting and including people with different backgrounds and innovative skills, we strengthened our upskilling and reskilling programmes enabling people to enhance business, digital and behavioral skills to continue to grow in the digital age. There are many opportunities to activate international and cross-functional projects also in virtual mode, which has become even more in use especially during the pandemic and allows us to further foster the global mindset needed to embrace diversities.

www.generali.com/work-with-us/Get-to-know-us/diversity-and-inclusion for further information on diversity and inclusion

GENERATIONS

In order to ensure the balance among the different generations in our Group, we focused on identifying and retaining young talents and on engaging senior employees. *Future Owners* is a program launched in 2020 with the aim of identifying and retaining professionals with maximum 6/7 years of experience. In 2021 the programme focused on their development through training, mentoring, networking and international and cross-functional projects, thus ensuring new perspectives, openness and growth. With regard to senior employees, a number of programmes were launched at local level including, for instance, orientation interviews and talent senior programmes.

INCLUSION

With a view to promoting a mindset and behaviors that value differences, in 2021 we added a second module within the *Conscious inclusion rapid learning series*, a program available to all employees on We LEARN aimed at increasing awareness of unconscious bias that affect decision-making processes.
As for disabilities, we continued to set local action plans to concretely promote the inclusion of people with disabilities. *DiverseAbilities*, the first information campaign on disabilities, was also launched, with the aim of raising awareness among all employees about creating a work environment that values people for their strengths, offering all colleagues with disabilities the opportunity to best express their potential.
Significant progress was made in the inclusion of the LGBTQI+ world. In addition to the important outreach work carried out by WeProud, the first LGBTQI+ Employee Resource Group established in 2020, which has almost 900 members, three training modules on this issue were made available on We LEARN.

In order to promote a culture based on gender balance and pay equity, in 2020 specific analyses were also carried out at local level applying a Group common methodology. In 2021, analyses focused on pay equity in terms of gender pay gap for comparable roles (equal pay gap) and on gender balance in terms of gender pay gap across the entire organization, regardless of roles (gender pay gap).

EQUAL PAY GAP[36]

-1.8% **+1.0 p.p.**

GENDER PAY GAP[37]

-14.9% **-1.0 p.p.**

ACCESSIBILITY GAP TO VARIABLE REMUNERATION BETWEEN FEMALES AND MALES[38]

-4.3% **+0.8 p.p.**

The results aggregated at Group level showed that females' median base salary for comparable roles was -1.8% than the males' one (equal pay gap), whereas, in terms of gender pay gap, the evidence for the entire organization was set at -14.9%. In terms of total compensation, the accessibility gap to variable remuneration between females and males was -4.3%.
Based on the results of the analyses, all the countries and business units will continue developing specific mitigation actions at local level, with the aim to structurally reduce the gender pay gap and support our ambition to achieve an equal pay gap towards zero in the next strategic cycle 2022-2024. The mitigation actions include initiative aimed to positively impact on gender balance and pay equity, both at local level and linked to the Group's strategy on diversity and inclusion. Among the others, the following initiatives can be mentioned: the review of hiring processes; female career's acceleration programmes; mentoring and sponsorship programmes; outreach on diversity and unconscious bias.
With the aim to support countries and business units in this journey, a yearly monitoring recurrent process has been introduced in order to assess improvements across the entire organization and impact of the mitigation actions.

Report on remuneration policy and payments for further details

02. Build and evolve key skills for the transformation

The trends of the sector, new technologies and the ambition to become a Lifetime Partner to our customers require the development of new skills. We are equipping our people with the skills to continue to grow and make the difference in the new digital age as well as to support strategic business priorities, adapting to the new context with agility and resilience, thus defining a customized training path, created on the basis of specific individual needs.
In order to define the Group's training strategies and to identify in advance how the roles and skills of the future will evolve, a methodology for detecting training needs, a data infrastructure and an operating model were developed and spread across the Group. On the one hand, they help identify the roles and skills most widely exposed to change (leveraging main trends, market evidence and business priorities) and, on the other one, they help establish and implement the initiatives to bridge the personnel training gap, consistently with the strategy.
The extensive Group's reskilling programme called We LEARN, that was launched in November 2019, equips all employees with the new business, digital and behavioral skills that are needed to keep growing in the digital age, succeed in the future market context and support the Group's strategic priorities.

RESKILLED EMPLOYEES[39]

68% **+ 16 p.p.**

TARGET (50% by 2021) OVERACHIEVED

36. It is the percentage difference between females' and males' median base salary for comparable roles (belonging to the same job family and organizational level). The indicator refers to about 80% of the total of our people, excluding employees belonging to the companies of the Cattolica group.
37. It is the percentage difference between females' and males' median base salary across the entire organization, regardless of the roles. The indicator refers to about 80% of the total of our people, excluding employees belonging to the companies of the Cattolica group.
38. It is the difference in percentage between the accessibility rate to variable remuneration of females and males. The indicator refers to about 80% of the total of our people, excluding employees belonging to the companies of the Cattolica group.
39. The indicator also includes employees in some companies other than consolidated line-by-line; it excludes employees belonging to the companies of the Cattolica group.

The programme includes three training components, the content of which is under continuous evolution:

Foundation courses

Basic training pills for all employees to create awareness on key strategic topics (as part of the new strategic plan, strategic training campaigns will be launched on content relevant to our near future, such as the one on Sustainability, which will disseminate the basic concepts and the most advanced tools to face global environmental challenges, and their economic and social impacts);

New Skills for Evolving Roles

Digital and classroom courses combined with remote coaching and self-learning, that are aimed at spreading new skills relevant to employees in their current role to face the new market challenges (e.g. Customer Service, Data Analytics and hybrid working modes). Employees can also leverage skill assessments - voluntary and non-performance assessments - that are available for specific skills;

New Role Schools

Highly specialized mini-masters, developed in partnership with prestigious external suppliers, that are dedicated to specific Group roles identified over time on the basis of business needs. They aim at creating new professions internally to support strategic objectives in the various business areas where the impact of innovation and digital transformation is growing (e.g. Data Scientist, Actuary of the Future, Smart Automation Expert, etc.).

These training initiatives are born from a strong collaboration between the Group Academy and the Group business units. They also leverage a network of more than 500 internal experts involved to provide content, develop learning objects (e.g. videos and interviews) and lead classes, in addition to collaboration with important external suppliers. More than 90 We LEARN Champions, ambassadors spread across 50 countries and business units, support participation and engagement in the training through activation initiatives and Group learning sessions.

To ensure a common learning experience, the We LEARN platform - successfully realised in more than 40 countries - is based on best of breed cloud technology solutions and aims to deliver Group designed contents to employees enabling full coverage of different training types and emerging technologies (e.g. playlists, communities and external and customized digital training offers). The platform offers automatic content assignment features to simplify learning managers' daily activities and advanced reporting tools to easily monitor real time targets achievements. We LEARN is key to meet the Group's reskilling ambition, but it is also a strategic asset opened to address country-specific training needs.
In addition to the platform, the We LEARN Mobile App was launched, a flexible, customizable and easy-to-use application that allows employees to deliver contents at any time and in any place. The App is available in multiple languages and allows to download courses and complete them offline and to interrupt the training and then resume it from the exact point of interruption on any platform (desktop and mobile).

In the current context, training on digital and transformation skills is even more strategic and a priority for the Group; for this reason, the training effort through We LEARN was accelerated and the scope of employees involved in each course increased.

Considered the overall training available to Group's employees, 100% of them (+0.6 p.p.), excluding those belonging to the companies of the Cattolica group, were involved in at least one training programme.

AVERAGE TRAINING HOURS PER CAPITA

34.2 **+0.2%**

TRAINING INVESTMENT

€ 56.9 mln **-3.2%**

Focus on digital innovation and transformations underway in the current context have led to a deep renewal of the Group's training activities. Training has been focused on digital transformation skills and re-organized, in particular through virtual classes and digital modules, more flexible and leaner than in presence courses. These changes have led to an increase in the number of trained employees.
In 2021, our employees were able to make use of remote training tools even more extensively than in 2020, leveraging the We LEARN platform, virtual classrooms and digital courses already available, developed during 2020.
We are aware of the added value of in presence courses (greater interactions with trainers, socialization among participants, creative moments etc.), our goal is to adopt a hybrid learning approach, which combines digital teaching materials and opportunities for virtual and in presence interaction, which apply the traditional methods typical of in presence courses, to then be able to gradually re-activate - when the pandemic context permits - the delivery of in presence courses, guaranteeing the total safety of the participants.

03. Grow global and diverse leaders and talents

To execute our strategy, we strongly need effective leaders and promising talents, and this is why we are continuously investing in their development. Being a Lifetime Partner leader requires new skills, a strong global mindset, excellent performance and the possibility to nurture and grow the individual potential.
We work with the whole pool of Group talents and senior leaders to support them in driving people and organizations to success with the following initiatives:

GLG WEBINAR SERIES - *Lead.Care.Empower - GLGs in the Next Normal*, Group Leadership Training focused on leadership skills needed to drive teams and organization in the new, hybrid scenario and to support the delivery of strategic objectives. The programme has been delivered fully virtually and designed in partnership with London Business School, to ensure consistency with the previous editions. 200 leaders have participated, divided in 4 cohorts, following three training modules complemented by individual and group activities, for 12 hours;

GLOBAL MENTORING PROGRAM, 4th edition, fully virtual, of the Global Mentoring Program, that has matched 80 GLG with 80 Group Talent Managers. The program is designed as a yearly journey to develop leadership skills of managers, for 14 hours;

CONNECT&ENGAGE - Global Virtual Event, first even exclusively dedicated to the community of Group Talent Senior Managers. 3 hours together with 250 colleagues with the participation of Group leaders and external speakers with the aim of aligning the senior managers on key strategic topics and drive the cultural transformation required by the Next Normal;

WEBINAR SERIES - *Lead to the Next*, first development program designed for the Group Talent Managers. 18 hours of virtual classroom with renowned speakers, innovative group activities facilitated by international coaches, to deepen managerial challenges and support 200 Group Talent Manager in the transition toward a hybrid work model and to the Next Normal;

FUTURE OWNERS VIRTUAL LEADERSHIP PROGRAM, first development initiative for 265 Future Owners, designed in partnership with INSEAD Business School. 3 modules guided by INSEAD faculty on key topics to support the growth of the leaders of the future, 5 virtual classrooms and an online support through the We LEARN platform, for 16 hours in total;

WeGROW, global initiative launched in April 2021 and designed for Group Talents (more than 750 enrolled in 2021). The aim is to accelerate their growth as future Generali leaders, through diverse professional experiences, empowering them to take ownership of their career development. In order to promote international and cross-functional experiences, Group Talents have access to a platform where they can transparently view and apply to open positions and projects at global level;

SUSTAIN AND GROW, initiative targeted to Future Owners in collaboration with The Human Safety Net. Young talents had the opportunity to participate in 5 sustainability projects, developing key competences outside of their comfort zones, while contributing to support some of the local communities where Generali operates. For 6 months, Future Owners worked in international teams, supported by Groups senior leaders and CEOs.

NFS

04. Reward excellence and sustainable value creation

Our ambition is to foster a meritocratic environment, where the performance of our people is recognised and rewarded. This is possible through our Group Reward Strategy, which encourages alignment with the strategic objectives and the participation of all our people in the value creation process. Therefore, in 2019 we developed and launched We SHARE, the first share plan of its kind for Group employees, with the goal of involving the highest number of people around the world to become Generali shareholders, achieving the participation of 21,430 colleagues, with a participation rate of 35.3%.
Moreover, we launched the We SHARE app, an innovative digital platform dedicated to the colleagues who joined the plan. The app has been designed to keep participants informed throughout the three years of the plan, to provide a dedicated financial education program, updates about Generali world, Generali 2021 strategic initiatives as well as the outcome of the We SHARE donations to The Human Safety Net Foundation (more than €420,000 thanks to donations connected to the plan by participants and Generali) that made possible a financial education project for parents of vulnerable families in collaboration with UNICEF.

05. Become a simple, agile and efficient organization

Within this context, 100% of the Group's organizational entities adopted smart working through dedicated policies. This approach made it possible to test the new way of working, which is increasingly strategic for the future, with broader intensity and yet confirming Generali's ambition to continue investing and committing to smart working.

ORGANIZATIONAL ENTITIES WITH A SMART WORKING POLICY IN PLACE[40]

100%	+17 p.p.

TARGET (100% by 2021) ACHIEVED

We relied on this way of working also to safeguard the health and safety of our people during the emergency context linked to the Covid-19 pandemic. 2021 Generali Global Engagement Survey has confirmed positive answers with reference to remote working (45% of respondents think that the team performance has increased while working remotely and 46% believes it stayed stable) and hybrid working model (9 out of 10 respondents feel ready to work in a hybrid work setting).

Due to the unprecedented emergency situation which did not allow meetings in presence, during 2020 we experimented alternative ways of interaction with the European workers representatives also thanks to the digital communication channels provided by the company which ensured the continuity of the social dialogue even remotely.

Confirming the centrality of people in our strategy, we held 9 meetings in virtual mode with the European Works Council (EWC), the representative body for Group EU employees, at the permanent forum dedicated to social dialogue. Due to the unprecedented emergency situation which did not allow meetings in presence, also during 2021 we continued relying on alternative ways of interaction with the European workers representatives, also thanks to the digital communication channels provided by the company which ensured the continuity of the social dialogue even remotely.
A Joint Declaration was also defined with the EWC to face the emergency caused by the pandemic situation. This Declaration sets out a number of common principles that can inspire the local parties to take actions to protect employees and to cushion the consequences of a crisis such as that caused by Covid-19.

www.generali.com/our-responsibilities/Generali-people-strategy/European_Works_Council for further information

In line with the new strategic plan and in coherence with the new business priorities, in 2021 we have developed a new Generali People Strategy, that will define people priorities and key initiatives in the timeframe 2022-2024.
The new Generali People Strategy has been defined through a co-creation process, involving also virtually hundreds of colleagues around the world, across all Business Units and at different organizational levels.
With the ultimate objective to support the new strategy through the implementation of the Next Normal in Generali, the following priorities have been defined:

- Enhance a Lifetime Partner, sustainable and meritocratic culture;
- Build a more diverse work environment ensuring equal opportunities & inclusion;
- Invest in business & digital skills to drive growth and boost our people impact;
- Enable an effective organization embracing a sustainable hybrid work model rooted in digital..

These priorities will be delivered through dedicated global and local initiatives, together with clear and constantly monitored KPIs, in line with our strategic plan *Lifetime Partner 24*.

40. They are organizational entities where, in accordance with local laws and regulations, it is possible to adopt smart working through the application of a dedicated policy. The indicator also includes other than consolidated line-by-line companies. In 2021, it scoped-out MPI Generali Insurans Berhad (MPI Generali), a Malaysian company. Local management focused on the completion of the acquisition of the remaining share of MPI Generali da Multi-Purpose Capital Holdings Berhad (MPHB Capital), a joint venture partner in Malaysia. The transaction is still subject to approval of the Malaysian Minister of Finance and the Central Bank of Malaysia.

NFS

02 A STRONG BRAND

Building a strong brand is one of the fundamental pillars in the Generali 2021 strategy.

We have continued to strengthen it over time with the aim of becoming the first choice in the Relationship Net Promoter Score (NPS) among our European international peers by 2021.

CHANGE IN RELATIONSHIP NPS[41]

+14.2	vs 1Q2019

TARGET ACHIEVED (by 2021)

We increased our Relationship NPS, by focusing on the following actions:
- reach out to mono-product customers;
- enriching our products with wide range (450+) of services;
- simplifying our documents, rewriting more than 6,000 documents;
- offering digital tools to customers, driving adoption & usage;
- injecting our *human touch* throughout the customer experience;
- enabling our agents to sell remotely;
- Global Brand campaign in 19 countries projecting a confident, likable Generali brand and positively impacting the brand preference, that increased from 8% in 1Q2019 to 10% in 4Q2021.

Innovation and digital transformation, p. 46

For the first time in Generali's 190-year history, we have projected ourselves as a unified and unique global brand. A brand that takes pride in what it stands for: empathy, care and innovation. All brought to life in a campaign with the *Reditude* - with the heart, soul and pulse - to break the norms of the industry.
Thanks to dynamic creative and an innovative marketing mix, the campaign was a resounding success.
In 2021, digital accounted for 45% of total media investments, making Generali the most digitally focused insurer in each of our 19 markets where the campaign ran.
A strategy that led to impressive results. We generated 37.2 million clicks, encouraging more people than ever to visit our website and find out all about us. And we created 2.6 million leads, of which 9.3% were converted into new customers: that's the best conversion rate in our industry. Finally, preference grew globally to 10% in 4Q2021, meaning that more than 1 in 10 people would choose Generali as their preferred insurance provider for the next purchase.

The most important business benefit for us is that we have significantly increased the promoters and reduced the detractors. Promoters bring value and growth to the Group, therefore also for the future our goal is to keep the same dynamic, positive growth trend.

41. The target audience span 21 markets where we operate under the Generali brand in Europe, Asia and Argentina.

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03 A CONTINUOUS COMMITMENT TO SUSTAINABILITY

Our commitment to sustainability is the third fundamental pillar of Generali 2021, and refers to the creation of long-term value for our stakeholders: not only shareholders, investors and customers, but also employees, suppliers, the environment, local communities and society in general.

The identified goals are tied to our core business activities and to our commitment to communities. By the end of 2021 we undertake to:

- increase premiums from environmental and social products by 7-9%;
- allocate € 4.5 billion to new green and sustainable investments.

We continue to execute our Strategy on Climate Change, updated to June 2021, committing ourselves to promote the development of the more sustainable economy, through:

- **Decarbonisation of the investment portfolio**
- **Decarbonisation of the insurance portfolio**
- **reduction of greenhouse gas emissions associated with direct operations**

www.generali.com/our-responsibilities/our-commitment-to-the-environment-and-climate for further information on the measures, described in the technical note, that define the methods to manage the strategy in the Group's fundamental activities

OBJECTIVES AND METRICS TO MITIGATE RISKS	2021 RESULTS
Gradual decarbonization of the investment portfolio to reach climate neutrality by 2050 : • 25% reduction in carbon footprint of listed equities and corporate bonds portfolios against 2019 as baseline by 2024, also through the engagement of 20 carbon-intensive investees in our portfolio; • Alignment of at least 30% real estate portfolio with the global warming trajectory of 1.5°C. Gradual reduction in the exposure of the investment portfolio to the thermal coal sector, in order to reach zero exposure in OECD countries by 2030 and in the rest of the world by 2040.	The carbon footprint of our direct general account investments in listed equities and corporate bonds, in terms of carbon intensity (EVIC), decreased by 11.7% compared to 2020 (-29.6% in 2019-2021 period). This result supports our commitment - that is in line with the commitment of the Net-Zero Asset Owner Alliance - to the achievement of the long-term goal on the decarbonization of the investment portfolio to reach carbon neutrality by 2050. Group's financial positiion, p. 91 We are constantly reducing our residual investments in the coal sector..
Promotion of a just transition of the insurance portfolio to reach climate neutrality by 2050.	In July 2021, the Group took part in the Net-Zero Insurance Alliance, as a founding member together with seven other world-leading (re)insurance companies. The Alliance includes among its objectives the commitment to transition insurance and reinsurance portfolios to net-zero greenhouse gas emissions by 2050.
Exclusion of underwriting risks associated with coal, gas and oil exploration and extraction - conventional and unconventional - as well as those associated with the construction of new coal-fired power plants, the coverage for existing coal-fired power plants of new customers and for the construction of new coal mines. Gradual reduction in the exposure to the thermal coal sector, in order to reach zero exposure in OECD countries by 2030 and in the rest of the world by 2038.	**INSURANCE EXPOSURE TO FOSSIL FUEL SECTOR[42]** **< 0,1% of P&C premiums** Our exposure to fossil fuel sector continued to decrease. There were no new customers and no coverage for the construction of new coal mines or coal-fired power plants.
Engagement for a just transition of the four companies of the coal sector operating in heavily coal-dependent countries, where the Generali Group has a primary presence as an investor and/or insurer. When engagement activities started in 2018, there were eight companies involved. Since then, missing or inadequate credible transition plans have led Generali to break up with some of these companies, in line with the Group Strategy on Climate Change. Engagement activities are therefore focusing only on counterparts with whom a constructive and constant dialogue is underway, projected to implement concrete decarbonization plans.	In 2021, we further reduced our exposure to the coal sector. As for underwriting, the exposure is therefore to three customers. Total exposure is confirmed to four companies, if the investment portfolio exposure is considered. Within the activities carried out in the last year, we observed credible transition plans implemented and announced publicly or during meetings with us. In some cases, the acceleration of these plans is a direct consequence of Generali's commitment to stakeholder engagement.

42. The indicator refers to direct premiums from property and engineering (including marine) coverage for coal activities related to companies of the coal sector and/or from the underwriting of risks related to oil and gas exploration/extraction if not marginal compared to the customer's main activity.

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OBJECTIVES AND METRICS TO REDUCE THE IMPACT OF OUR DIRECT OPERATIONS

2021 RESULTS

Continuous monitoring of the main GHG emissions from the Group employees' operations.

TOTAL GHG EMISSIONS[43] (Scope 1, Scope 2 and Scope 3)

59,260 tCO_2e | **-32.9% vs base year 2019**

In line with the best practice from the Science Based Target Initiative, we are committed to the reduction in the GHG emissions related to offices, data centres and company car fleet by at least 25% against 2019[44] as baseline by 2025.

TOTAL GHG EMISSIONS[43] (Scope 1 and Scope 2) included in the reduction targets

33,964 tCO_2e | **-21.0% vs base year 2019**

Sharp reduction as a result of the so-called Next Normal that led to space optimization, energy efficiency interventions, a further increase in renewable energy purchased, a reduction in business trips thanks to the implementation of new digital tools.

Purchase of 100% renewable energy, wherever possible.

RENEWABLE ENERGY PURCHASED[45]

91.5% | **+2.1 p.p. vs base year 2019**

OBJECTIVES AND METRICS TO SEIZE OPPORTUNITIES

2021 RESULTS

€ 4.5 bln in new green and sustainable investments (2018-2021).

TARGET (€ 4.5 mld) OVERACHIEVED

in 2020, a year in advance, with an amount of € 5,973 million

Group's financial position, p. 91

€ 8.5 - € 9.5 billion in new green and sustainable investments (2021-2025)[46].

NEW GREEN AND SUSTAINABLE INVESTMENTS (2021-2025)

€ 2,537 mln

Increase in premiums from environmental products.

PREMIUMS FROM ENVIRONMENTAL PRODUCTS

€ 1,750 mln | **+12.4%**

Group's performance, p. 82

Sustainable finance.

Placement of the first Sustainability Bond, to finance/refinance Eligible Sustainability Projects, mainly in the green sector.

Issuance of the first catastrophe bond embedding innovative green features.

Capital management and financial optimization p. 42

43. GHG emissions are calculated according to GHG Protocol - Corporate Accounting and Reporting Standard (market-based method). They are from operating activities by the employees working in offices managed by the Group in Italy, Germany, France, Czech Republic, Austria, Spain, Switzerland, Argentina, Poland, Hungary, Serbia and Slovakia, and equal to 52.7% of the total of our people, excluding employees belonging to the companies of the Cattolica group. The scope includes five new countries compared to 2020. The calculation includes CO_2, CH_4 and N_2O for combustion processes and all climate-altering gases reported in the IPCC AR4 for other emissions (long-lived greenhouse gases - LLGHGs). Total emissions are calculated according to the location-based method; their trend is available at generali.com.
44. The objective refers to the emissions of Scope 1 and Scope 2 calculated according to the market-based method.
45. The scope for renewable energy purchased is equal to that for GHG emissions.
46. New investments refer to the difference between new purchases, sales and maturities of securities in the portfolio.

In 2021, we carried on the strategic initiatives launched as part of Generali 2021, which fully integrated sustainability into our value creation process.

Responsible consumer

Generali is drawing up a distinctive offer dedicated to responsible consumers who want to have a positive impact on the environment and society. The offer consists of environmental and social products and sustainable investment solutions.
In 2021 we identified the macro areas in which the *ecosystem of the responsible consumer* is outlined, that is the aspects on which it is necessary to focus the integration of sustainability aspects, in order to ensure an offer fully in line with the expectations of customers: from product creation to sale, with particular attention to the relationship with agents and distributors, in line with our ambition to be a Life and Digital Transformation Partner.
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FOCUSING ON CUSTOMER NEEDS

In 2021, we paid particular attention to the survey on consumer preferences as regards sustainability, and in March the Product Oversight and Governance Group Policy was updated. The latter regulates the analysis of customer ESG preferences during the Target Market stage of insurance products, as well as evaluating whether said preferences have been adequately considered during the Product Testing stage.

INVESTMENT PRODUCTS AND SOLUTIONS

The range of social and environmental insurance products and insurance investment products, which seek to create value through a positive impact on the environment and society, continued to grow in 2021.
An example of this is *Valore Sostenibile*, the investment solution launched by Alleanza Assicurazioni that allows investment in funds selected according to ESG criteria, in line with the Sustainable Development Goals of the United Nations. The sustainable investment solutions launched in 2019 by Banca Generali and Generali Italia, also related to the Sustainable Development Goals, continue to attract a great deal of interest.

PACKAGING AND CUSTOMER EXPERIENCE — GO TO MARKET — AGENTS AND DISTRIBUTORS

The integration of sustainability aspects is extremely important in the Go-to-Market stage of the product. Indeed, this has numerous implications in terms of customer experience and interaction with agents and distributors. One example is represented by the distinctive paradigm of the *differentiating value proposition*, the purpose of which is to offer personalised solutions, enhanced by added-value services, starting from the customers' needs, as well as consumer preferences in terms of sustainability issues. In this regard, the process of digital transformation, which enables increased interaction with agents and distributors, improves the customer experience by ensuring that all of the customer's needs are taken into consideration.
Also, the commitment to draw up all documents for the customer in clear and transparent language (B1 level), as well as the reduction of paper documents, fully meets the objective to integrate sustainability in the Go-to-Market stage.

Innovation and digital transformation, p. 46
Group's performance, p. 82
Group's financial position, p. 91

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SME EnterPRIZE

Launched in 2019, the aim of the project is to support European Small and Medium Enterprises (SMEs) in their transition to a sustainable business model in three main areas: environment, welfare schemes and a positive impact on the community in which the enterprise operates.

The first step towards achieving this objective was that of raising visibility at international level of the most successful stories of sustainability integration in the business models of European SMEs, identified in the seven countries involved in the project[47], by setting up a dedicated event. The event was held at the end of September in Brussels, attended by representatives of the European Commission and Parliament, thus stimulating discussion on SMEs and sustainability.

This project represents Generali's true intent to promote the debate not only on the key role of sustainability in supporting the real economy, but also the need to involve SMEs in the process of sustainable transition in Europe. SMEs actually represent 99%[48] of European businesses: encouraging their sustainable transformation means helping Europe to create a greener, more inclusive and more resilient economy, also in light of the new importance that the project had assumed over the course of 2020, following the huge impact caused by the Covid-19 emergency.

The event in Brussels contributed to promoting key elements of SME EnterPRIZE in 2021:

Sustainability Heroes

These are seven European SMEs belonging to different economic sectors[49], who have most successfully integrated sustainability into their business models, in the three categories envisaged by the project. They were selected by an international Scientific Committee[50] starting from a set of SMEs identified locally in the seven European countries involved. The presentation of these enterprises at the event in Brussels encouraged the spread of good business practices, as well as being a source of inspiration for other European entrepreneurs involved in the sustainable transition.

White Paper

Generali sponsored research conducted by SDA Bocconi (Milan) into the main barriers hindering the sustainable transition of SMEs and the relative tools that public and private sector and institutions can set in place to overcome them. The results were presented at the event.

Participation of institutions

Involvement of members of the European Parliament and Commission and representatives of the academic world and the private sector in the project, helping to promote the need to join forces to support the sustainable transition of European SMEs is an important milestone for us. The success of this edition confirms our intention to continue in this direction in the next strategic cycle.

www.sme-enterprize.com for further information

www.sme-enterprize.com/white-paper to consult the document

The Human Safety Net

It is Generali's global flagship initiative for the community, catalysing the majority of the Group's social activities since 2017. It is deeply connected to our *purpose* extending it, beyond our customers, towards the most vulnerable communities.

The Human Safety Net is a fundamental component of Generali's commitment to sustainability and to the achievement of the Sustainable Development Goals.

As to reach more people and achieve a greater impact, The Human Safety Net mobilizes the network of employees and agents, activating their skills, financial and technical resources towards common objectives.

The Human Safety Net programmes support families with young children (0-6 years old) and contribute to the integration of refugees through entrepreneurship or employment. They share the mission of unlocking the human potential of people living in vulnerable circumstances, so that they can transform the lives of their families and communities. The Human Safety Net brings together the strengths of non-profit organizations and the private sector, in Europe, Asia and South America. In compliance with internal guidelines, every country and legal entity of the Group can activate one or more of these programmes by carefully selecting a partner and performing a complete due diligence. All activities and impacts achieved are monitored through a shared measurement framework that tracks collective results and triggers learnings from one another, based on the Business for Societal Impact (B4SI) international standards.

47. Austria, France, Germany, Italy, Czech Republic, Spain and Hungary.
48. European Commission Executive Agency for Small and Medium-sized Enterprises (EASME) Annual Report on European SMEs 2018/2019 Research & Development and Innovation by SMEs November 2019 on Eurostat's Structural Business Statistics (SBS) data.
49. Agriculture (3); Services (1); Business Intelligence (1); Textiles (1); Tourism (1).
50. Comprised by 10 members, representatives of European institutions, NGOs, the Academic world and international Press.

Country	For Families	For Refugee Start-Ups
ARGENTINA	■	
AUSTRIA	■	
BULGARIA	■	
CROATIA	■	
FRANCE	■	■
GERMANY	■	■
HONG KONG	■	
HUNGARY	■	
INDIA	■	
INDONESIA	■	
ITALY	■	■
MALAYSIA	■	
PHILIPPINES	■	
POLAND	■	
ROMANIA	■	
SERBIA	■	
SLOVAKIA	■	
SLOVENIA	■	
SPAIN	■	
SWITZERLAND	■	■
THE CZECH REPUBLIC	■	
TURKEY	■	
VIETNAM	■	

ACTIVE COUNTRIES[51]

23 **+4.5%**

ACTIVE PARTNERS

61 **+8.9%**

For Families

We support parents in the first six years of their children's life to lay the strongest possible foundations for their future.

For Refugee Start-Ups

We help refugees flourish as entrepreneurs to integrate them into their host countries.

In 2020, The Human Safety Net launched Scale Up Impact, a multi-year plan that includes a financial and a non-financial component and aims at supporting leading NGOs and social enterprises in the transition to scale nation-wide, by replicating some of its most successful models and working together with the public, private, and social sector. In 2021, financial and non-financial contributions were awarded under the Scale Up Impact plan in Vietnam (For Families - partner UNICEF), Germany (For Refugee Start-Ups - partner Consorzio Tailwind), Austria (For Families - partner Big Brothers Big Sisters) and Croatia (For Families - partner Centar za podršku roditeljstvu "Rastimo Zajedno").

Keeping true to its value of being an open network, The Human Safety Net joined forces with partners like Impresa Sociale Con i Bambini, International Organisation for Migrations (IOM), Cisco, Hogan Lovells and Fondazione Italiana Accenture, to help amplify the impact of our programmes, through financial contributions and pro-bono consulting.

The future home of The Human Safety Net will be in Procuratie Vecchie, in St. Mark's Square, in Venice in a hub that will offer a space allowing innovators, international institutions and the public to collaborate and propose new solutions for social change. The restoration project was completed at the end of 2021, and the opening to the public, after 500 years, is scheduled in spring 2022.

Over the next three years, we aim to further extend the impact and the reach of The Human Safety Net in the communities, as well as increasing the alignment to Generali's core business. We will accelerate the engagement of Generali's employees and agents - starting from the 500 THSN Ambassadors globally activated, involve our customers and keep on joining forces with other organisations that share our approach and vision, with Venice's Procuratie Vecchie acting as a global hub.

www.thehumansafetynet.org/newsroom/all to discover more information on the stories

www.thehumansafetynet.org for further information on the initiative

Our main markets: positioning and performance, p. 103

51. The indicator also includes countries in which we operate through companies other than consolidated line-by-line.

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OUR RULES FOR RUNNING BUSINESS WITH INTEGRITY

We run our business in compliance with the law, internal regulations and codes, and professional ethics. We are continuously monitoring the developments of the national and international regulatory system, also by talking with legislators and the institutions, in order to assess both new business opportunities and our exposure to the risk of non-compliance and to take prompt measures to adequately manage it. We have a governance, management and reporting system that guarantees compliance with the principles of sustainability and their actual integration in everyday decisions.

Our sustainability model is based on the Charter of Sustainability Commitments, approved by the Board of Directors of Assicurazioni Generali, which is broken down into three pillars:

1. do business in a sustainable manner, focusing on excellence in the corporate processes;
2. experience the community by playing an active role where the Group operates and going beyond everyday activities;
3. adopt governance and rules that are appropriate for running business with integrity. A Sustainability Committee was established at top management level, together with work groups integrated with the Head Office business functions and the Group's business units.

We have also a collection of Group public policies, guidelines and strategies which support our operations in a sustainable and responsible manner, such as:

CODE OF CONDUCT

It defines the basic behavioural principles which all the personnel of the Group are required to comply with. These principles are outlined in a specific internal regulation that refer, for example, to the promotion of diversity and inclusion as well as the management of conflicts of interest, personal data protection and corruption prevention.

ETHICAL CODE FOR SUPPLIERS

It highlights the general principles for the correct and profitable management of relations with contractual partners.

POLICY FOR THE MANAGEMENT OF ENGAGEMENT WITH ALL INVESTORS

It regulates engagement other than through the General Meeting between the Board of Directors and investor representatives on issues within the Board's purview, and defines the rules for engagement by identifying interlocutors, discussion topics, timing and channels.

SECURITY GROUP POLICY

It defines the processes and activities suitable for the purpose of guaranteeing the protection of corporate assets.

GROUP SUSTAINABLE POLICY

It outlines the system for identifying, assessing and managing the risks connected with environmental, social and corporate governance (ESG) factors. It particularly defines the rules for:

- identifying, assessing and managing ESG factors that might present risks and opportunities for achieving corporate objectives, including those related to the management of climate and environmental issues;
- identifying, assessing and managing the positive and negative impacts that the decisions and corporate activities might have on the outside environment and on the legitimate interests of the stakeholders.

ACTIVE OWNERSHIP GROUP GUIDELINE - ASSET OWNER

It defines the principles, main activities and responsibilities that guide the Group's role as active owner.

RESPONSIBLE INVESTMENT GROUP GUIDELINE

It codifies the responsible investment activities at Group level.

RESPONSIBLE UNDERWRITING GROUP GUIDELINE

It outlines principles and rules aimed at assessing environmental, social and governance features of customers and prospects in the P&C underwriting process.

GENERALI GROUP STRATEGY ON CLIMATE CHANGE

It defines the rules by which we intend to foster a just transition towards a low-GHG economy through our investments, underwriting activities and our direct operations.

GROUP TAX STRATEGY

It is an essential part of the tax risk control system, and defines sound and prudent taxation management methods for all of the Group's companies.

www.generali.com/our-responsibilities/responsible-business

www.generali.com/governance/engagement

Tax Transparency

In the first semester 2020, we defined the Group's Tax Strategy. It ensures the correct application of tax regulations, guided by the principles of honesty, integrity and transparency in the relationship with tax authorities, and combines value creation for all stakeholders with long-term protection of our reputation. In order to promptly fulfil our tax obligations in maximum transparency with regard to tax authorities, we commit ourselves to acting in full compliance with the applicable tax regulations in the countries where we operate and to interpreting them in such a way as to responsibly manage tax risk, ensuring consistency between the place of value production and the place of taxation.
We promote the culture and values of the correct application of tax regulations and organise training sessions for all our employees.
We are also committed to publishing, in line with international best practices, the Group Tax Transparency Report 2021 during 2022. The document will include our tax strategy, the principles of Tax Risk Management and Tax Governance as well as the Tax Reporting. The Report will highlight the contribution in terms of taxes paid in the main tax jurisdictions where the Group operates, showing both the taxes directly borne by the companies, and the taxes collected - as a withholding agent - by the companies themselves while running their core business.

Together, these Group policies and guidelines - in particular, the Code of Conduct, the Responsible Investment Group Guideline, the Responsible Underwriting Group Guideline and the Ethical Code for suppliers - contribute also to ensuring respect for human rights in all their forms throughout the entire value chain. For example, the Group Responsible Investment Guideline filter allows us each year to identify and exclude from our investments those companies that produce unconventional weapons or that, regardless of the sector to which they belong, have committed serious human rights violations. Similarly, the Responsible Underwriting Group Guideline establishes monitoring mechanisms to avoid P&C insurance coverage to companies that commit serious human rights violations, with a specific monitoring of sensitive sectors.
In order to reinforce, where necessary, the controls already in place on this topic, in-depth[52] analysis was carried out in line with the most important international principles and tools, including the United Nations Universal Declaration of Human Rights, the core international standards of the International Labour Organisation and the UN Guiding Principles on Business and Human Rights. The analysis was focused on assessing the potential risk of violating the human rights of our employees, customers and suppliers (known as direct risk), considering that indirect risks are already monitored by the human rights criteria included in the Group guidelines on investment and underwriting activities. To this end, a list of the main human rights that could potentially be impacted by the Group's operations in the various businesses, such as equal opportunities and non-discrimination (including equal pay), transfer of workers (for example, migrant workers), freedom of association and collective bargaining, was identified. For each of the identified human rights, the analysis then assessed the tools already implemented to mitigate risks, assessing their level of control, considering it in line with their positioning and practices common to the sector.
The Group will keep up its ongoing monitoring action to guarantee a more and more virtuous and responsible behaviour in all of its businesses.

www.generali.com/our-responsibilities/responsible-business/respecting-human-rights for further information

Our guidelines for responsible investments and underwriting establish monitoring mechanisms on customer and investment portfolios to avoid also financing and offering P&C insurance coverage to companies involved in severe damages towards natural habitats and biodiversity. The exclusions concern companies obtaining fossil fuels from tar sands, given their high environmental impact; regardless of the sector they belong to, exclusions also apply to all those entities involved in severe damages to ecosystems, for example being involved in illegal deforestation activities or in serious cases of contamination.

52. The analysis took into consideration different categories of vulnerable people, such as employees, women, children and migrant workers.

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We have a structured Group’s internal regulatory system, regulated by the Generali Internal Regulation System (GIRS) Policy that aims to promote a solid, efficient governance and coherent implementation of the Group’s internal regulations at local level.
The Group regulations cover the governance system, the internal control system, the risk management system that is particularly linked to monitoring solvency (Solvency II), and the other primary areas of risk.

Group Policy

They introduce principles designed to implement the Group’s fundamental objectives and/or provisions linked to the Group governance system. They are issued to comply with specific regulatory requirements or to govern issues under the Board of Directors’ competence.

Group Guideline

They govern issues under the competence of the Group CEO or the heads of Key Functions of the Group.

Group Technical Measure

They set out cross-function operating provisions, including those designed to regulate Group Policies and Group Guidelines in greater detail. They are issued by the managers of the Group units in compliance with the reporting lines and system of delegation of powers.

Corporate Governance and Share Ownership Report 2021, p. 35

The main non-compliance risks are continuously identified and monitored through the adoption of specific policies, the definition of monitoring activities, as well as the identification and implementation of proper risk mitigation measures aimed at minimizing potential economic and reputational damages deriving from the violation of regulatory provisions.
Special attention is paid to legislation on transparency and fairness towards customers.
In 2021, the continuous monitoring of both national and supranational legislation led to the identification of the following trends: the entry into force of new accounting standards IFRS9 and IFRS17, the far-reaching proposal to revise Solvency II legislation, monitoring ICT security and governance, the proposal for European regulation on the use of artificial intelligence and the progressive definition of ESG requirements as regards the business processes of financial operators.
The Group has established and monitors the process of implementing the latest European legislative provisions, particularly as regards the requirements introduced by Regulation EU 2019/2088 on sustainability-related disclosures in the financial services sector (known as Disclosure Regulation) and Regulation EU 2020/852 on the establishment of a framework to facilitate sustainable investment (known as EU Taxonomy Regulation).

Group’s financial position, p. 96

Group’s performance, p. 83

We are committed to the highest standards of compliance aimed at preventing the use of our products and services for money laundering and terrorist financing purposes.
Each Group company exposed to these risks is required to adopt the policies and guidelines defined by the Parent Company and to implement the necessary controls, in keeping with a risk-based approach. It is extremely important to assess customers and transactions at a high risk of money laundering, as well as promptly reporting any suspicious transactions to the local Regulator.
In addition to the legislative framework which is continuously updated, the Regulators have intensified inspections as regards money laundering, with a view to ensuring that regulatory requirements are met by individual companies. Numerous Group companies have been audited over the past few years.

Compliance Week

In the context of the Covid-19 pandemic, we identified and implemented specific measures to mitigate the most important emerging risks, specifically monitoring customer protection and the prevention of financial crimes, also through training and awareness sessions. With the same intention of increasing the awareness of money laundering risks, in July 2021, we held a Compliance Week, focused on financial crimes and on the impacts they can have on individuals and on the community. More specifically, on this occasion, we examined the role of Financial Institutions in the fight against money laundering and terrorist financing, the categories of money laundering that emerged during the pandemic, and the adoption of new technologies to support the implementation of compliance controls.
Both international experts from the sector and the Group's top management took part in the initiative, which was accessible to all Group employees through a multimedia platform called The C.I.R.C.L.E.. Top management reiterated the efforts being made to prevent money laundering and the responsibility of all personnel, including the business as first line of defence, to implement the Group's regulations and controls. Great participation was recorded in the various webinars, translated simultaneously into 14 languages.

We are also acutely aware of complying with the measures adopted by countries or organisations with a view to restricting business with specific sanctioned countries, sectors and/or individuals.
Our business operations are particularly exposed to the risk of sanctions given the geographical distribution of the companies and of the products and services offered (for example, marine insurance policies). With a view to mitigating the risk of sanctions, we have drawn up a global framework on international sanctions, after defining the minimum common rules that all Group companies have to obey. We have also substantially increased controls relating to customers and/or transactions exposed to a high risk of sanctions, following the higher restrictions imposed by the Regulators in terms of international sanctions.

We condemn and combat all forms of corruption. Each employee has an obligation to guarantee high standards of ethics and honesty in their work. In this regard, the Group has banned the receipt from or offer of cash to public officials or commercial partners for improper purposes, and has established control measures (for example, limitations regarding gifts and contributions to trade unions and to charity organisations) to be incorporated and implemented in each individual company.
Our employees, suppliers and customers can use, also anonymously, several communication channels, including the Group Compliance Helpline, always reachable with direct access from the Group Portal and the website. These channels, active 24/7, ensure an objective and independent management of reports of behaviour or actions which might violate law, the Code of Conduct, its internal rules or other corporate rules, in accordance with the process on managing reported concerns and the whistleblowing policy which we have been applying for years. We also adopted a rigorous policy against retaliations.

www.generali.com/our-responsibilities/responsible-business/code-of-conduct for further information on the Code of Conduct, communication channels and the process on managing reported concerns

www.youtube.com/watch?v=ZeFiFJLmf7E

MANAGED REPORTS ON THE CODE OF CONDUCT

99	-1.0%

We are committing to rendering our HR training system increasingly effective. We continue to work in activities for creating awareness and training on the different themes of the Code of Conduct.
The e-learning courses on the Code of Conduct also continued in 2021: one to introduce the topic and addressed to new colleagues; the other, a refresher course for those that had already attended the introductory one. In 2021, a second refresher course on the Code of Conduct was developed, which will be released from 2022.

EMPLOYEES WHO COMPLETED THE TRAINING COURSE ON THE CODE OF CONDUCT[53]

58,997	+10.2%

53.The trained employees represent 81.0% of the total, excluding employees belonging to the companies of the Cattolica group.

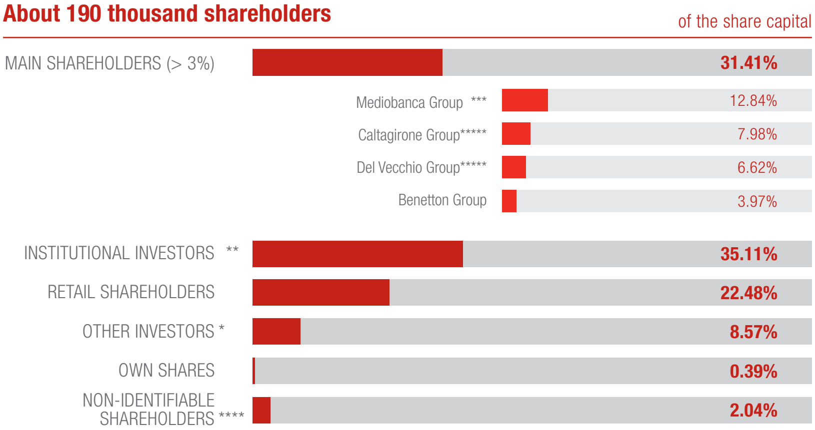
OUR GOVERNANCE AND REMUNERATION POLICY

Our governance

Within a challenging economic and financial environment, we are convinced that our governance - which complies with the best international practices - effectively supports our strategy. In line with the principles and recommendations of the new Corporate Governance Code, it then assists the sustainable success of the Company, which consists of creating value for all shareholders in the long term, taking into account the interests of other stakeholders relevant to the Company.

Corporate Governance and Share Ownership Report 2021 for further information on governance

About 190 thousand shareholders



* The category takes account of legal entities including foundations, trust companies, religious institutions.
** The category includes asset managers, sovereign funds, pension funds, Life insurers.
*** It should be noted that on 23 September 2021 Mediobanca also announced that it has the right to vote on an additional 4.43% of the share capital by virtue of a stock lending transaction that will last about 8 months and in any case at least until the Shareholders' Meeting. The total of the voting rights therefore amounts to 17.27% of the share capital.
**** Data not yet disclosed by mainly foreign intermediaries.
***** On 13 January 2022, the director Francesco Gaetano Caltagirone announced to, directly or through companies related to him, hold a stake of the share capital of Assicurazioni Generali equal to 8.04%. On 27 January 2022, as the companies of the Caltagirone group exercised their right of withdrawal from the Shareholders' Agreement - with immediate effect and for the totality of the shares held and previously under the Agreement - Delfin S.à r.l. and Fondazione CRT announced to totally hold a stake of the share capital of Assicurazioni Generali equal to 8.331%.

The data are updated to 1 March 2022 in line with the Shareholder's Register, mainly on the bases of the dividend payout dated 20 October 2021, with the integration of information pursuant to art. 120 of TUF and other available information.

Share performance, p. 118 for further information on the share

NFS

As of today, there is no employee shareholding system according to the provisions of the *Testo Unico delle disposizioni in materia di Intermediazione Finanziaria - TUF*. Nonetheless, it should be noted that We SHARE is in progress; it is the share plan for all Group employees, except for the members of Group Management Committee (GMC) and Global Leadership Group (GLG). Approved by the Shareholders' Meeting held in May 2019 and functional to support the achievement of strategic objectives, in the perspective of a culture of ownership and empowerment, and the participation of employees in the sustainable value creation of the Group, the plan offers employees the opportunity to purchase Generali shares at favourable conditions and - in the case of share price appreciation - to receive free shares in proportion to the number of shares purchased and to dividends distributed. The end of the plan and the assignement of free shares are expected in Autumn 2022.

www.generali.com/governance/remuneration/share-plan-for-the-generali-group-employees for further information on the share plan for the Group employees

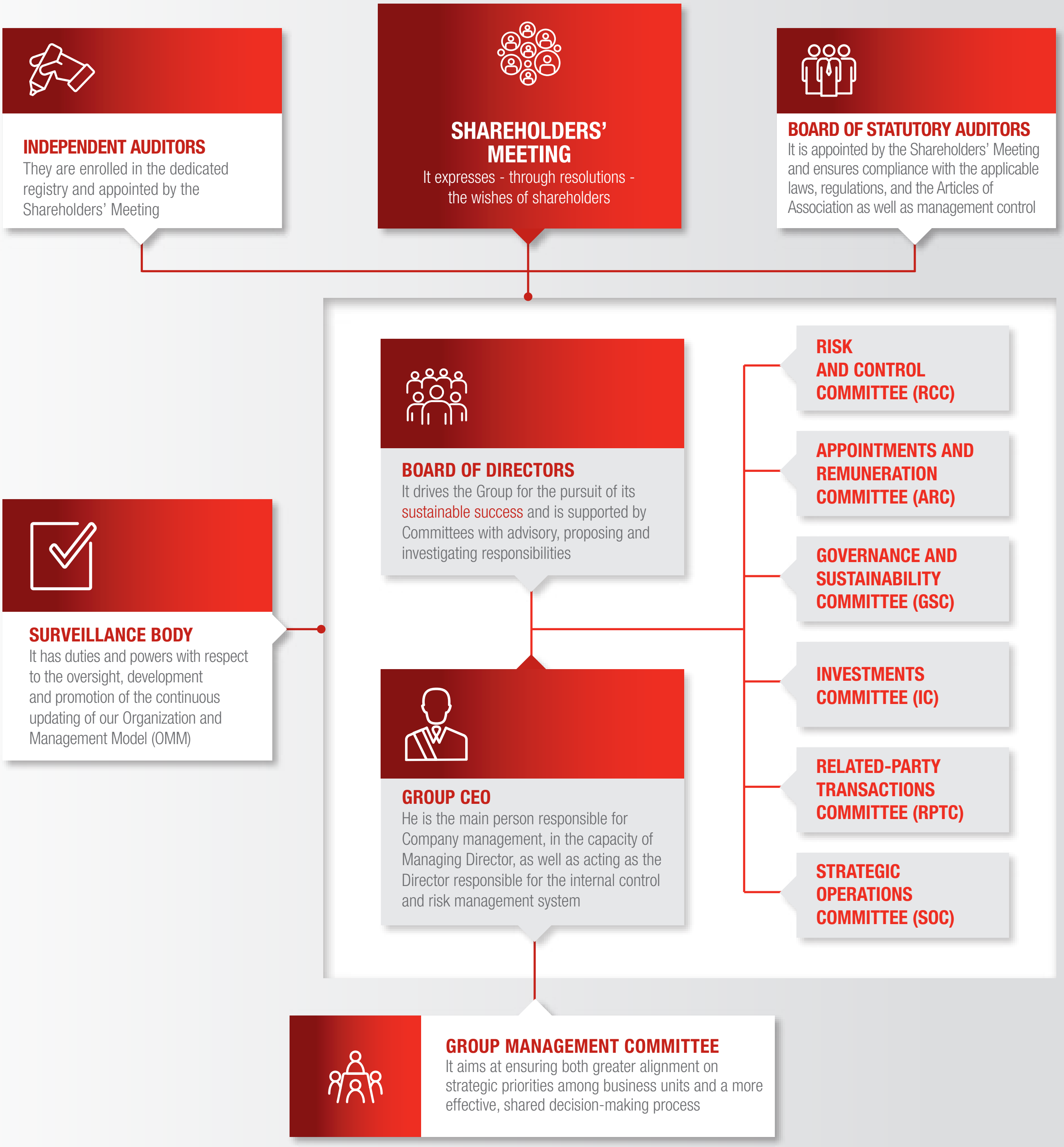
Our people, p. 51

We also facilitate participation in shareholders' meetings for beneficiaries of long-term incentive (LTI) plans - based on Generali shares - by providing them with a designated representative.

We maintain ongoing relations with all stakeholders relevant to the Company, including institutional investors, proxy advisors, financial analysts and retail shareholders. Our intense activities of relation consist of various types of interactions with individual stakeholders or groups, as part of roadshows and sector conferences, as well as ad hoc occasions for the discussion of specific topics, ranging from business, financial and performance matters to corporate governance, remuneration and sustainability topics relevant to the various financial community representatives. Some of the main recurring occasions for interaction with the Company's top management are the Shareholders' Meeting, events on the strategic plan (Investor Days) and the main presentation of the financial results.
We successfully continued our dialogue with relevant stakeholders on virtual platforms - used since 2020 following the Covid-19 pandemic - while maintaining high quality standards.

Notes to the Report, p. 142 for further information on stakeholder relations

The Board of Directors has structured its own organization also through the establishment of specific Board Committees, in a manner consistent with the need to define strategic planning in line with the purpose, values and culture of the Group and, at the same time, to monitor its pursuit with a view to sustainable value creation in the medium to long term. Our integrated governance also leverages the varied and in-depth professional skills present in the Board and ensures effective oversight of management's activities.



Ensuring the sustainable success of the Company means ensuring the monitoring of our capital at governance level. Committees with advisory, proposing and investigating responsibilities monitor capitals and inform the Board decisions on them: RCC on financial and intellectual capitals; ARC on human, financial, social and relationship, intellectual and natural capitals; GSC on natural, human, intellectual, social and relationship, and financial capitals; IC on financial and social and relationship capitals; RPTC on financial, social and relationship, and intellectual capitals; SOC on the financial capital.

NFS

Adoption of the 2021 Corporate Governance Code

The Corporate Governance Code, effective from 1 January 2021, introduces substantial innovations following four main drivers:

- sustainability: the Code fosters listed companies to adopt strategies more and more oriented towards a sustainable business: the objective that guides the actions of the board of directors is to pursue a sustainable company success, that consists of creating long-term value for the benefit of the shareholders, taking into account the interests of other stakeholders relevant to the company.
- engagement: the Code recommends to listed companies to manage the dialogue with the market through the adoption of engagement policies, complementary to those of institutional investors and asset managers.
- proportionality: the application of the Code is based on principles of flexibility and proportionality in order to favour small and medium companies and those with concentrated ownership to become listed.
- simplification: the Code presents a streamlined structure, based on principles which define the objectives of good governance and on comply or explain recommendations.

The revision of the Code was the occasion to strengthen existing recommendations, promote the effective enactment of best practices that were hoped in the previous editions, and align the Italian self-regulatory framework with international best practices (e.g. the possibility to qualify the chair of the board of directors as independent, the recognition of the role of the board secretary and the importance to consider international experience in the definition of remuneration policies). Of special note is the recommendation to issuers to adopt a policy for managing dialogue with the all shareholders, taking into account the engagement policies adopted by institutional investors and asset managers. Assicurazioni Generali is among the first issuers in Italy to get this document adopted since November 2020, including engagement with potential investors and proxy advisors. The policy is effective and used for the engagement between the Board of Directors and investors since 1 January 2021.

www.generali.com/governance/engagement for further information on engagement

Governance monitoring climate change management

The Group governance is structured in such a way as to favour effective management of the risks and opportunities tied to climate change, which is considered one of the ESG factors most material for the Group, for our value chain and for the stakeholders.

Board of Directors' role

The Board of Directors ensures that the Group organisation and management system is complete, functional and effective in monitoring climate change-related impacts. In 2018, it therefore adopted the Group Strategy on Climate Change, which was updated in March 2020 and June 2021, outlining a plan for investment, underwriting and stakeholder engagement activities to mitigate climate risks and facilitate the just transition to a low-carbon economy. The Board of Directors is informed through the Governance and Sustainability Committee about the implementation of this strategy and the results achieved. In 2021, these elements were analysed during five meetings of the Committee.

Management's role

Climate change may have pervasive impacts across the entire organization. For this reason, the decisions on how to integrate the assessment and effective management of climate change impacts into the different business processes are guided by the Sustainability Committee at top management level, which can rely on adequate powers and a cross-functional vision across multiple Groups' functions and geographies. This Committee, sponsored by the Group CEO, consists of the heads of both the GHO functions and business units. The decisions set forth by the Committee are implemented by the competent management, each for its area of responsibility. A component of the variable remuneration of the Group CEO and top management depends on the results achieved in the implementation of the Strategy on Climate Change.
This cross-functional approach is also reflected in the Climate Strategy Task Force, which pools together the functions of Group Chief Investment Officer, Group P&C Retail, Group P&C Corporate & Commercial, Group Life & Health, Group Integrated Reporting and Group Risk Management, coordinated by Group Sustainability & Social Responsibility. The goal of this work group is to guarantee the management of the risks and opportunities tied to climate change in compliance with the strategy defined by the Board and to ensure the reporting on these aspects both to internal competent bodies and to external stakeholders, in line with the TCFD recommendations. Within this Task Force is active a coal companies engagement committee, which analyses the just transition plans of the engaged coal companies, monitors their implementation and encourages further progress.

www.generali.com/our-responsibilities/our-commitment-to-the-environment-and-climate for further information on the Strategy on climate change

Focus on the Shareholders' Meeting

On the occasion of the 2021 Shareholders' Meeting, in order to minimize the risks related to the health emergency, we decided to take advantage of the option, established by art. 106 of the law decree of 17 March 2020, no. 18, *Misure di potenziamento del Servizio sanitario nazionale e di sostegno economico per famiglie, lavoratori e imprese connesse all'emergenza epidemiologica da Covid-19* (known as Cura Italia decree, then converted with modifications from law 24 April 2020, no. 27) to provide in the notice of call that in accordance with art. 135-undecies of TUF the participation of those entitled to vote in the Shareholders' Meeting took place exclusively through the Designated Representative, without physical participation by the shareholders, and with the right for all members of corporate bodies to participate by means of remote communication.
The Shareholders' Meeting was then held at one of the Group's offices in Trieste, with physical participation by the Chairman, the Notary and the Designated Representative. An audio and video streaming in Italian with simultaneous translation in English, French, German, Spanish and Italian Sign Language (LIS) was available to all shareholders legitimated to participate in the Shareholders' Meeting as to let them follow live the event, without the right to intervene and vote. Indeed, the Shareholders' Meeting was without the physical attendance of shareholders and solely in the presence of the Designated Representative; no virtual or hybrid form were adopted. In such a complicated environment in which we are still living now, we demonstrated how innovation, one of the three pillars of the Generali 2021 strategy, is fundamental to stand at the side of all our stakeholders and become their Lifetime Partner.
All the services planned under the Shareholders Meeting Extended Inclusion (SMEI) program were adapted to the virtual event, with particular attention to making the video streaming service accessible to all our shareholders.

Percentage of share capital represented in the Shareholders' Meeting over the last five years

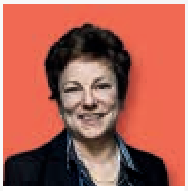
2021	51.52%
2020	57.59%
2019	55.88%
2018	52.87%
2017	52.34%

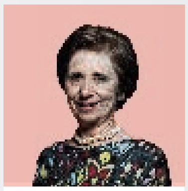
Percentage of share capital represented by institutional investors in the Shareholders' Meeting over the last five years

2021	23.71%
2020	24.81%
2019	21.66%
2018	23.18%
2017	26.18%

Focus on the Board of Statutory Auditors

in office until 2023 Shareholders' Meeting




BOARD OF STATUTORY AUDITORS	Carolyn Dittmeier Chairwoman	Antonia Di Bella Permanent Statutory Auditor	Lorenzo Pozza Permanent Statutory Auditor	Silvia Olivotto Alternate Auditor	Tazio Pavanel Alternate Auditor
AGE	65	56	55	71	51
NATIONALITY	Italian and American	Italian	Italian	French	Italian
IN OFFICE SINCE	30 April 2014	30 April 2014	30 April 2014	30 April 2014	30 April 2020

NFS	AVERAGE AGE	58.7 *	
NFS	FEMALE AUDITORS	66.7% **	
	AVERAGE ATTENDANCE AT BOARD OF DIRECTORS MEETINGS	100%	
	AVERAGE ATTENDANCE AT MEETINGS	100%	
	MEETINGS	39	

(*) 59.6 including also alternate auditors.
(**) 60% including also alternate auditors.

The Board of Statutory Auditors attendes the same induction sessions held for the Board of Directors.

Statutory auditors are requested to have the same independence qualifications set for independent directors and to meet integrity and professional expertise requirements.

Focus on the Board of Directors

in office at 31 Deember 2021

BOARD OF DIRECTORS						
	Gabriele Galateri di Genola Chairman	**Francesco Gaetano Caltagirone (*)** Deputy Vice-Chairman	**Clemente Rebecchini** Vice-Chairman	**Philippe Donnet** Group CEO	**Romolo Bardin (*)** Director	**Paolo Di Benedetto** Director
AGE	74	78	57	61	43	74
NATIONALITY	Italian	Italian	Italian	French	Italian	Italian
PROFESSIONAL BACKGROUND	manager	entrepreneur	manager	manager	manager	lawyer
IN OFFICE SINCE	8 April 2011	28 April 2007 Vice-Chairman since 30 April 2010	11 May 2012 Vice-Chairman since 6 November 2013	17 March 2016	28 April 2016	28 April 2016
BOARD COMMITTEE	● P ●	● ● ● ○	● ● ● ○	◆ ● P ○ P	● ● ● ○	● P ●
INDEPENDENT[54]					✓	✓
EXECUTIVE				✓		

(*) The director Francesco Gaetano Caltagirone, the director Romolo Bardin and the director Sabrina Pucci announced their resignation from the Board of Directors on 13 January 2022, 16 January 2022 and 25 January 2022, respectively. In their replacement, the Board of Directors of Assicurazioni Generali co-opted, on 28 February 2022, Alessia Falsarone, Andrea Sironi and Luisa Torchia as new independent members of the Board.

www.generali.com/governance/board-of-directors for updates on the Board of Directors

NFS AVERAGE AGE	61.8
NFS FEMALE DIRECTORS	38.4%
INDEPENDENCE LEVEL IN LINE WITH THE BEST INTERNATIONAL PRACTICES AND THE INCREASINGLY ESTABLISHED REQUIREMENTS IN THE WORLD OF FINANCE	61.5%
EXECUTIVE DIRECTOR	1
AVERAGE ATTENDANCE AT MEETINGS	98%
MEETINGS	19

In 2021, induction sessions were held - to the advantage of the Board of Directors and the Board of Statutory Auditors - on the impacts of the future application of IFRS 9 and IFRS 17 and on the Group's main Life traditional portfolios.

Directors are chosen based on their professional expertise and competence among people who have at least three years' total experience as qualified professionals in the insurance, credit or financial sector. They must also meet specific integrity requirements, that is reliability, financial strength and good standing, as well as independence qualifications.

As members of such corporate body, in line with the Policy on competences and integrity, they should have adequate experience and knowledge of:

- markets in which the company operates;
- strategy and business model;
- governance system;
- actuarial and financial analysis in relation to insurance companies;
- legal context and regulatory requirements.

The functioning of the Board, as well as its size and composition are evaluated annually, with the support of a qualified and independent external advisor.

Optimal blend of skills and experience

INTERNATIONAL EXPERIENCE	69%
MANAGERIAL EXPERIENCE	77%
ENTREPRENEURIAL SKILLS	15%
ACADEMIC EXPERIENCE	23%
KNOWLEDGE OF LEGAL CONTEXT AND REGULATORY REQUIREMENTS	69%
FINANCIAL AND ACCOUNTING SKILLS	85%
INSURANCE EXPERIENCE	85%
EXPERIENCE IN LARGE CAP COMPANIES	54%

54. As defined in the listed companies' Corporate Governance Code.







Alberta Figari	Ines Mazzilli	Antonella Mei-Pochtler	Diva Moriani	Lorenzo Pellicioli	Roberto Perotti	Sabrina Pucci (*)
Director	Director	Director	Director	Director	Director	Director
57	59	63	53	70	60	54
Italian	Italian	Italian	Italian	Italian	Italian	Italian
lawyer	manager	manager	manager	manager	professor	professor
30 April 2013	7 May 2019 elected from the minority slate	7 May 2019	28 April 2016	28 April 2007	28 April 2016 elected from the minority slate	30 April 2013
P			P			
✓	✓	✓	✓		✓	✓

LEGENDA

- RISK AND CONTROL COMMITTEE
- APPOINTMENTS AND REMUNERATION COMMITTEE (**)
- GOVERNANCE AND SUSTAINABILITY COMMITTEE
- INVESTMENTS COMMITTEE
- RELATED-PARTY TRANSACTIONS COMMITTEE
- STRATEGIC OPERATIONS COMMITTEE
- DIRECTOR RESPONSIBLEFOR THE INTERNALCONTROL AND RISK MANAGEMENT SYSTEM
- P COMMITTEE CHAIRMAN

(**) On 27 September 2021, a specific Appointments Committee was set up within the Appointments and Remuneration Committee to assist the Board of Directors in the process for the presentation of a list for the renewal of the Board by the outgoing Board. It began to perform its task as from 10 December 2021. The specific Appointments Committee was initially made up of the following independent members: Diva Moriani, Alberta Figari, Roberto Perotti and Sabrina Pucci. On 18 January 2022, the director Sabrina Pucci resigned from this Committee.

In view of the renewal of the Board of Directors, scheduled for the Shareholders' Meeting in 2022, the current Board of Directors has expressed an orientation opinion on the quantitative and qualitative composition considered optimal for the next three-year term of office. This opinion also takes into account the results of the self-assessment carried out by the current Board on the size, composition and actual functioning of the Board of Directors and its committees, also considering the role it has played in defining strategies and monitoring management performance and the adequacy of the internal control and risk management system.

The opinion is also formulated taking into account the feedback from the dialogue with the Company's various stakeholders (institutional investors, proxy advisors, etc.), as well as the examination of benchmarks and good corporate practices adopted at national and international level.

The guidance opinion formulated on the occasion of the next renewal also takes into account two novelties for the 2019-2021 three-year term: on the one hand, the possibility for the outgoing Board to present its own list of candidates for the renewal of the administrative body, following the statutory revision approved by a very large majority at the 2020 Shareholders' Meeting and, on the other hand, the updating of the Diversity Policy for members of corporate bodies. Generali has been applying since 2017 a Diversity Policy for the members of the corporate bodies, which defines and formalises the criteria and implementation methods to ensure an adequate level of diversity and inclusion among the members of the corporate bodies (Board of Directors and Board of Statutory Auditors). The Board will take this policy into account not only when drafting its guidance opinion, but also when selecting candidates, should it decide to avail itself of the option to submit its own list of candidates for the renewal of the Board of Directors.

Corporate Governance and Share Ownership Report 2021, p. 59 for further information on the diversity of administration, management and control bodies

Our remuneration policy

The Remuneration Policy is based on clear, globally shared and consistent principles, expressed in the form of remuneration programs compliant with regulatory requirements and local laws.

Every intervention to the remuneration policies can be traced back to these inspiring principles that underlie all the decisions taken:

- **EQUITY AND CONSISTENCY** of remuneration in terms of responsibilities assigned and capabilities demonstrated
- **ALIGNMENT WITH THE STRATEGY AND LONG TERM SUSTAINABLE VALUE CREATION** for all stakeholders
- **COMPETITIVENESS** with respect to market trends and practices
- **MERIT AND PERFORMANCE-BASED REWARD** in terms of sustainable results, behaviours and Group values
- **CLEAR GOVERNANCE AND COMPLIANCE** with the regulatory framework

We are convinced that by drawing inspiration from these principles, our remuneration systems can be a key element for attracting, developing and retaining talents and key people with critical skills and high potential, thereby promoting a correct approach in aligning their performance with Company results and building the premises for solid and sustainable results over time.

The current remuneration policy for all Directors without executive powers provides that the remuneration is composed of a fixed annual fee and the payment of an attendance fee for each meeting of the Board of Directors where they participate, as well as reimbursement of expenses incurred for attending the meetings. Directors who are also members of Board Committees are paid additional fees in terms of what they have already received as members of the Board of Directors (with the exception of those who are also managers of the Generali Group), according to the skills assigned to these Committees and the commitment required for participation in the work of the latter in terms of the number of meetings and preparatory activities for them. This remuneration is established by the Board of Directors. In line with regulatory legislation and best international market practices, no variable remuneration is expected.

The Managing Director/Group CEO, sole executive director, the managers with strategic responsibilities and the other relevant personnel not belonging to Key Functions[55] are recipients of an overall remuneration package consisting of a fixed remuneration and a variable remuneration (annual in cash and deferred in shares) subject to malus and clawback mechanisms, and benefits.

TOTAL TARGET REMUNERATION COMPONENTS[56]

FIXED	VARIABLE	
FIXED REMUNERATION +	**ANNUAL** (on a yearly basis) +	**DEFERRED** (on a multi-year basis)

The remuneration package is comprised of fixed remuneration, variable remuneration and benefits, structured in such a way as to ensure a proper balance of the components. Generali regularly performs structural analyses of the systems, in order to ensure a fair equilibrium of the various components and to foster managers' commitment to achieving sustainable results.

COMPONENTS	PURPOSE AND CHARACTERISTICS
Fixed remuneration	It remunerates the role covered and the responsibilities assigned, taking into account the experience and skills of each manager, also keeping as reference the levels and practices of market peers in terms of attractiveness, competitiveness and retention.
Variable remuneration	It is defined through annual cash and deferred incentive plans aimed at motivating management to achieve sustainable business goals through the direct link between incentives and results set at Group, business unit, country, function and individuals level, both financial and non-financial.
Benefit	They represent a relevant component of the remuneration package - in a Total Reward approach – as an integrative element to cash and share payments. Benefits differ based on the category of recipients, both in type and overall value.

55. I.e. Head of Group Audit, Group Chief Risk Officer, Group Compliance Officer and Group Head of Actuarial Function and their first reporting managers. The Anti-Money Laundering (AML) function whose responsible is the Anti-Money Laundering Officer is assimilated to the Key Functions for the application of the remuneration and incentive rules. The specific provisions provided for the Heads of the Key Functions also apply to the Group Chief Risk Officer, even if a member of the Group Management Committee (GMC).
56. This is the target remuneration package for the entire population described, with the exception of the Key Functions for which specific remuneration policy and rules apply.

The variable component of the remuneration is based on a meritocratic approach and on a multi-year horizon, including a short-term (annual) and long-term (deferred) part, based on the achievement of a combination of predefined, measurable goals, linked to the achievement of economic, operational, financial and non-financial and sustainability results.

Structure of variable remuneration

COMPONENTS	CHARACTERISTICS	CRITERIA AND PARAMETERS
Annual cash component - Group Short Term Incentive (STI)	Annual cash bonus set within predefined maximum caps	• Group Funding Pool, linked to the results achieved in terms of Group net result adjusted[57] and operating result after verification of the achievement of the Regulatory Solvency Ratio threshold; • Achievement of financial and non-financial goals defined in the individual balanced scorecards in terms of sustainable value creation, risk-adjusted profitability, implementation of strategic projects, sustainability, customer and people value; • Maximum cap on the STI variable remuneration compared to the fixed remuneration equal to 200% for the Managing Director/Group CEO and on average equal to 170% for the managers with strategic responsibilities (excluding those belonging to Key Functions, who participate in a specific plan, with a maximum cap equal to 75% of fixed remuneration).
Deferred component in shares - Group Long Term Incentive (LTI)	Multi-year plan, based on Assicurazioni Generali shares, subject to Shareholders' approval, with allocations over a period of 6-7 years within predefined maximum caps	• Overall three-year performance with goals linked to Group strategy and business priorities after verification of the achievement of the Regulatory Solvency Ratio threshold; • Performance indicators referring to Net Holding Cash Flow[58], relative TSR[59] and ESG goals; • Allocation of shares with deferral and lock-up periods over a time frame of 6-7 years, depending on the reference population; • Maximum cap on the LTI variable remuneration compared to the fixed remuneration equal to 200% for the Managing Director/Group CEO and for the managers with strategic responsibilities.

The integration of sustainability into management remuneration is a key step to ensuring an even stronger link between individual performance and business sustainability. In line with the Group's ambitions and in continuity with 2020, a specific performance indicator has been inserted into the balanced scorecard (BSC) of the management through a basket of strategic goals on Sustainability which reflect the priorities of the Generali 2021 strategy and are the direct manifestation of the Group's ESG criteria. The latter are consistent with the materiality analysis and the United Nations Sustainable Development Goals.

NFS

Consolidated Non-Financial Statement, p. 129 for information on the materiality analysis process and results

Compared to 2020, the 2021 performance year provides a further increase of the weight of ESG indicators in the incentive system:
- confirming the inclusion of specific sustainability indicators linked to the strategy in the annual variable component (STI);
- adding an indicator which reflects the positioning of Generali in the main ESG sustainability ratings, acting as multiplier/reducer factor in the deferred variable component in shares (LTI).

The provision of specific performance indicators linked to ESG factors and the assessment of the level of achievement of these goals, also based on what is foreseen in internal regulations for the management of responsible investments, ensure the Remuneration Policy is consistent with the integration of sustainability risks in investment decisions both for individual performance and for alignment and protection of the interests of investors and stakeholders. And it is, among other things, the inclusion in all incentive systems of sustainability indicators (in particular in the various forms tied to wellbeing, inclusion, value diversity, re-skilling and overall growth of employees), which represents one of the main elements through which Generali's remuneration policies have a positive effect on remuneration and working conditions of all Group employees.

www.generali.com/governance/remuneration for further information on remuneration policy and the Report on remuneration policy and payments, also including information about remuneration

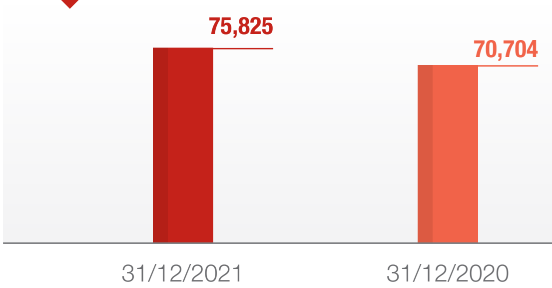
Additional information in the Notes of the Annual Integrated Report and Consolidated Financial Statements 2021 for further information on pension benefits of the Group employees

57. It is the Group net result that excludes any extraordinary items not predictable (due to, by way of example only: amortization/goodwill depreciation, significant legal/regulatory/legislative changes, and significant impacts resulting from changes to tax treatment, gains/losses from M&A) and approved by the Board of Directors upon the recommendation of the Appointments and Remuneration Committee in accordance with these guidelines.
58. Net cash flows available at the Parent Company level over a given period, after holding expenses and interest costs. Its main components, considered from a cash point of view, are: remittances from subsidiaries; the result of centralised reinsurance; interest on financial debt; expenses and taxes paid or reimbursed at the Parent Company level.
59. Total return on investment to the shareholder calculated as a change in the market price of the shares, including distributions or dividends reinvested in shares against a selected list of peers.

OUR PERFORMANCE

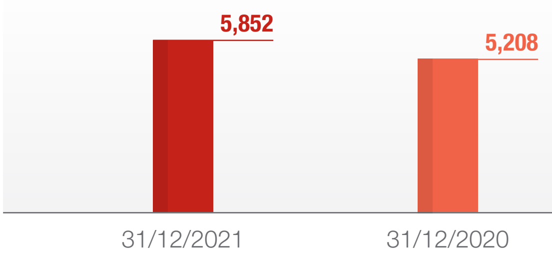
GROUP'S HIGHLIGHTS[1]

GROSS WRITTEN PREMIUMS (€ mln)



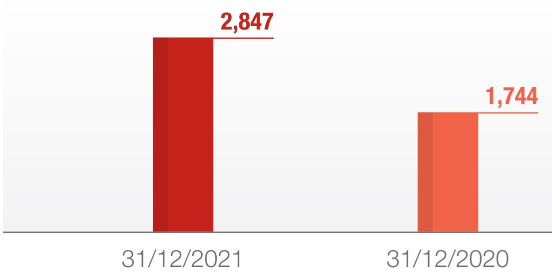
Total gross written premiums amounted to € 75.8 billion (+6.4%), up in both the Life (+6.0%) and P&C (+7.0%) segments. Life net inflows grew to € 12.7 billion (+4.4%), entirely focused on the unit-linked and protection lines.

GROUP'S OPERATING RESULT (€ mln)



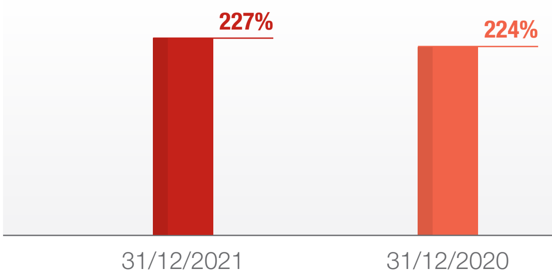
The operating result increased to € 5.9 billion (+12.4%), thanks to the positive performance of all business segments.

GROUP'S RESULT OF THE PERIOD (€ mln)



The result of the period showed strong growth to € 2,847 million (+63.3%).
The adjusted net result[2] stood at € 2,795 million, excluding the overall positive result from the acquisition of control of the Cattolica group and extraordinary costs for its integration.

SOLVENCY RATIO



The Group's capital position remained solid, with a Solvency Ratio at 227%.

1. In November 2021, Assicurazioni Generali acquired control of the Cattolica group, with a stake equal to 84.475% of the Cattolica Assicurazioni's share capital, following the successful conclusion of the voluntary public tender offer on the totality of the ordinary shares of the issuer. The Cattolica group was then accounted for using the equity method for the first ten months of 2021 and consolidated line-by-line for the last two months of 2021.
All changes in this Report were calculated on 2020, unless otherwise reported. Changes in premiums, Life net inflows and new business were on equivalent terms, i.e. at constant exchange rates and consolidation scope; as a result, the contribution from the Cattolica group was neutralised in the calculation for changes on equivalent terms. Changes in operating result, general account investments and Life technical provisions excluded any assets under disposal or disposed of during the same period of comparison; as a result, they considered the contribution from the Cattolica group in percentage changes. The present value of new business premiums (PVNBP) and new business value (NBV) didn't include the Cattolica group in 2021.
Note that ACEER will be called ACEE starting from March 2022, following the Group's decision to close its Moscow representative office, resign from positions held on the board of the Russian insurer Ingosstrakh and wind down Europ Assistance business in Russia.
2. The adjusted net result - defined as the net result without the impact of gains and losses related to acquisitions and disposals - stood at € 2,795 million in 2021. It excluded € 52 million relating to the acquisition of control of the Cattolica group and to extraordinary costs for its integration. At year-end 2020, it was € 1,926 million, which neutralised € 183 million resulting from the settlement agreement for the BSI disposal. In addition, excluding the one-off expense of € 77 million, net of taxes, from the establishment of the Extraordinary International Fund for Covid-19 and the expense of € 73 million, net of taxes, from the liability management transaction, the adjusted net result at the end of 2020 was € 2,076 million.

GROUP'S PERFORMANCE

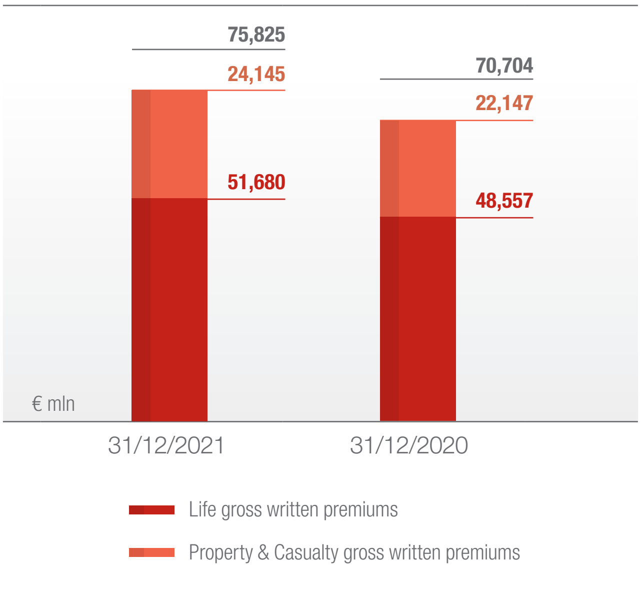
Premiums development

The Group's gross written premiums amounted to € 75,825 million (+6.4%), showing an increase in both segments.

Life premiums[3] grew by 6.0% to € 51,680 million. The increase would have been 9.5%, excluding non-recurring premiums from a Life collective pension fund for approximately € 1.5 billion written in Italy[4] in 2020.
On the business line level, the positive trend observed during 2021 was confirmed, showing a boost in the unit-linked line (+19.8%), particularly in France, Germany and Italy. Excluding the cited pension fund from the same period of comparison, the Group's unit-linked policies would have increased by 36.1%.
The protection line (+6.0%) confirmed the good performance observed during 2021, with consistent growth across the countries where the Group operates, mainly driven by Asia, Italy and ACEER.
In line with the Group's portfolio repositioning strategy, the savings and pension line slightly decreased (-0.4%) as a result of the drop in volumes in Italy, partly offset by the performance in France, Asia and Germany.

Life net inflows increased by 4.4% to € 12.7 billion (+19.4%, excluding the cited pension fund), reflecting the growth in the unit-linked line, particularly driven by higher premiums in France and the spread development of the protection line. These trends offset the significant decrease in the savings and pension line, the net inflows of which amounted to € -0.9 billion due to higher surrenders, in line with the cited portfolio repositioning towards capital-light products.

New business (expressed in terms of present value of new business premiums - PVNBP) amounted to € 51,192 million, showing an increase by 8.6% (+15.0%, excluding the cited pension fund).
Growth was good in almost all the main geographical areas, except for Italy where the unit-linked business had benefitted from the pension fund in 2020. New business production was excellent in France and Germany, mainly thanks to the significant contribution from hybrid products, with a higher weight of the unit-linked component. New business of hybrid products was good in Italy, partly offset by the strategic reduction in traditional savings products. Also protection products continued to grow in all of the Group's main countries, especially in Germany.



New business margin on PVNBP stood at 4.52%, increasing by 0.57 p.p. compared to 2020 thanks to the rebalancing of the business mix towards the most profitable unit-linked component and the continuous improvement in the features of new products. The further improvement of protection profitability was mainly attributable to the higher weight of more profitable Italian products.
The total New Business Value (NBV) stood at € 2,313 million, a marked increase compared to 2020 (+24.2%; € 1,856 million at 31 December 2020).

P&C premiums increased to € 24,145 million (+7.0%), showing positive performance throughout the countries where the Group operates.
The motor line grew by 4.9%, above all in ACEER, Argentina, France and Italy. The non-motor line also improved (+7.5%), with a widespread growth in all of the Group's main areas of operation, particularly in Italy, France and ACEER. The premiums of Europ Assistance, which were impacted by the pandemic in 2020, significantly increased.

3. Including € 1,518 million premiums from investment contracts.
4. In June 2020, in Italy Generali was awarded the management mandate for two investment segments of Cometa, the National Supplementary Pension Fund for employees in the engineering, system installation and similar industries and for employees in the gold and silver industries.

Total gross written premiums by country (*)

(€ million)	31/12/2021	31/12/2020
Italy	24,662	25,217
France	15,494	12,659
Germany	14,898	14,418
Austria, CEE and Russia	6,957	6,982
International	10,179	9,081
Spain	2,374	2,294
Switzerland	1,753	1,798
Americas and Southern Europe	2,225	1,909
Asia	3,826	3,081
Group holdings and other companies	3,635	2,346
of which Europ Assistance	971	741
Total	**75,825**	**70,704**

(*) Total gross written premiums for Global Business Lines (GBL), taking into consideration the business underwritten in the various countries, increased to € 4,069 million and it is broken down as follows:
- Global Corporate&Commercial € 2,465 million;
- Generali Employee Benefits € 1,604 million.

NFS

Premiums from social and environmental products

Insurance products, by their very nature, have a high social and environmental value given that they constitute a concrete response to pension and protection needs of customers and the growing needs of society. We constantly monitor risks that may have impact on the society and the environment as to identify opportunities and continue to create value.
As part of our offering, we are committed to promote several high value-added solutions from a social and environmental perspective. Developing this type of coverage means providing a service that creates value over time, responding to new requirements related to emerging risks, fostering eco-sustainable conduct, and bridging gaps in the pension and public health services sectors. Embracing technology and innovation, we address habits and behaviour towards healthier and more informed lifestyles, favouring risk prevention rather than claims settlement. In order to encourage eco-sustainable conduct and support green activities, consistent with our Strategy on Climate Change, we develop and distribute sustainable insurance solutions (products and services) with particular attention to environmental protection.

A continuous commitment to sustainability, p. 61

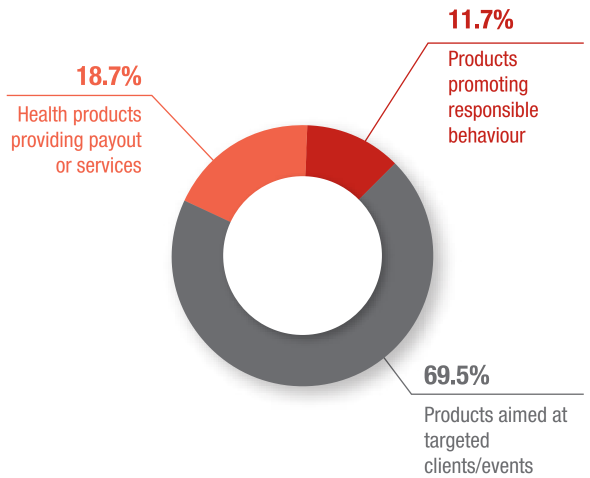
PREMIUMS FROM SOCIAL AND ENVIRONMENTAL PRODUCTS

€ 19,894 mln +17.5%

TARGET (+7%-9% by 2021) OVERACHIEVED

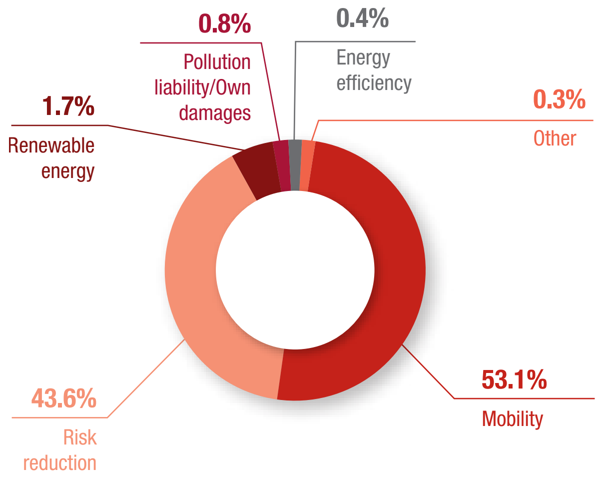
PREMIUMS FROM SOCIAL PRODUCTS[5]

€ 18,144 mln +18.0%



PREMIUMS FROM ENVIRONMENTAL PRODUCTS[5]

€ 1,750 mln +12.4%



EU Taxonomy eligible and non-eligible non-life insurance activities

The European Union developed an ambitious strategy for sustainable development and the transition to a low-carbon economy, in line with the objectives of the 2015 Paris Agreement on climate, committing itself to becoming the first climate-neutral continent by the end of 2050. To achieve such objectives, the European Union is promoting investments in eco-sustainable activities with the use of both public and private resources. In this perspective, the European Commission adopted an initial Sustainable Finance Action Plan in 2018, where it defined a strategy for redirecting capital flows towards sustainable investments, in order to achieve a sustainable and inclusive growth.

In this context, the European Union has established a dynamic, significantly evolving but shared system of classification or EU Taxonomy of sustainable activities, outlined in Regulation EU 2020/852 and Delegated Regulation EU 2021/2139, which define the criteria for determining whether an economic activity can be considered environmentally sustainable in order to identify the degree of eco-sustainability of an investment.

According to the EU Taxonomy, insurance companies can contribute to EU climate objectives both by developing and offering insurance coverage to protect against climate change-related perils and by leveraging their role as long-term investors by reorienting capital flows towards eco-sustainable businesses and activities.

The instrument for the classification of economic activities is complemented by a mandatory disclosure regime for financial and non-financial undertakings, which provides for the inclusion of specific indicators regarding their contribution to the EU Taxonomy objectives. In particular, financial undertakings are required to provide:

- a simplified disclosure on EU Taxonomy eligibility for 2021 and 2022 annual reports;
- EU Taxonomy alignment indicators for annual reports starting from 2023.

Eligible activities represent the insurance activities for which the technical screening criteria have been defined in Annex II of Delegated Regulation EU 2021/2139, regardless of whether these criteria are met or not. The eligibility indicators therefore do not provide any indication on the degree of eco-sustainability pursuant to EU Taxonomy of the insurance coverage offered by the Group but only define the scope on which it will be possible to apply the Taxonomy criteria starting from 2023. The alignment disclosure will in fact represent the Group's contribution to EU Taxonomy climate objectives through the offer of non-life insurance coverage.

Pursuant to art. 10.3 of Delegated Regulation EU 2021/2178 of the European Commission[6], we reported the proportion in the total P&C premiums of EU Taxonomy eligible and non-eligible non-life insurance activities.

Eligible non-life insurance business refers to coverage of climate-related perils within certain lines of business[7]. In light of the

5. Premiums from social and environmental products refer to consolidated companies representing 99.8% of the Group's total gross direct written premiums, excluding those of the Cattolica group.
As for premiums from environmental products, the premium from multi-risk policies covering NATCAT events only refers to the NATCAT guarantee. If the premium cannot be split into green-related component and other components, only the premium from the policies which are predominantly providing a green coverage or service is reported.
6. It is the Delegated Regulation on disclosure pursuant to the EU Taxonomy: it supplements Regulation EU 2020/852 of the European Parliament and of the Council, specifying the content and presentation of information to be disclosed by undertakings subject to article 19a or article 29a of Directive 2013/34/EU concerning environmentally sustainable economic activities, as well as specifying the methodology to comply with this disclosure obligation.
7. Annex II of Delegated Regulation EU 2021/2139 of the European Commission identifies the following lines of business: medical expense insurance; income protection insurance; workers' compensation insurance; motor vehicle liability insurance; other motor insurance; marine, aviation and transport insurance; fire insurance and other damage to property insurance; and assistance.

reporting guidelines published by the European Commission in December 2021 and February 2022[8], the Group considered eligible premiums as the total gross written premiums attributable to the lines of business, among the eight lines listed in Delegated Regulation EU 2021/2139 of the European Commission[9], which includes a policy to cover any climate-related perils defined by the EU Taxonomy. For the purpose of this report, the identification of such policy was based on the assessment of policy terms and/or conditions relating to catastrophe risk coverage[10]. The lines of business included were: other motor insurance; marine, aviation and transport insurance; fire insurance and other damage to property insurance.

EU TAXONOMY ELIGIBLE NON-LIFE INSURANCE ACTIVITIES

44.2%

EU TAXONOMY NON-ELIGIBLE NON-LIFE INSURANCE ACTIVITIES

55.8%

The EU Taxonomy classifies insurance underwriting as an activity contributing to climate change adaptation. In this regulatory context and considering the recent trends of increasing frequency and severity of natural disasters, the Group is increasingly focusing on such risks, with the aim of providing customers with adequate coverage through proper risk modelling and, consequently, price. In addition to adaptation, the Group aims to leverage its underwriting activities to generate a positive impact on climate change mitigation. With specific regard to the P&C business, Generali is working to develop and share best practices to underwrite the specific risks of the renewable energy sector, and to continue to expand the range of environmental products for the retail and SME market, for example those aimed at supporting the energy efficiency of buildings or those aimed at promoting sustainable mobility.

In view of future reporting needs, the lines of business identified as eligible already include considerations on the process for determining which insurance activities could be aligned with the EU Taxonomy, which will represent the Group's contribution to the climate change adaptation objective starting from 2023.
Moreover, in order to strengthen the process of integration of the EU Taxonomy in product design and to share best practices at European level, the Group is participating in the pilot exercise promoted by EIOPA on the impact of climate-related adaptation measures in non-life insurance products. In fact, the assessment of preventive actions undertaken by policyholders and the offer of rewards for risk reduction are two key criteria for defining an insurance activity in line with the EU Taxonomy.

Operating result

The Group's operating result amounted to € 5,852 million (+12.4% on € 5,208 million at 31 December 2020), thanks to the positive performance of all segments.

Total operating result by segment

(€ million)	31/12/2021	31/12/2020	Change
Total operating result	**5,852**	**5,208**	**12.4%**
Life	2,816	2,627	7.2%
Property&Casualty	2,650	2,456	7.9%
Asset Management	672	546	22.9%
Holding and other business	561	130	n.m.
Consolidation adjustments	-847	-551	53.6%

The Life operating result stood at € 2,816 million (+7.2%). Both the technical margin, net of insurance expenses, and the net investment result - which in 2020 had been impacted by the negative performance of financial markets and the provisions for guarantees to policyholders in Switzerland - improved.
The P&C operating result grew to € 2,650 million (+7.9%). The increase in the investment result was also driven by the contribution from the Cattolica group, the dividend paid by Banca Generali, which had not been distributed in 2020, and higher dividend income from private equity. Such performance was offset by the drop in the technical result, which reflected the trend of the combined ratio, equal to 90.8% (+1.7 p.p.), due to both higher impact of natural catastrophe claims and an increased loss ratio in the motor line resulting from a gradual reduction in restrictions.
The Asset Management operating result went from € 546

8. *FAQs: How should financial and non-financial undertakings report Taxonomy-eligible economic activities and assets in accordance with the Taxonomy Regulation Article 8 Disclosures Delegated Act? and Draft Commission notice on the interpretation of certain legal provisions of the Disclosures Delegated Act under Article 8 of EU Taxonomy Regulation on the reporting of eligible economic activities and assets.*
9. It is Delegated Regulation on climate objectives: it supplements Regulation EU 2020/852 of the European Parliament and of the Council, by establishing the technical screening criteria for determining under which conditions an economic activity qualifies as contributing substantially to climate change mitigation or climate change adaptation and for determining whether that economic activity causes no significant harm to any of the other environmental objectives.
10. Although the coverage of catastrophe risks concerns both climate-related perils and other catastrophe events, the risk of considering eligible the premiums attributable to policies that only cover other catastrophe events is limited, in light of the features of the Group's products.

million to € 672 million: the 22.9% increase was mainly boosted by the operating revenues, which rose also thanks to the overall increase in assets under management, and the further development of the real asset strategy.
The operating result of the Holding and other businesses segment also increased, thanks to the good performance of Banca Generali, the contribution of which was confirmed to be growing, lower holding expenses and the excellent performance of private equity.
Lastly, the change in the consolidation adjustments was due to higher intragroup transactions, mainly relating to dividends. Noteworthy was the dividend paid to Life and P&C companies by Banca Generali in the fourth quarter of 2021, which had not been distributed in 2020.

Operating result by country

(€ million)	31/12/2021	31/12/2020
Italy	1,898	1,845
France	840	861
Germany	975	905
Austria, CEE & Russia	885	916
International	756	370
Spain	298	264
Switzerland	50	-228
Americas & Southern Europe	262	198
Asia	155	153
Asset & Wealth Management (*)	1,008	821
Group holdings, other companies and consolidation adjustments	-511	-510
Total	**5,852**	**5,208**

(*) Asset & Wealth Management area includes the main Group entities operating in investment advisory, asset management and financial planning; it includes, among others, Banca Generali. Adding the operating result of AM of the Central and Eastern European countries to that of Asset & Wealth Management reported in the table, the total operating amounted to € 1,044 million (€ 853 million at 31 December 2020).

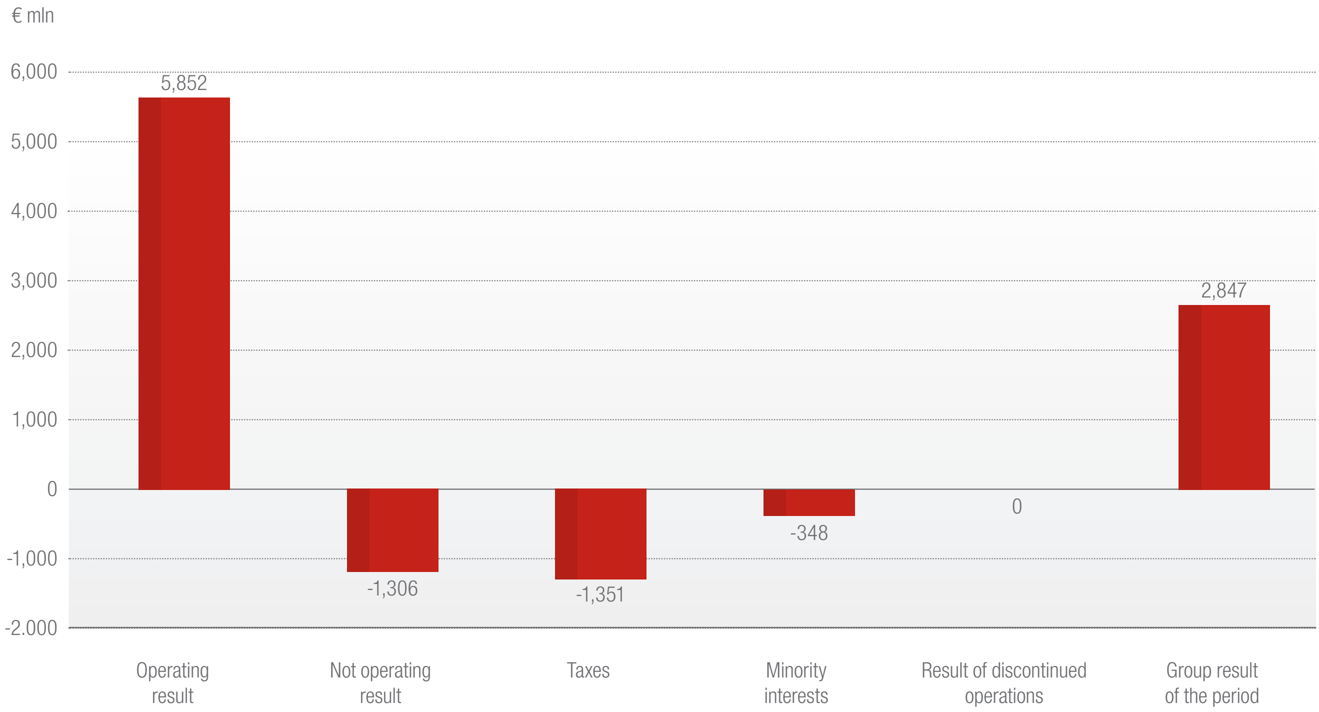
Non-operating result

The Group's non-operating result was € -1,306 million (€ -1,848 million at 31 December 2020). In particular:

- net impairments, which mainly improved in the equity component, stood at € -251 million (€ -530 million at 31 December 2020, that had been affected by both the impact of the pandemic on financial markets and the € 93 million impairment on goodwill related to the Life business in Switzerland);
- net realized gains stood at € 368 million (€ 32 million at 31 December 2020), focused in the real estate, especially € 67 million from the Libeskind Tower transaction in CityLife, Milan and € 80 million from the Saint Gobain's Tower transaction in Paris. Noteworthy were a higher contribution from the equity component and a reduction in the bond component compared to 2020. In addition, 2020 net realized gains had been also impacted by the € 94 million[11] expense arising from the liability management transaction;
- net non-operating income from financial instruments at fair value through profit or loss amounted to € -1 million (€ - 97 million at 31 December 2020) as a result of the performance of financial markets and a better contribution from exchange rates;
- net other non-operating expenses stood at € -832 million (€ -674 million at 31 December 2020). They included € -91 million VOBA (Value Of Business Acquired) amortization (€ -126 million at 31 December 2020); € -387 million restructuring costs (€ -126 million at 31 December 2020), of which € -333 million in Italy, that increased also due to € -212 million extraordinary costs relating to the integration of the Cattolica group[12]; and € -353 million net other non-operating expenses (€ -421 million at 31 December 2020). The latter included, among others, the overall positive result from the acquisition of control of the Cattolica group, equal to € 198 million - which also led to a badwill - partly offset by costs for the application of IAS29 in Argentina, an allocation to provisions following the reform of pension system in France, as well as costs for strategic initiatives above all in France and Switzerland and marginal initiatives in Italy relating to the Covid-19 emergency. 2020 net other non-operating expenses included, in particular, the non-operating expense for the establishment of the Extraordinary International Fund launched by the Group to cope with the Covid-19 emergency, to support national healthcare system and economic recovery; further local initiatives in the main countries of operation and, in France, a mandatory extraordinary contribution to the national healthcare system requested to the insurance sector;
- holding non-operating expenses stood at € -590 million (€ -579 million at 31 December 2020). The reduction in interest expense on financial debt, which went from € -493 million to € -478 million following the strategy to reduce external debt, was more than offset by higher M&A costs and higher costs relating to long-term incentive plans.

11. This amount, net of taxes, was € 73 million.
12. This amount, net of taxes, was € -147 million.

Group's result of the period



The result of the period attributable to the Group stood at € 2,847 million. The 63.3% increase on € 1,744 million at 31 December 2020 reflected:

- the positive performance of the operating and non-operating result commented above;
- the lower tax rate, which went from 34.7% to 30.2% and was mainly due to the absence of certain non-deductible expenses, which had been posted in 2020 due to the Covid-19 pandemic, and in 2021, to the reduction in the nominal income rate in France and to several one-off effects mainly related to the overall positive result from the acquisition of control of the Cattolica group;
- the result from discontinued operations, which was zero in 2021 whereas in 2020 included € -183 million expense resulting from the settlement agreement with BTG Pactual to end arbitration for the BSI disposal;
- the result attributable to minority interests, equal to € 348 million, which represented a 10.9% minority rate (14.2% at 31 December 2020) and increased compared to 2020 (€ 289 million), reflecting the performance of Banca Generali and China.

The adjusted net result, which excluded the overall positive result from the acquisition of control of the Cattolica group for € 198 million and extraordinary costs for its integration for € 147 million, net of taxes, rose by 45.1% to € 2,795 million (€ 1,926 million at 31 December 2020, which neutralized € 183 million resulting from the settlement agreement for the BSI disposal). This adjusted net result would have increased by 34.7% on € 2,076 million in 2020, which excluded also the one-off expense of € 77 million, net of taxes, from the establishment of the Extraordinary International Fund for Covid-19 and the expense of € 73 million, net of taxes, from the liability management transaction.

From operating result to result of the period

(€ million)	31/12/2021	31/12/2020	Change
Consolidated operating result	**5,852**	**5,208**	**12.4%**
Net earned premiums	70,684	64,468	9.6%
Net insurance benefits and claims	-72,978	-60,011	21.6%
Acquisition and administration costs	-12,300	-11,430	7.6%
Net fee and commission income and net income from financial service activities	1,133	787	43.9%
Operating investment result	20,045	12,275	63.3%
Net operating income from financial instruments at fair value through profit or loss	8,912	1,709	n.m.
Net operating income from other financial instruments	11,133	10,565	5.4%
Interest income and other income	10,885	10,283	5.9%
Net operating realized gains on other financial instruments and land and buildings (investment properties)	1,591	1,921	-17.2%
Net operating impairment losses on other financial instruments and land and buildings (investment properties)	-208	-620	-66.5%
Interest expense on liabilities linked to operating activities	-222	-307	-27.7%
Other expenses from other financial instruments and land and buildings (investment properties)	-913	-711	28.4%
Operating holding expenses	-516	-528	-2.4%
Net other operating expenses (*)	-216	-353	-38.6%
Consolidated non-operating result	**-1,306**	**-1,848**	**-29.3%**
Non operating investment result	115	-595	n.m.
Net non-operating income from financial instruments at fair value through profit or loss	-1	-97	-98.6%
Net non-operating income from other financial instruments (**)	117	-498	n.m.
Net non-operating realized gains on other financial instruments and land and buildings (investment properties)	368	32	n.m.
Net non-operating impairment losses on other financial instruments and land and buildings (investment properties)	-251	-530	-52.7%
Non-operating holding expenses	-590	-579	1.9%
Interest expenses on financial debt	-478	-493	-3.1%
Other non-operating holding expenses	-112	-86	30.2%
Net other non-operating expenses	-832	-674	23.4%
Earning before taxes	**4,546**	**3,360**	**35.3%**
Income taxes (*)	-1,351	-1,145	18.0%
Earnings after taxes	**3,195**	**2,215**	**44.3%**
Profit or loss from discontinued operations	0	-183	-100.0%
Consolidated result of the period	3,195	2,032	57.2%
Result of the period attributable to the Group	**2,847**	**1,744**	**63.3%**
Result of the period attributable to minority interests	348	289	20.5%

(*) At 31 December 2021, the amount is net of non-recurring taxes shared with the policyholders in Germany for € -34 million (at 31 December 2020 for € -46 million and for € 15 million operating taxes).

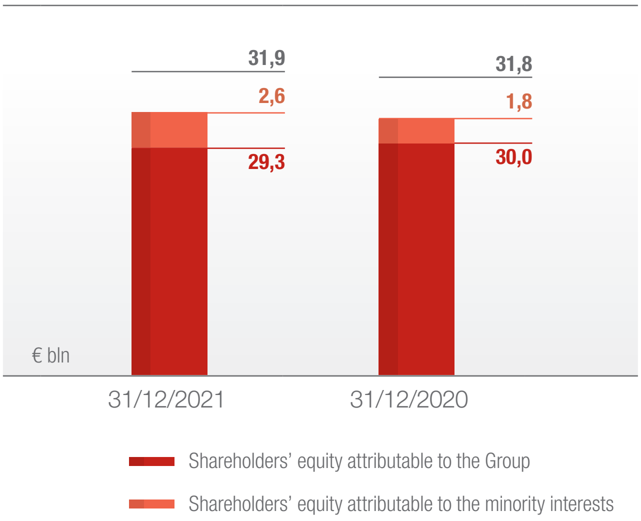
(**) The amount is gross of interest expenses on liabilities linked to financing activities.

GROUP'S FINANCIAL POSITION

Group shareholders' equity and solvency

The shareholders' equity attributable to the Group stood at € 29,308 million, down by 2.4% on € 30,029 million at 31 December 2020. The change was mainly attributable to:

- the result of the period attributable to the Group, equal to € 2,847 million at 31 December 2021;
- the dividend distribution for a total amount of € 2,315 million, of which € 1,591 million relating to 2020 dividend paid in May 2021 and € 724 million relating to the second tranche of 2019 dividend paid in October 2021;
- other comprehensive income (€ -1,273 million), resulting, in particular, from the reduction in the reserve for unrealized gains and losses on available for sale financial assets for € -1,922 million, mainly arising from the bond performance and partly offset by the increase in both the reserve for exchange rate differences for € 456 million and the reserve of unrealized gains and losses for defined benefit plans for € 365 million.



Rollforward of Shareholders' equity

(€ million)	31/12/2021	31/12/2020
Shareholders' equity attributable to the Group at the end of the previous period	**30,029**	**28,360**
Result of the period	2,847	1,744
Dividend distributed	-2,315	-785
Other comprehensive income	-1,273	646
Reserve for unrealized gains and losses on available for sale financial assets	-1,922	1,306
Foreign currency translation differences	456	-521
Net unrealized gains and losses on hedging derivatives	-155	41
Net unrealized gains and losses on defined benefit plans	365	-180
Other net unrealized gains and losses	-16	0
Other items	19	-720
Shareholders' equity attributable to the Group at the end of the period	**29,308**	**30,029**

The Solvency Ratio - which represents the regulatory view of the Group's capital and is based on the use of the Internal Model, solely for companies that have obtained the relevant approval from IVASS, and on Standard Formula for other companies - stood at 227% at year-end 2021.

The increase compared to year-end 2020 (224%) was due to the very positive contribution of normalised capital generation (tied, above all, to the further expansion of Life new business and the solid contribution from the P&C segment) which, together with the positive impact from the performance of financial markets (characterised by a sharp rise in interest rates and the excellent performance of the equity sector), more than offset the negative impact deriving from regulatory changes, M&A transactions and foreseeable dividend of the period.

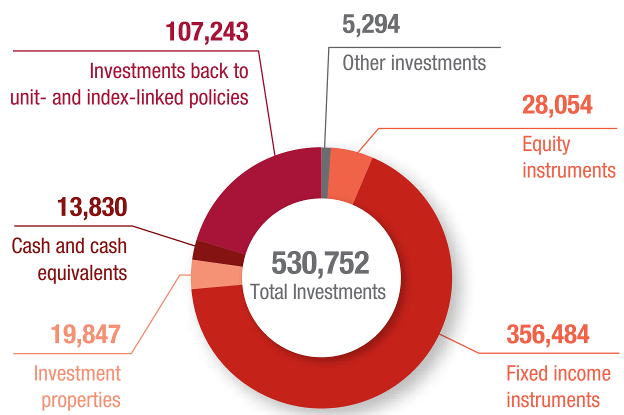
Risk Report, p. 139 of the Annual Integrated Report and Consolidated Financial Statements 2021 for further information on the Group's solvency

Investimenti

Asset allocation

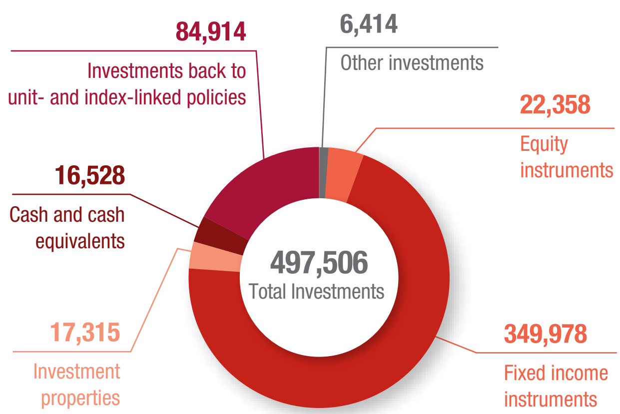
Investments at 31 December 2021

€ mln



Investments at 31 December 2020

€ mln



At 31 December 2021, total investments stood at € 530,752 million, up by 6.7% compared to the previous year. Both Group investments and unit- and index-linked investments increased to € 423,509 million (+2.6%) and € 107,243 million (+26.3%), respectively.

In terms of weight of the main investment categories, the relative exposure of fixed income instruments was substantially stable at 84.2% (84.8% at 31 December 2020), whereas the relative exposure of equity instruments increased, standing at 6.6% (5.4% at 31 December 2020). The weight of land and buildings (investment properties) slightly rose to 4.7% (4.2% at 31 December 2020), whereas the weight of other investments was substantially stable at 1.2% (1.5% at 31 December 2020). Note that other investments mainly include receivables from banks and customers, investments in subsidiaries, associated companies and joint ventures, and derivatives. Lastly, the weight of liquidity decreased from 4.0% to 3.3%.

Fixed income instruments

Fixed income instruments increased by 1.9% to € 356,484 million compared to € 349,978 million at 31 December 2020. In particular, investments fund units related to bonds rose to € 31,700 million (+16.8%).

With regard to the composition of the bond portfolio, government bonds, which represented 54.5% (54.4% at 31 December 2020), slightly grew to € 194,293 million (€ 193,734 million at 31 December 2020). The change was attributable to an increase in government instruments due to the inclusion of assets of the Cattolica group in the last quarter, and to a negative impact on the value of securities in the portfolio due to a rise in interest rates and BTP-Bund spread. The exposure to individual government bonds was mainly allocated to the respective countries of operation, in line with the Group's ALM policy.

As a result of investment decisions, the corporate component slightly increased in absolute terms to € 113,965 million (€ 113,895 million at 31 December 2020), equal to 32.0% of the bond portfolio (32.5% at 31 December 2020). Taking into consideration, on the other hand, the current portfolio composition, the asset allocation was substantially stable, with a preference for the utilities sector.

Bond portfolio: detail by sector

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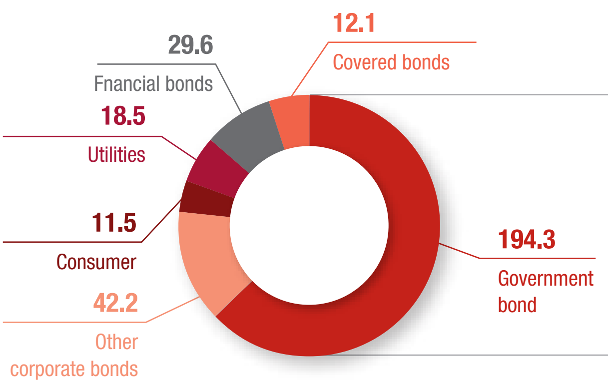

Government bonds: detail by country of risk

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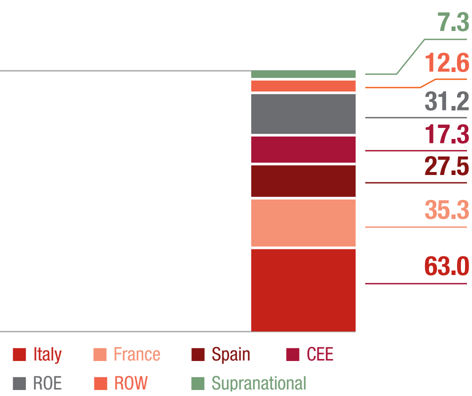

The credit rating of the Group's government portfolio slightly decreased; 97.4% of bonds were classified as Investment Grade (98.8% at year-end 2020). The credit rating of the Group's corporate portfolio slightly decreased, too; 90% of bonds were classified as Investment Grade (92% at year-end 2020).

Bond portfolio: government bonds by rating

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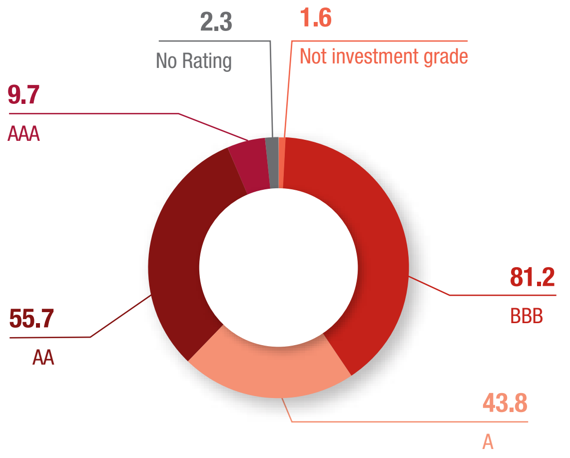

Bond portfolio: corporate bonds by rating

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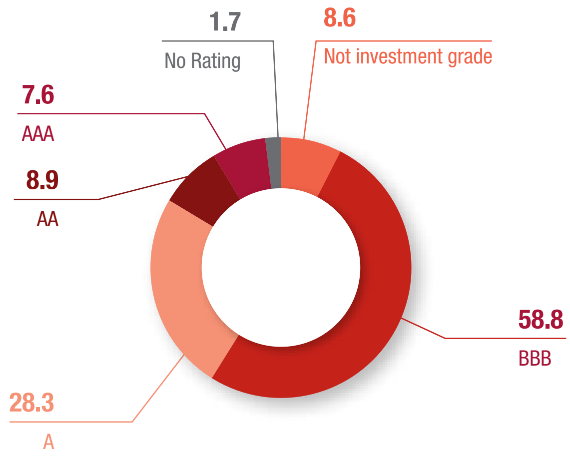

Equity instruments

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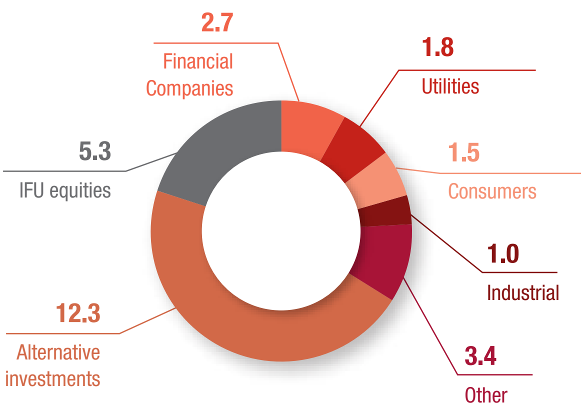


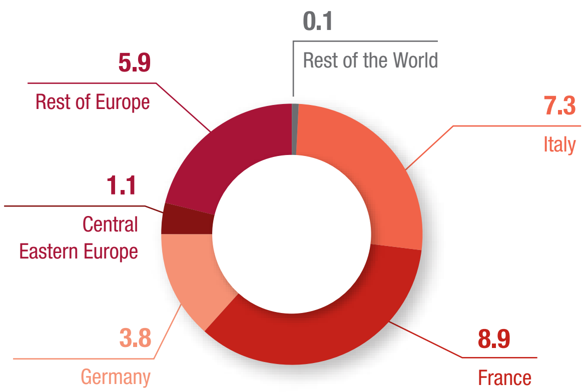
Equity instruments increased in absolute terms to € 28,054 million (€ 22,358 million at 31 December 2020). The change was attributable to portfolio decisions combined with market impact. In terms of allocation, the component relating to investments in listed instruments was up in 2021.

Land and buildings (investment properties)

Land and buildings (investment properties) stood at € 19,847 million in terms of book value (€ 17,315 million at 31 December 2020).

Direct investment properties at fair value

€ bln



The Group's direct land and buildings (investment properties) at fair value, amounting to € 27,103 million (€ 24,660 million at 31 December 2020), were almost all in Western Europe, mainly in Italy, France and Germany, and were held in the respective countries of operation.

Sustainable and responsible investments

Sustainable and responsible investments are a fundamental tool to integrate social responsibility into the business of an insurance group and to create long-term sustainable value for stakeholders. As an institutional investor with assets of more than € 710 billion, through its investments Generali can contribute to achieving the key sustainable development goals, and at the same time avoid financing sectors and companies that have a negative impact on the world around them.
Responsibility towards the world around us goes hand in hand with responsibility towards our stakeholders. Investing while limiting risk, including those related to environment and sustainability, is a fundamental requirement to respecting our commitment to them. To confirm this commitment, in 2007, the Group joined the United Nations Global Compact, and in 2011 we integrated the PRI (Principles for Responsible Investment), defined by the international network of the same name sponsored by the United Nations, into our investment strategy.

The Group commitment on climate change

The fight against climate change represents one of the main challenges of this century. The COP 26, which was held in Glasgow in November 2021, opened with great ambitions, but did not fully achieve the objectives it set out, highlighting how complex it is to harmonise the requirements of individual countries in the fight against climate change. In these times of heightened uncertainty, it is crucial that individual investors and in particular institutional investors (Asset Owners), such as the Generali Group, opt for investments that are able to give an evident and clear contribution to limiting the average increase of global temperature to 1.5°C. In line with this commitment, in 2021, we updated our Strategy on Climate Change, which focuses on increasingly stringent criteria to exclude activities that harm climate (thermal coal first and foremost) and contains increasingly important ambitions for the funding of activities that provide solutions to reduce the level of GHG emissions. For example, we have decided to reduce investments to a minimum, right down to entirely divesting in companies in the thermal coal sector, and not to invest in companies involved in the extraction of tar sands, activity that has an impact on the environment in terms of GHG emissions, as well as deforestation and water consumption.

Adopting a climate strategy does not just entail excluding sectors but requires a holistic commitment.
In 2020, the Group joined the Net-Zero Asset Owner Alliance (NZ AOA), a group of 70 institutional investors representing over $ 10.4 trillion, established on the initiative of the United Nations, which is committed to reducing the net greenhouse gas emissions of its portfolios to zero by 2050 to limit an increase in the global temperature to 1.5°C. This goal will be pursued by working closely with the companies in portfolio, regulatory and government bodies with a view to urging the adoption of practices and regulations aligned to the commitments of the Paris Agreement, also by integrating the strategy with targeted investing. In accordance with the principles of the NZ AOA, we set intermediate targets to decarbonizing our portfolio by 2024[13] which reflect our continuous commitment to achieving this long-term goal:

- 25% reduction in the carbon footprint of direct investments[14] listed equities and corporate bonds, also through the engagement of 20 carbon-intensive investees in our portfolio;
- alignment of at least 30% real estate portfolio with the global warming trajectory of 1.5°C.

As a result of the commitments made in this area, the Group is gradually integrating the carbon footprint in its investment choices and active shareholding, mainly through an engagement with the most carbon intensive issuers of the portfolio.
The carbon footprint of a portfolio can be measured by using several metrics with different calculation methodologies. With reference to the direct investments in listed equities and corporate bonds, we report below the metrics monitored by the Group with the respective performance.

Perimeter and metrics[15]

	2019	2020[16]	2021	2019-2021 change
Direct investments in listed equity and corporate bonds (€ bln)	**117.5**	**111.5**	110.4	-6.1%
Absolute emissions[15] (mln tCO_2e)	15.36	11.96	10.36	-32.6%
Carbon intensity (EVIC)[15] (tCO_2e/€ mln invested)	182	145	128	-29.6%
Carbon Intensity (sales)[15] (tCO_2e/€ mln of sales)	276.9	243	241	-12.9%
Coverage[17]	71%	74%	73%	1.9 p.p.

13. In line with the NZ AOA Target Setting Protocol, intermediate targets to decarbonizing the portfolio by 2024 are defined using carbon footprint at the end of 2019 as baseline.
14. General account investments from insurance companies.
15. To calculate the carbon footprint indicators, the Group relies on MSCI data. Data related to CO_2 emissions, EVIC and sales of the companies in the portfolio refer to the last available data at the moment of the calculation for this reporting (usually January/February of each year) and therefore usually refer to the previous year as the new data are available in the second semester of the year.
16. 2020 indicators have been recalculated following a change in the methodology and data provider.
17. The coverage presented in the table refers to the metrics Carbon intensity (per EVIC) and Absolute Emissions. The coverage for the metric carbon intensity (per sales) is 85% for the year 2019 and 2021 and 87% for the year 2020. Our ambition and our commitment is to increase the part of our investment portfolio covered by the carbon footprint assessment in order to provide data increasingly precise.

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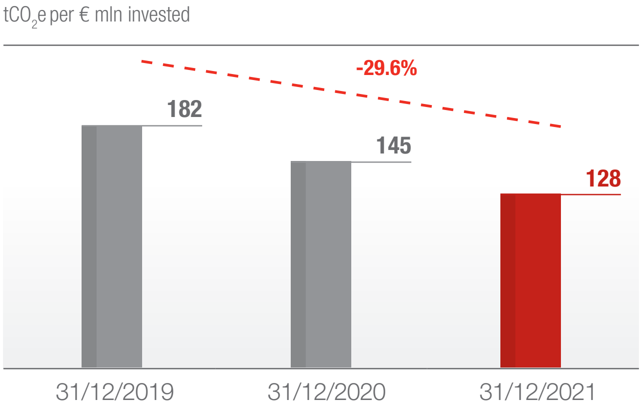
The Group ambition is to progressively reduce the impact of its investments on climate, in order to reach a net-zero level of GHG emissions by 2050 and limit the increase of the temperature by 1.5°C compared to the pre-industrial era.

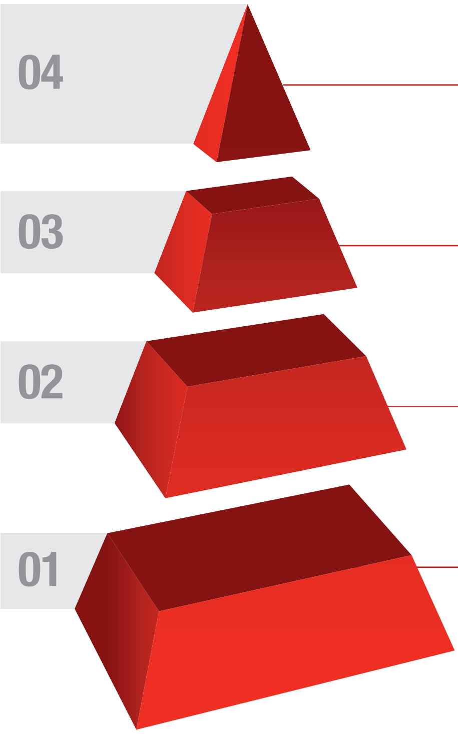
In order to reach this long-term goal and in alignment with the NZ AOA initiative, we set a target to reduce the carbon intensity (per EVIC) of our investment portfolio by 25% between end of year 2019 and end of year 2024.
This target covers the direct investments of the Group insurance companies in listed equities and corporate bonds.
The carbon intensity (per EVIC) decreased by 29.6%, between year-end 2019 and year-end 2021, moving from 182 tCO_2e /€ mln invested in 2019 to 128 tCO_2e /€ mln at year-end 2021.
This reduction comes mainly from:
- an investment allocation that has favoured companies more virtuous in the energy transition, by reducing at the same time the exposure to high carbon intensive companies.
- a decrease in the GHG emission of the companies in the portfolio, due also to the Covid-19 pandemic effects on the global economy starting from 2020, which led to a drop in the productive activity of some sectors.



As regards the real estate assets managed by Generali Real Estate (GRE), we have committed through the NZ AOA initiative to developing a strategy to decarbonise our assets by 2050, which envisages the gradual alignment of our real estate portfolio with the targets defined by the CRREM (Carbon Risk Real Estate Monitor) model. This commitment is a natural consequence of the efforts already made by the Group for several years to manage its real estate assets more sustainably.
To accurately measure the initial levels and the achievement of the decarbonisation objectives, in 2019, GRE launched a Data Analytics project, which currently covers around 250 assets in 10 countries throughout Europe. For each asset, the consumption data of existing buildings are collected and centralised on a digital platform, which automatically calculates the CO_2 emissions and monitors their development. Based on the data collected, each year an improvement plan for each building is submitted or updated, which considers the main ways to reduce emissions, such as renovations, upgrading systems, making changes to the energy mix and involving the tenants.
In addition to its commitment to the existing portfolio, GRE has also implemented a policy to invest in high energy efficiency buildings, integrating ESG criteria into its real estate development and investment policy, and has developed its own sustainable assessment method for real estate at the time of purchase. To date, over half of the real estate assets managed by GRE is represented by assets certified externally (for example, BREEAM and LEED) or analysed internally, where 80% of external certifications are high level.
Various projects have been launched to meet the high market demand for the certification and benchmarking of funds (GRESB, SRI label, MSCI) and to comply with European legislation (Regulation EU 2019/2088 - SFDR) for the integration and disclosure of ESG criteria.
Through Green Leases, GRE undertakes the integration of the most important ESG issues in commercial rental agreements, with a view to making a commitment with the tenants to a sustainable partnership that is advantageous for all parties, and to meet the demand for data analysis and disclosure. Similarly, the satisfaction survey (Tenant Survey) helps GRE understand the needs and the current situation of the tenants and improve relations and communication with the same. In 2021, GRE conducted a digital analysis of its international portfolio, with over 2,000 leases, including questions on sustainability and innovation.
The founding principles for the responsible management of our real estate investments are contained in the public document Responsible Property Investment Guideline by GRE.

www.generalirealestate.com/Sustainability

Integrating responsible principles into our investments breaks down into four levels:



ACTIVE OWNERSHIP

Dialogue with invested companies on ESG topics and proxy voting activities.

THEMATIC INVESTMENTS

Direct investments with positive impact on the environment and society.

INVESTMENTS WITH ESG CHARACTERISTICS

ESG criteria increasingly integrated into the Group's investment decisions.

EXCLUSION POLICIES

Exclusion from investments of activities considered harmful to the environment or communities (thermal coal, tar sands, unconventional weapons) and companies responsible for significant ESG controversies.

1. Exclusion of companies belonging to controversial sectors/businesses and involved in violations of the UN Global Compact principles

Generali exclude from the investable universe companies those responsible for serious and systematic violations of ESG topics (corruption, environmental damage, including damage to biodiversity, and human rights violations) or significantly involved in the thermal coal, tar sands or controversial weapons sectors.
With specific reference to the thermal coal sector, in 2021, we adopted a new exclusion policy, the objective of which is the gradual but full disposal of any investments in issuers in this sector by 2030 for OECD countries and 2040 for the rest of the world. Thermal coal represents one of the most harmful activities for the environment, which must be totally disposed of if we want to meet the target of limiting global warming to 1.5°C. We have envisaged new, stricter thresholds compared to the previous ones, to exclude the general accounts of companies involved in the thermal coal business from our investments. The application of the new thresholds is accompanied by a qualitative analysis, which is made on issuers to assess the coal exit strategies of the companies identified by our filters. For companies whose exposure is marginally higher than the defined thresholds, we make a qualitative analysis to assess their current exposure as well as their coal exit strategies. The companies whose analyses show the presence of a clear coal exit strategy aligned to the Group's objectives may continue to be invested in.

www.generali.com/our-responsibilities/our-commitment-to-the-environment-and-climate for further details on thresholds described in the technical note

Exclusions are illustrated in the Responsible Investment Group Guideline (RIG), which regulates responsible investment activities at Group level. A dedicated cross-functional committee, the Responsible Investment Committee, supports the decisions on potential exclusions from investments and draws up new strategies in this regard.

DIRECT INVESTMENTS BY THE GROUP'S INSURANCE COMPANIES SUBJECT TO RIG

€ 312,772 mln	- 4.2%

The Group requires its asset managers to act in compliance with the principles of the RIG and assesses alignment with ESG criteria also when selecting funds managed by external asset managers.

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2. Investments with ESG characteristics

Following the entry into force of Regulation EU 2019/2088 on the transparency of sustainability-related disclosures in the financial market (Sustainable Finance Disclosure Regulation or SFDR), we assessed the Group's investments, as asset owner (general accounts) and asset manager, to identify those promoting environmental or social characteristics and investing in companies with good governance practices (mandates ex art. 8 SFDR), and those having sustainable investment as their objective (mandates ex art. 9 SFDR).

As Asset Owner

MANDATES EX ART. 8/9 SFDR[18]

€ 69.2 mld

Sustainability factors are fundamental in the Group's investment choices. We are formalizing this commitment with the aim of increasing mandates that promote environmental or social characteristics in the investment choices or have sustainable investment as their objective.

As Asset Manager

The Group is boosting the integration of sustainability factors not only in direct investments, but also in the offer of financial products that promote environmental or social characteristics or have sustainable investment as their objective.
In 2019, we acquired Sycomore, an asset manager specialised in ESG funds, thus strengthening our commitment to include sustainability factors in portfolio management. Sycomore offers a wide range of funds that integrate sustainability factors at various levels.

INVESTMENTS MANAGED EX ART. 8/9 SFDR[19]

€ 7.9 mld

3. Thematic investments

Green and sustainable investments

In 2019, we had set a target of € 4.5 billion green and sustainable investments by 2021, with a particular focus on direct investments in corporate and government bonds and in infrastructure.

TARGET (€ 4.5 bln) OVERACHIEVED IN 2020

On the strength of achieving and surpassing this target one year in advance, we have renewed our commitment to fund activities that are able to make a positive commitment to the surrounding environment and to society, and we have set a new target of between € 8.5 and € 9.5 billion of new green and sustainable investments between 2021 and 2025.

NEW GREEN AND SUSTAINABLE INVESTMENTS (2021-2025)[20]

€ 2,537 mln

With regard to the new 2021-2025 investment plan, the target has been defined with reference to green, social, sustainability and sustainability-linked bonds, issued by corporates or governments, that meet the market standard[21], selected according to an internal methodology (screening), whose main purpose is to assess the robustness of the sustainability framework of these bond issues and the level of transparency towards the market, as well as monitoring the activities that are financed through these investments. This approach enables a greater degree of awareness in these investments, and seeks to exclude bonds that might lead to potential problems as regards the ESG profile of the framework, as well as of the issuer in question. These investments contribute mainly to projects and initiatives funding renewable energies and energy efficiency, as well as transport solutions with low environmental impact and green buildings.

18. The indicator refers to Generali France mandates managed by Generali Insurance Asset Management.
19. The indicator refers to investments managed by Sycomore.
20. New investments refer to the difference between new purchases, sales and maturities of securities in the portfolio.
21. ICMA (International Capital Market Association) Principles.

Covid-19: commitment to a sustainable economic recovery

The commitment of a large Group such as Generali and the help it can provide are even more evident in times of crisis. The social and economic crisis triggered by the Covid-19 pandemic, still ongoing, emphasised the need to strengthen and consolidate the European model, from a healthcare, economic and social perspective. To contribute to repairing the economic and social damage caused by the pandemic, the European Commission, the European Parliament and EU leaders have agreed on a recovery plan that will help the EU to emerge from the crisis and lay the foundations for a more modern and sustainable Europe.

Generali has undertaken to actively contribute to this recovery: we have joined the European Green Recovery Alliance, launched on the initiative of the Chair of the Environment Committee at the European Parliament, which is based on the belief that the recovery will be an opportunity to rethink the society and to develop a new economic model for Europe that is resilient, focused on the protection of the individual, sovereign and inclusive, in which the financial goals and the needs of the planet are aligned. A sustainable recovery is crucial to recreate the economic system damaged by the crisis on a less fragile and socially responsible basis, able to better withstand future shocks.
We launched Fenice 190, a € 3.5 billion investment plan to support the recovery of the European economies impacted by Covid-19, starting in Italy, France and Germany and to then target all of European countries in which the Group operates throughout the five years of the plan.
The extraordinary initiatives launched in 2020 to tackle the effects of the crisis become permanent; they included investments in support of SMEs and the real economy surpassing the objective of € 1 billion. An estimated commitment of € 500 million per year, over the next five years, is added to this initial amount for sustainable growth through national and international investment funds focusing on infrastructure, innovation and digitalization, SMEs, green housing, health care facilities and education.

FENICE 190

€ 810 mln

In 2021, the Group's companies signed higher commitments related to investments eligible for Fenice 190 than the annual commitment initially amounting to € 500 million.

The plan - open to both Group's companies and third-party investors - is implemented through the Generali Investments multi-boutique platform, with an approach to selecting initiatives based on compliance with the 17 United Nations Sustainable Development Goals (SDGs) and with the European Sustainable Finance Disclosure Regulation (SFDR). It aims to generating a positive impact on the economic recovery and the real economy in Europe. More specifically, investments for Fenice 190 have two objectives:
- a social objective, aimed at improving the people's life quality, through the support of companies promoting socially responsible labour policies and fairer employment contracts as well as urban redevelopment initiatives of living spaces;
- an environmental objective, aimed at energy requalification of existing companies and infrastructures, and pollution emission reduction, in line with European targets.

4. Active Ownership

As a responsible investor, we undertake to promote sustainability in our investees through voting in shareholder meetings and dialogue. Both activities are used as effective leverage to influence corporate practices on ESG aspects, to encourage greater transparency on these topics or to gain a greater understanding of investees' ESG risk management.
We have drawn up Active Ownership Guidelines which, starting from the Group's fundamental values, also in terms of sustainability, define the voting principles and the means of dialogue.
Our voting principles include topics such as: rights of shareholders, corporate bodies, remuneration policies, financial statements, information disclosures and transparency, share transactions, environmental and social aspects, special provisions for listed companies with reduced market capitalisation and unlisted companies, related party transactions. In 2021, we voted based on voting principles, including reference to systemic and market risks relating to pandemic situations, that were updated at the end of 2020.

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SHAREHOLDERS' MEETINGS WE ATTENDED[22]

1,710	+15%

RESOLUTIONS VOTED

20,795	+5.4%

AGAINST VOTES

12%	-0.0 p.p.

Our approach to voting envisages exercising our voting rights whenever reasonably possible, without making discriminations based on the subject of the vote or the size of the shareholding in the issuers. Voting decisions are taken mainly following an internal analysis based on documents made public by the issuers and on research provided by the proxy advisors.

Consistent with the decarbonisation commitments consequent to our entry into NZ AOA, in 2021, we made a five-year commitment to dialogue with twenty of the investee companies whose net greenhouse gas emissions have the greatest impact on our portfolios; this involves a detailed assessment of the decarbonisation commitments made by the companies, inviting them to adopt objectives consistent with those of the Group and monitoring their progress.

In January 2022 our Group Engagement Committee has approved an engagement campaign to begin this year, aiming at sensibilizing investee companies on the women quota on boards and top management, consistently with Generali commitment as issuer on the topic. The campaign will target, engage and subsequently monitor companies whose board and top management is below 40% women rate.

www.generali.com/our-responsibilities/responsible-investments for further information on Active Ownership Guideline and Group Active Ownership Report 2021

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EU TAXONOMY

Exposures to EU Taxonomy eligible and non-eligible activities

The European Union has established a dynamic, significantly evolving but shared system of classification or EU Taxonomy of sustainable activities, outlined in Regulation EU 2020/852 and in Delegated Regulation EU 2021/2139, which define the criteria for determining whether an economic activity can be considered environmentally sustainable in order to identify the degree of eco-sustainability of an investment.

EU Taxonomy eligible and non-eligible non-life insurance activities, p. 83 for more details

This classification is complemented by a mandatory disclosure regime for financial and non-financial undertakings, which provides for the inclusion of specific indicators regarding their contribution to the EU Taxonomy objectives. In particular, financial undertakings are required to provide:

- a simplified disclosure on EU Taxonomy eligibility for 2021 and 2022 annual reports;
- EU Taxonomy alignment indicators for annual reports starting from 2023.

Eligible activities represent the insurance activities for which the technical screening criteria have been defined in Annexes of Delegated Regulation EU 2021/2139, regardless of whether these criteria are met or not. The eligibility indicators therefore do not provide any indication on the degree of eco-sustainability pursuant to EU Taxonomy of the insurance coverage offered by the Group but only define the scope on which it will be possible to apply the Taxonomy criteria starting from 2023. The alignment disclosure will in fact represent the Group's contribution to EU Taxonomy climate objectives through its assets.

Pursuant to art. 10.2 of Delegated Regulation EU 2021/2178 of the European Commission[23], we reported for the year 2021 the proportion of exposures to EU Taxonomy eligible and non-eligible activities, as well as the proportion of exposures to central governments, central banks and supranational issuers, to derivatives and to undertakings not obliged to publish non-financial information.

22. The shareholders' meetings relating to the direct investment of insurance companies were 1,073.
23. It is the Delegated Regulation on disclosure pursuant to the EU Taxonomy: it supplements Regulation EU 2020/852 of the European Parliament and of the Council, specifying the content and presentation of information to be disclosed by undertakings subject to article 19a or article 29a of Directive 2013/34/EU concerning environmentally sustainable economic activities, as well as specifying the methodology to comply with this disclosure obligation.

In consideration of the provisions of the reporting guidelines published by the European Commission in February 2022[24], at 31 December 2021 the proportions of eligibility and non-eligibility were calculated in the Group's total assets, amounting to € 586,225 million, with the exclusion of exposures and cash and cash equivalents to central governments, central banks and supranational issuers, which amounted to € 195,910 million (33.4% of total assets), intangible assets, tangible assets (excluding self-used buildings), amounts ceded to reinsurers from insurance provisions, receivables and other assets, which totalled € 47,546 million (8.1% of total assets). The assets covered by the EU Taxonomy indicators therefore were equal to € 342,768 million or 58.5% of total assets.

EXPOSURES TO CENTRAL GOVERNMENTS, CENTRAL BANKS AND SUPRANATIONAL ISSUERS

33.4%

According to the reporting guidelines published by the European Commission in December 2021 and February 2022[25], we conducted the eligibility analysis exclusively on investments where the Group has direct control, considering the book value at the end of the period and without using estimates based on internal methods. The absence of actual data provided by the investees, which are yet to make them public, and over which the Group has no direct control, did not allow the identification of the exposures to the specific economic activities eligible for EU Taxonomy and described in Annexes I and II of Delegated Regulation EU 2021/2139[26]. The only eligible exposures for 2021, equal to € 24,617 million (7.2% of total covered assets), were therefore land and buildings (investment properties)[27] for € 16,206 million, self-used buildings, included in land and buildings (self-used) for € 2,299 million and mortgage loans[28] for € 6,112 million. In fact, the activity of *Acquisition and ownership of buildings* is included in Annex I of Delegated Regulation EU 2021/2139, as it is relevant for the objective of climate change mitigation. Furthermore, the exposures to such activity must be assessed in the next phase, in order to verify their alignment with the EU Taxonomy.

EXPOSURES TO EU TAXONOMY-ELIGIBLE ECONOMIC ACTIVITIES

7.2%

In line with Delegated Regulation EU 2021/2178, we considered as exposures to non-eligible economic activities investments in derivative assets, cash and cash equivalents (excluding those with central banks) and investments in undertakings not obliged to publish non-financial information. Moreover, as indicated in the guidelines of the European Commission of December 2021, also direct and indirect investments in undertakings potentially obliged to publish non-financial information were considered to be non-eligible; in fact, it was not possible to perform an eligibility on such exposures, since the actual data were not public at the time of preparation of this Report. Total exposures to non-eligible economic activities amounted to € 318,152 million (92.8% of total covered assets).

EXPOSURES TO EU TAXONOMY NON-ELIGIBLE ECONOMIC ACTIVITIES

92.8%

Within the EU Taxonomy non-eligible activities, derivative assets, amounting to € 1,147 million, represented 0.3% of total covered assets, while cash and cash equivalents (excluding those with central banks), amounting to € 6,859 million, were equal to 2.0% of total covered assets. To date, these exposures cannot be assessed for eligibility purposes in line with Delegated Regulation EU 2021/2178 and the reporting guidelines published by the European Commission in February 2022.

EXPOSURES TO DERIVATIVE ASSETS

0.3%

With regard to exposures to undertakings not obliged to publish non-financial information, as there is not yet an official data source at EU level that would allow the identification of these undertakings, we estimated such proportion considering only

24. *Draft Commission notice on the interpretation of certain legal provisions of the Disclosures Delegated Act under Article 8 of EU Taxonomy Regulation on the reporting of eligible economic activities and assets.*
25. *FAQs: How should financial and non-financial undertakings report Taxonomy-eligible economic activities and assets in accordance with the Taxonomy Regulation Article 8 Disclosures Delegated Act? e Draft Commission notice on the interpretation of certain legal provisions of the Disclosures Delegated Act under Article 8 of EU Taxonomy Regulation on the reporting of eligible economic activities and assets.*
26. It is Delegated Regulation on climate objectives: it supplements Regulation EU 2020/852 of the European Parliament and of the Council, by establishing the technical screening criteria for determining under which conditions an economic activity qualifies as contributing substantially to climate change mitigation or climate change adaptation and for determining whether that economic activity causes no significant harm to any of the other environmental objectives.
27. Land and buildings (investment properties) do not include investments in agricultural lands, since they are currently not eligible for the EU Taxonomy.
28. Mortgage loans are considered eligible in line with the provisions of Annex V of Delegated Regulation EU 2021/2178 and in light of the reporting guidelines published by the European Commission in February 2022, as secured by real estate and attributable to the eligible activity of *Acquisition and ownership of buildings*.

the direct investments in equity instruments and corporate bonds issued by counterparties based in extra-EU countries, and alternative investments, mainly private equity, as the issuers are unlisted. Such exposures amounted to € 57,933 million (16.9% of total covered assets).

ESTIMATED EXPOSURES TO UNDERTAKINGS NOT OBLIGED TO PUBLISH NON-FINANCIAL INFORMATION

16.9%

As previously indicated, the remaining 73.6% of exposures to EU Taxonomy non-eligible activities in covered assets, amounting to € 252,213 million, included direct and indirect investments for which it was not possible to perform an eligibility analysis, since actual counterparty data were not public at the time of preparation of this Report.

The Group has established and monitors the process of implementing the latest European legislative provisions, particularly as regards the requirements introduced by Regulation EU 2019/2088 on sustainability-related disclosures in the financial services sector (known as Disclosure Regulation) and Regulation EU 2020/852 on the establishment of a framework to facilitate sustainable investment (known as EU Taxonomy Regulation).
In particular, the Group is carrying out specific projects aimed at integrating, in its systems and processes, information necessary for the analysis of its investment portfolio with respect to EU Taxonomy eligibility and alignment. The primary objective is to create an infrastructure necessary for monitoring and reporting in compliance with the regulatory requirements in force and/or which will come into force.

The Group has established a framework to encourage the investments necessary to achieve the objectives of the European Green Deal of net-zero GHG emissions by 2050, committing to making its investment portfolio climate-neutral by mid-century. As long-term investors, insurance companies are uniquely positioned to address the challenges related to sustainability and facilitate the transition to a more sustainable and resilient economy, in line with the ambitious climate neutrality objectives of the European Green Deal.

	31/12/2021	
(€ million)	Amounts	Ratio %
Total Assets in the Balance Sheet	586,225	
Activities excluded from EU Taxonomy indicators	243,456	
Intangible assets, Tangible assets (excluding self-used buildings), Amounts ceded to reinsurers from insurance provisions, Receivables, Other assets	47,546	8.1%
Exposures to central governments, central banks and supranational issuers (including cash and cash equivalents with central banks)	195,910	33.4%
Total assets covered by EU Taxonomy indicators (coverage ratio)	342,768	58.5%
EU TAXONOMY-ELIGIBLE ECONOMIC ACTIVITIES		
Land and buildings (investment properties)[1]	16,206	4.7%
Mortgage loans	6,112	1.8%
Land and buildings (self-used)	2,299	0.7%
Exposures to EU Taxonomy-eligible economic activities in total covered assets	**24,617**	**7.2%**
EU TAXONOMY NON-ELIGIBLE ECONOMIC ACTIVITIES		
Derivative assets	1,147	0.3%
Cash and cash equivalents (excluding cash and cash equivalents with central banks)	6,859	2.0%
Investments in undertakings not obliged to publish non-financial information (Articles 19a or 29a of Directive 2013/34/EU)[2]	57,933	16.9%
Other non-eligible direct and indirect investments[3]	252,213	73.6%
Exposures to EU Taxonomy non-eligible economic activities in total covered assets	**318,152**	**92.8%**

1 Land and buildings (investment properties) do not include investments in agricultural lands, since they are currently not eligible for the EU Taxonomy.
2 The estimated proportion considers only exposures to direct investments in equity instruments and corporate bonds issued by counterparties based in extra-EU countries, and alternative investments, mainly private equity, as the issuers are unlisted.
3 It was not possible to perform an eligibility analysis, due to the absence of actual data provided by the investees.

Investment result

Return on investments

	31/12/2021	31/12/2020
Economic components		
Current income from fixed income instruments	8,339	8,505
Current income from equity instruments	1,425	850
Current income from real estate investments (*)	791	768
Net realized gains	1,676	1,975
Net impairment losses	-384	-1,067
Net unrealized gains	-267	17
Average stock	**409,119**	**394,761**
Ratio		
Current return (*)	2.6%	2.6%
Harvesting rate	0.3%	0.2%
P&L return	2.8%	2.7%

(*) Net of depreciation of the period.

The current return on investments was substantially stable at 2.6% (2.6% at 31 December 2020). The performance of this indicator was attributable to a higher current income from equity instruments, in particular alternative instruments, which more than offset the lower current income from fixed income instruments in relation to the context of low interest rates.

The contribution to the result of the period deriving from net realized gains, net impairments and net unrealized gains (harvesting rate) increased to 0.3% (0.2% at 31 December 2020), thanks to lower impairments compared to 2020.

Debt and liquidity

Debt

In accordance with the IAS/IFRS managerial model used by the Generali Group, consolidated liabilities were split into two categories:

- liabilities linked to operating activities, defined as all the consolidated financial liabilities related to specific balance sheet items from the consolidate financial statements. This category also includes liabilities stated by the insurance companies against investment contracts and liabilities to banks and customers of banks belonging to the Group;
- liabilities linked to financing activities, including the other consolidated financial liabilities, among which subordinated liabilities, bond issues, and other loans obtained. This category includes, for example, liabilities incurred in connection with a purchase of controlling interests.

Total liabilities were as follows:

Group debt

(€ million)	31/12/2021	31/12/2020
Liabilities linked to operating activities	**37,053**	**34,376**
Liabilities linked to financing activities	**10,660**	**9,692**
Subordinated liabilities	8,760	7,681
Senior bonds	1,737	1,738
Other non-subordinated liabilities linked to financing activities	163	273
Total	**47,713**	**44,068**

The liabilities linked to operating activities posted an increase due mainly to the increase in the Group's bank deposits.
The increase in the Group's liabilities linked to financing activities was mainly due to the issuance of the subordinated bond in sustainability format for a nominal value of € 500 million in June 2021, with the aim of partly refinancing 2022 maturities, and to the inclusion of liabilities linked to financing activities of the companies of the Cattolica group.
The weighted average cost of liabilities linked to financing activities stood at 4.60%, showing a decrease compared to 2020 mainly due to the issuance made in June 2021 and to the consolidation of the liabilities at fair value of the companies of the Cattolica group. The weighted average cost reflects the annualized cost of the liabilities, considering the nominal amounts at the reporting date and the related transactions of currency and interest rate hedging.

Interest expenses on total liabilities were detailed below:

Interest expenses

(€ million)	31/12/2021	31/12/2020	Change
Interest expense on liabilities linked to operating activities	222	307	-27.7%
Interest expense on liabilities linked to financing activities	478	493	-3.1%
Total (*)	**700**	**800**	**-12.5%**

(*) Without taking into account the interest expenses on liabilities linked to operating activities of the real estate development companies, classified among the other expenses, as well as the interest on deposit under reinsurance business accepted, deducted from the related interest income.

Capital management and financial optimization, p. 42 for further information

Details on the liabilities linked to financing activities

Details on subordinated liabilities and senior bonds

(€ million)	31/12/2021				31/12/2020			
	Nominal value	Book value	Accrued interest expenses	Average weighted cost % (*)	Nominal value	Book value	Accrued interest expenses	Average weighted cost % (*)
Subordinated liabilities	8,715	8,760	388	4.50%	7,717	7,681	402	4.90%
Senior bonds	1,744	1,737	89	5.13%	1,750	1,738	91	5.13%
Total	**10,459**	**10,497**	**478**		**9,467**	**9,419**	**493**	

(*) The weighted average cost reflects annualized cost of financial debt, considering the outstanding debt at the reporting date and the related activities of currency and interest rate hedging.

Details of issues and redemptions of subordinated liabilities and senior bonds

(nominal value in € million)	31/12/2021			31/12/2020		
	Issuances	Redemptions	Issuances net of redemptions	Issuances	Redemptions	Issuances net of redemptions
Subordinated liabilities	500	50	450	600	600	0
Senior bonds	0	0	0	0	1,250	-1,250
Total	**500**	**50**	**450**	**600**	**1,850**	**-1,250**

Details on main issues

Subordinated liabilities

Main subordinated issues

	Coupon	Outstanding (*)	Currency	Amortised cost (**)	Issue date	Call date	Maturity
Assicurazioni Generali	6.27%	350	GBP	415	16/06/2006	16/02/2026	Perp
Assicurazioni Generali	6.42%	167	GBP	199	08/02/2007	08/02/2022	Perp
Assicurazioni Generali	10.13%	302	EUR	301	10/07/2012	10/07/2022	10/07/2042
Assicurazioni Generali	7.75%	468	EUR	467	12/12/2012	12/12/2022	12/12/2042
Assicurazioni Generali	4.13%	1,000	EUR	945	02/05/2014	n.a.	04/05/2026
Assicurazioni Generali	4.60%	1,500	EUR	1,341	21/11/2014	21/11/2025	Perp
Assicurazioni Generali	5.50%	1,250	EUR	1,245	27/10/2015	27/10/2027	27/10/2047
Assicurazioni Generali	5.00%	850	EUR	844	08/06/2016	08/06/2028	08/06/2048
Assicurazioni Generali	3.88%	500	EUR	488	29/01/2019	n.a.	29/01/2029
Assicurazioni Generali	2.12%	750	EUR	729	01/10/2019	n.a.	01/10/2030
Assicurazioni Generali	2.43%	600	EUR	597	14/07/2020	14/01/2031	14/07/2031
Assicurazioni Generali	1.71%	500	EUR	498	30/06/2021	30/12/2031	30/06/2032
Società Cattolica di Assicurazioni S.p.A.	7.25%	100	EUR	58	17/12/2013	17/12/2023	17/12/2043
Società Cattolica di Assicurazioni S.p.A.	4.25%	500	EUR	562	14/12/2017	14/12/2027	14/12/2047

(*) In currency million.

(**) In € million.

This category included all subordinated liabilities issued by Assicurazioni Generali and Società Cattolica di Assicurazioni
The remaining subordinated liabilities were mainly issued by Austrian and Italian subsidiaries for approximately € 25 million and € 46 million, respectively, at amortized cost.

Senior bonds

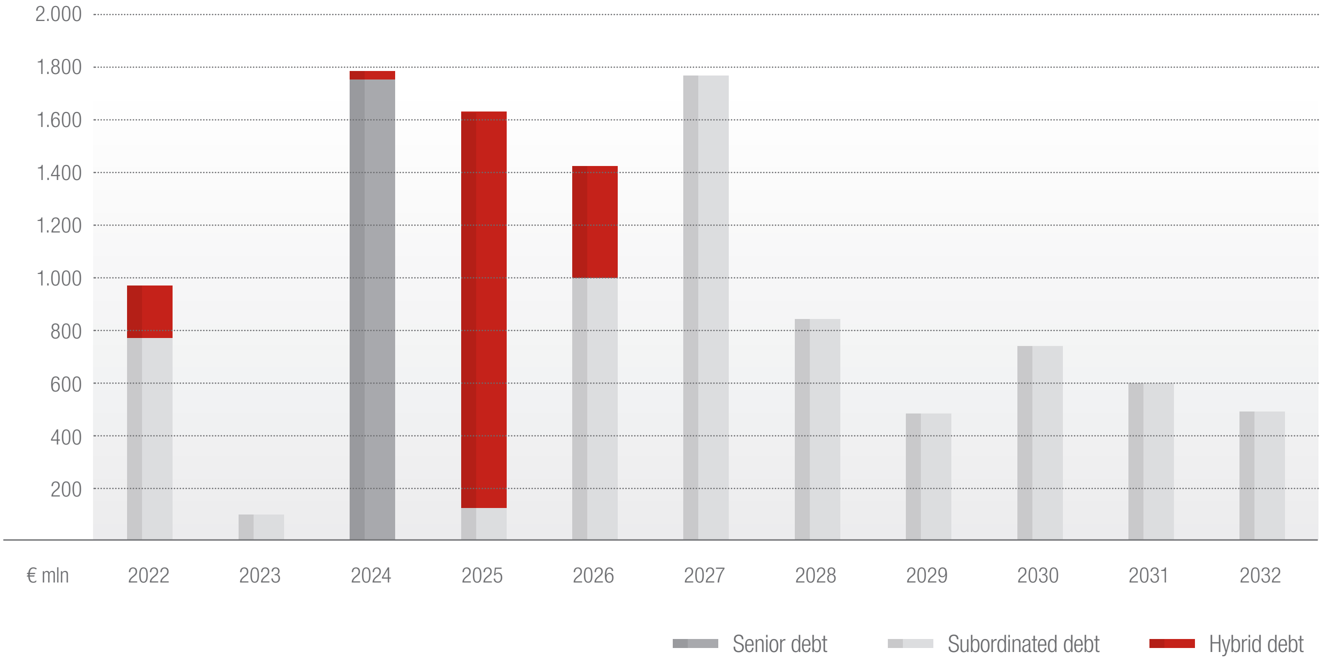
Main senior bonds issues

Issuer	Coupon	Outstanding (*)	Currency	Amortised cost (**)	Issue date	Maturity
Assicurazioni Generali	5.13%	1,750	EUR	1,737	16/09/2009	16/09/2024

(*) In currency million.

(**) In € million.

Details on debt maturity[29]



The average duration stood at 5.07 years at 31 December 2021 compared to 5.76 years at 31 December 2020.

Revolving credit facilities

Assicurazioni Generali has revolving credit facilities for a total amount of € 4 billion. They represent, in line with the best market practice, an efficient tool to protect the Group's financial flexibility in case of adverse scenarios.
The two revolving credit facilities, syndicated for a value of € 2 billion each, have a duration until 2023 and 2024, respectively. The second revolving credit facility, having the possibility of extending the maximum duration up to until 2026, was signed in April 2021, to replace an expiring one of equal amount.
The revolving credit facilities also present innovative features in terms of sustainability: their cost is linked to both the targets on green investments and the progress made in sustainability. This transaction further strengthens Generali's commitment to sustainability and the environment, as set out in the Charter of Sustainability Commitments and in the Strategy on Climate Change. This will only impact the Group's liabilities linked to financing activities if the facilities are drawn down.

Liquidity

Cash and cash equivalents

(€ million)	31/12/2021	31/12/2020
Cash at bank and short-term securities	6,605	6,935
Cash and cash equivalents	254	311
Cash and balances with central banks	1,617	654
Money market investment funds unit	7,717	9,326
Other	-2,363	-698
Cash and cash equivalents	**13,830**	**16,528**

Cash and cash equivalents went from € 16,528 million at 31 December 2020 to € 13,830 million. The reduction in Group's liquidity reflected the payment of the second tranche of 2019 dividends in October 2021, as well as extraordinary transactions and investment activities.

29. The chart represents the outstanding nominal value of the debt securities in € million.

OUR MAIN MARKETS: POSITIONING[30] AND PERFORMANCE

Italy[31]

GROSS WRITTEN PREMIUMS[32]		TOTAL OPERATING RESULT		NFS OUR PEOPLE	
€ 24,662 mln	-2.2%	€ 1,898 mln	+2.9%	13,744	+2.2%

LIFE MARKET SHARE	P&C MARKET SHARE	RANKING	
18.8%	14.3%	1st	1st Life and 2nd P&C[33]

In a global scenario still reeling from the effects of the pandemic, Generali confirms its leadership position in the Italian insurance market with an overall share of 17.6%, up compared to last year. The company was distinguished by its resilience and solidity in an extremely challenging context, as it was able to count on an entirely renewed range of products, including innovative insurance solutions for its customers in both the Life and P&C segments. In terms of distribution, the multichannel strategy, which has been the focus of recent years, guaranteed excellent levels of inflows and premiums even during the lockdown periods at the start of the year, thanks to the use of remote sales tools made available to the sales force.
Business continues to be highly centred on agents, with a strong position in the direct Life and P&C channels, through Genertel and Genertellife, recently renewed and the first native digital insurance company in Italy. Thanks to its partnership with Banca Generali, the Group is able to offer its customers a broad and complete variety of insurance, pension and savings products. Generali presents itself to the Italian market with three distinct brands marked by a clear strategic positioning - Generali (retail market and SME), Alleanza (households) and Genertel and Genertellife (alternative channels).
In 2021, Generali Italia completed the implementation of its Lifetime Partner programme, the objective of which is to become the company with the best customer experience through valuable consultancy, using all relationship channels, offering an increasingly extensive range of prevention, protection services and investing in new technologies and related ecosystems. Jeniot, a company launched by Generali Italia at the end of 2018 that develops innovative services in the Internet of Things and connected insurance area tied to mobility, home, health and work, also continued to grow.

In 2021, the growth of the Italian economy surpassed forecasts (+6.4%), sustained by the increase in household spending which, with the relaxation of limitations to social interaction and movement, contributed to increasing the demand for commercial, transport, tourism and catering services. Even though the end of the state of emergency will lead to a reduction of support measures, the launch of the New Generation EU programmes should guarantee resources to sustain growth even in future years, maintaining high levels, if compared to those observed in the recent past. The high propensity for precautionary saving of households during the pandemic, which also characterised 2021, is expected to fall over the next three years, and to be replaced by asset management instruments and government bonds, whose yields on maturity will once again be attractive. The low interest rates in 2021 continued to sustain risk taking by operators, not just financial ones, in search of more attractive returns, sustaining the demand for asset management and insurance products (multi-business insurance products proved to be very popular, as they combine forms of capital protection with participation in market trends, as were unit-linked products).

The Italian insurance market, up by 8.5%, benefits from the exceptional performance of Life premiums (+9.9%) sustained by the boost of the bancassurance channel and of financial advisors, which were most affected by the lockdown period during the pandemic. Life business continued to be mostly oriented towards traditional products: even as regards multi-business products, the traditional component, corresponding to 64.2% (66.5% in 2020), prevailed over the unit-linked one (35.8%). The pandemic pushed the interest of households towards Life protection policies (pension, Long Term Care policies, critical illness, health assistance and death coverage policies, not related to the granting of mortgage loans, loans or salary-backed loans).
The P&C insurance market is expected to grow by 2.9% Premiums in the motor line fell slightly (-0.5%), despite the excellent performance of car body coverage, while third party liability premiums continued to be exacerbated by suspensions of policies and renewal discounts guaranteed by many insurers to their customers during the lockdown period due to the lack of vehicle use. With the return to the free circulation of the population, claims frequency rose, although staying at lower levels than those before the pandemic. The non-motor business showed a net recovery, and should post a +5.5% in 2021.

30. The indicated market shares and ranking, based on written premiums, refer to the most recent official data.
31. In 2021, the companies of the Cattolica Group, which are included in the managerial scope of the Country Manager & CEO of Generali Country Italia and Global Business Lines, do not contribute to the results and the relative market shares of the Italian area, but are included in the Group's holdings and other companies area.
32. Excluding the non-recurring effect of the premiums of a collective Life pension fund, underwritten in 2020 in Italy amounting to around € 1.5 billion, the gross written premiums would have risen by 4.0%.
33. Including the contribution of the Cattolica Group, Generali would reach first place also in the Property & Casualty segment

With reference to the financial markets, the ten-year BTP yield rose from 0.52% at year-end 2020 to 1.19%. The BTP-Bund spread rose from 110 bps at year-end 2020 to 136 bps. The FTSE MIB posted a very positive performance during the year (+27.3%).

NFS

During 2021, Generali Country Italia continued with the process of integrating ESG dimensions (Environmental, Social and Governance) in strategic investment allocation, specifically focusing on climatic change, backing companies that have a lower impact in terms of fossil emissions and that are focused on sustainable development, both environmental and social.
In order to seize the opportunities arising from mitigation and adaptation to climate change, the distribution of insurance solutions to protect customers from natural catastrophe damage was developed and promoted, including damage influenced by climate change, to support customers in adopting sustainable lifestyles. The processes and initiatives set in place over the past few years to manage the emergency were consolidated (intervention protocol Qui per voi, swift pay-outs, suspension of payments) and the offer of thematic investment products linked to green finance for the retail segment was expanded. With a view to increasing customer awareness, Generali has actually extended its range with the Genera Sviluppo Multiplan which complements the Genera Sviluppo Sostenibile. These products enable the customer to participate in the 2030 Sustainable Development targets promoted by the United Nations for economic growth that encourages social inclusion and environmental protection.
The commitment to important topics of social impact continued and intensified (Welfare, D&A, environment, education, art) through initiatives and strategic partnerships.
With regard to the pandemic, starting with its own organisation, Generali maintained the measures set in place to safeguard the health of its people and to continue to serve its customers. In particular, smart working regarded all employees (reaching over 95%) and constant contact was maintained with its people, also through live streaming sessions that involved 16 thousand employees and agents.
Furthermore, Generali launched new initiatives within the Ora di Futuro - The Human Safety Net project, which entails digital training and content to guarantee remote lessons in primary schools and in Ora di Futuro centres, providing real help to households in difficulty throughout Italy.

LIFE SEGMENT

LIFE PREMIUMS[34]

€ 18,671 mln -4.9%

Life OR

€ 1,282 mln -6.5%

PVNBP

€ 19,334 mln -6.8%

NBV

€ 1,065 mln +14.9%

Generali has concentrated on a full-scale offer that envisages the development of pension, savings, investment and protection products according to the pre-set goals of improving the advice given to the customer and boosting premium income from capital-light products. Thanks to a multi-channel approach and to the integration of traditional sales systems with new remote sales tools, Generali managed to maintain a valuable consultancy service for its retail customers, even in the most complex periods due to the pandemic.

The trend of Life premiums therefore showed good performance, supported by the protection line (+20.2%) and the strong growth of linked products (+5.9%; +51.7% net of the collective pension fund).
New business in terms of present value of new business premiums (PVNBP) stood at € 19,334 million, down 6.8% due to the one-off effect of the above-cited pension fund in 2020 (without the latter the PVNBP would have risen by +6.8%). The fall in single premiums (-12.3%) was only partly offset by the slight increase in the present value of future annual premiums (+1.3%); excluding the above-cited pension fund, a growth of both would be observed (+0.5% and +16.1% respectively).
With reference to the lines of business, both the unit-linked business (+58.7%, excluding the contribution of the collective Life pension fund in 2020) and that of protection products (+26.5%) reported strong growth, which offset the strategic fall in savings and pension products (-10.4%).
The new business margin (expressed as a percentage of PVNBP) increased by 1.04 p.p., rising from 4.46% in 2020 to 5.51% in 2021. The increase was amplified by the lower profit margins of the above-cited pension fund, and was due to a better business mix as well as the improvement of product features, for example in terms of rebalancing the type of financial guarantee.
New business value amounted to € 1,065 million (+14.9%).

34. Excluding the non-recurring effect of the premiums of a collective Life pension fund, underwritten in 2020 in Italy amounting to around € 1.5 billion, Life premiums would have risen by 3.0%.

P&C SEGMENT

P&C PREMIUMS		P&C OR		CoR	
€ 5,991 mln	+7.3%	€ 654 mln	+23.2%	91.4%	+3.2 p.p.

Note the growth in P&C premiums (+7.3%), thanks to increases in both segments. In 2021, the motor lines posted a growth overall, by entering into partnerships with leading figures in the automotive world, while the single car segment was down, due to the intensification of the competitive arena, which consequently led to a fall in average premiums. Generali focused on maintaining profitability and on defending the portfolio with interventions on the flexibility and development of smart-pricing models thanks to advanced analytics activities. In the non-motor lines (+6.6%), the renewal of the product range through the development of new associated services and products, combined with the ever-increasing attention paid to improving industrial processes and the relative levels of service, enabled the production levels of the previous year to be surpassed, in a difficult context, benefiting in particular from the performance of the retail and Businesses lines.
The combined ratio, corresponding to 91.4%, was up +3.2 p.p. compared to 2020, due to a higher loss ratio, also due to the recovery of claims frequency and to the greater weight of natural catastrophe claims. The weight of acquisition costs increased (+0.9 p.p.) due to the change in the mix.

Germany

GROSS WRITTEN PREMIUMS		TOTAL OPERATING RESULT		NFS OUR PEOPLE	
€ 14,898 mln	+3.3%	€ 975 mln	+7.7%	9,182	-3.2%
LIFE MARKET SHARE		**P&C MARKET SHARE**		**RANKING**	
7.0%		5.0%		3rd	2nd Life and 8th P&C

Operating in Germany since 1837, the Group currently ranks third in terms of total premium income thanks to a 7.0% market share in the Life segment (also including the Health business), in which its leadership role in the protection line, so-called term-life, is confirmed, and to a 5.0% P&C share, distinguished by an innovative and highly profitable offer.
In 2021, Generali Deutschland further improved its performance thanks to the disciplined execution of its strategy, aiming to be the leading insurance company in Germany in terms of profitable growth, return on capital and innovation, fully in line with the Group's strategic plan. Both an innovative platform of products and services that defined a new standard for the sector, and attentive technical and operating regulation therefore contributed to Generali Deutschland's excellent results. This enabled the Group to further improve its profit margins in Germany, even in a very challenging market context, characterised by the impact of the Covid-19 crisis, by exceptional natural events and by continuing very low interest rates.
The Deutsche Vermögensberatung (DVAG) distribution network, in which Generali holds 40% of share capital, provided fundamental support, in terms of both premium income and profit margins. This network, comprised by around 18,000 full-time agents, has an exclusive agreement with the Generali Group for the sale of insurance solutions, and is able to effectively combine qualified consultancy, understanding the needs of customers at 360° and digital tools to provide highly effective customer interaction.
In line with its strategic objectives, in 2021, Generali Deutschland continued to strengthen its market position, not only thanks to the DVAG network, where it operates with the Generali brand, but also through the CosmosDirekt brand, focused on the digital channel, in which Generali Group boasts leadership of the German market. The sales portfolio is completed with two niche brands, Dialog and Advocard.
In line with Generali Group's ambition to transform the traditional concept of insurance into protection, prevention and partnership with the customer, in 2021, Generali Deutschland introduced new products in the market which, by exploiting avant-garde technologies, help customers to adopt healthy and sustainable practices and lifestyles, which contribute to preventing future claims. An example of this is the programme developed with Movendo Technology to prevent accidental falls thanks to training assisted by robots and artificial intelligence; VitalSigns&Care, an application that makes it possible to independently measure several vital parameters, including blood oxygenation, simply through a smartphone camera; and Digitalen Blutdruck-Coach, an application to optimise blood pressure.

The German economy, which was negative in the first quarter (-1.9%), improved in the second and third quarters, posting +2% and +1.7% respectively, sustained by domestic demand thanks to a growth in household consumption of 6.2%. Exports continued to be weak (-1%). In the fourth quarter, also due to the upsurge in Covid cases and to the continuing difficulties of the automotive sector, growth is expected to slow down. The average annual growth of GDP stood at 1.4%.

The insurance sector, significantly affected by social distancing during the pandemic in 2020, closed the year up by 1.1%. Life premium income, impacted by the fall in single premiums (-4.7%), was down by 1.4% (stable in 2020). The portfolio continues to see a shift from traditional products with guarantees to products linked to financial market trends, with positive effects on the solvency rate.
The P&C segment grew (+2.2%), even though Motor third-party liability inflows, which in 2020 benefited from an exceptionally low loss ratio, were stable. The aviation and transport businesses, which had been affected during the crisis, resumed growth, and Property also posted an improvement (+4.2%). The pandemic contributed to sustaining the demand for health insurance (+5%), which is expected to continue at a steady pace also in future years due to premium adjustments. As regards the financial markets, the yield of the ten-year German Bund closed the year at -0.18% (-0.58% in 2020). In 2021, the DAX stock market earned 16.9%.

NFS

Generali Deutschland has consolidated its position as leader in terms of social and environmental responsibility. In the social sphere, the company renewed its commitment to sponsor sports events, such as the marathons in the most important German cities, as well as promoting art and culture. In both cases, where physical events did not take place or were considerably downsized due to anti-pandemic rules, Generali Deutschland created alternative digital solutions. As regards the environment, the company announced its commitment to completing an operating model, a product platform and a company culture that respects the environment 100%. In particular:

- Generali Deutschland's operations will be climate neutral from the end of 2021;
- activities related to the insurance business will be climate neutral and all new investments will be carbon-free from 2025;
- the entire investment portfolio will be carbon-free by 2050.

Generali Deutschland's commitment to social responsibility also features the first edition of the Sustainable Impact Award, organised together with a leading German editorial group and the national association for SMEs, to reward the most sustainable companies and to promote sustainability in this vital sector for the European economy. The Sustainable Impact Award is part of the framework of initiatives of the SME EnterPRIZE Group.

Through its programme The Human Safety Net (THSN), again in 2021, Generali Deutschland helped families in difficulty and refugees, with the assistance of 12 NGOs and social enterprises throughout the country. Also in the year that has just ended, the pandemic continued to have a severe impact on those in more fragile conditions. Generali Deutschland therefore offered financial support to refugees that want to start up a business, helped NGOs digitalise their services and gave opportunities to families in difficulty to attend special educational and leisure programmes. This was possible also thanks to € 750,000 donated in total by Generali Deutschland colleagues to Caritas. In addition, 2021 marked the highest participation ever of colleagues in volunteering activities organised by THSN, also through new digital formats. Lastly, Generali Deutschland entered into agreements with partners and contributors such as the German Ministry of Education and the Schöpflin Stiftung in order to extend their initiatives to cities such as Cologne and Saarbrücken.

LIFE SEGMENT

LIFE PREMIUMS € 11,034 mln	+3.7%	**Life OR** € 415 mln	+11.5%
PVNBP € 12,454 mln	+14.6%	**NBV** € 362 mln	+21.4%

3.7% increase in Life premiums due above all to the unit-linked business (+9.8%), consistent with the Group's strategic decision to focus on capital-light products. Both recurring premiums and single premiums performed well, sustained by our exclusive DVAG network.
New business in terms of PVNBP increased significantly by 14.6% compared to 2020, affecting both the Life segment (+14.1%) and the healthcare sector (+19.2%), with an increase in the present value of future annual premiums (+14.0%) and of single premiums (+17.4%). All lines of business rose; in particular, united linked and savings and pension lines posted very good growth (+21.0% and +11.2% respectively), thanks to the excellent performance of hybrid products, while protection products rose by 13.0% thanks to the health line.
New business margin (expressed as a percentage of the PVNBP) was 2.91%, up compared to 2.75% in 2020, thanks to the good contribution of protection products.
New business value grew by 21.4% and amounted to € 362 million.

P&C SEGMENT

P&C PREMIUMS		P&C OR		CoR	
€ 3,864 mln	+2.2%	€ 634 mln	+7.2%	87,1%	+1.0 p.p.

P&C premiums rose (+2.2%) driven by the non-motor business (+3.3%), which benefited in particular from the sale of multi-risk retail products, as well as from the good performance of the Global Corporate & Commercial lines, as well as by an increase in the motor business (+0.3%). The growth was mainly sustained by the good performance of our exclusive network.
The exceptional natural phenomena, hurricanes and floods, which hit Germany during the summer months, were the underlying reason for the slight deterioration of the combined ratio (+1.0 p.p.). The increase of the loss ratio was, in fact, mainly caused by the greater impact of natural catastrophe claims during the year (+3.1 p.p. compared to the previous year), as a consequence of the exceptional floods and storms that struck Germany during the summer months. This performance was mitigated both by the reduction of the current year loss ratio, which benefited from the close focus on technical profit margins in terms of tariffs and risk-taking, as well as from the lockdown, and the fall in large claims. The contribution from prior years was down. The expense ratio posted a slight increase, due to higher acquisition costs, originating from the growth of new business, against a reduction of administration costs.

France

GROSS WRITTEN PREMIUMS		TOTAL OPERATING RESULT		NFS OUR PEOPLE	
€ 15,494 mln	+22,4%	€ 840 mln	-2,4%	6,589	-1,1%

LIFE MARKET SHARE	P&C MARKET SHARE	A&H MARKET SHARE	RANKING	
5.3%	5.7%	7.5%	7th	8th Life, 6th P&C and 5th A&H

Generali has been active in France since 1831 with one of the Group's first foreign branches. The operating structure was consolidated toward the mid-2000s, when the merger of the various brands forming the Group led to the creation of one of the country's largest insurance companies. Generali France operates with a multi-channel approach of agents, employed sales persons, brokers, financial advisors, banks, direct channels and affinity groups. The multiplicity of the distribution forms reflects the market segment served and the type of product sold, with focus always placed on the customer. Generali France boasts a leadership position in Life savings and pension products distributed through internet and for the so-called affluent customers, just as holds true in the market of supplementary pensions for self-employed workers. The presence of professionals, SMEs and personal risks in the segments is also significant.
In 2019 the Group carried out a number of strategic initiatives in France as part of a project called Excellence2022 that envisages different streamlining and corporate business transformation actions over a three-year span.
Like in the main geographical areas where the Group operates, in France as well initiatives aimed for the most part at consolidating the bond of trust in customer relations through their lifetimes were carried out with a view to strengthening the brand and the image throughout the country.
In 2021, Generali France launched an advertising campaign on multiple channels (television, press, billboards and other digital platforms) aimed at generating more contacts and increasing the number of leads (+25%).
At the end of 2021, Generali signed an agreement to acquire La Médicale, an insurance company addressed to healthcare workers, through exclusive negotiations with Crédit Agricole Assurances. The transaction is expected to be completed by 2022 and is still conditioned by the approval of the competent regulatory authorities and anti-trust authorities, as envisaged for transactions of this nature.

The Covid-19 pandemic had a lesser impact in 2021. P&C companies continue to benefit from motor claim frequency, while the other businesses show a return to normal. In the Life segment, the protection business was less impacted by the pandemic than the previous year.

In 2021, French GDP rose by 5.4%. With regard to the insurance market, the increase in Life premiums should be around 30%, compared with the fall observed in 2020, surpassing pre-pandemic levels. Although precautionary saving (current accounts and Livret A) continued to be high, Life premium income showed a net recovery. Unit-linked products represent 39% of total premiums. Net inflows were positive, and stood close to € 24 billion.
The P&C segments enjoyed good performance with premiums in the motor business up by 3% compared to 2020, against higher repair costs, driven by the increase in the price of spare parts and labour. In the property segment, premiums started to increase

again (estimated +3.5% at year-end), as did services resulting from higher claims due to the return to circulation of the population. The return to pre-pandemic levels of the health sector (expected growth of +4.5% in premiums in 2021), characterised by an increase of the loss ratio, will push down technical profit margins.
With regard to the financial markets, in 2021, the spread between OAT and Bund rose from 23 bps at year-end 2020 to 37 bps. The CAC 40 posted an increase of 27.7%.

NFS

As regards ESG, Generali France confirmed its ambition with tangible initiatives to encourage its customers towards a more responsible, lasting and inclusive economy through solutions that respect society and the environment such as:

- 7.7% increase in direct premiums of insurance products of socio-environmental value;
- Renewal of its unit-linked offer directed towards funds with a social and environmental impact;
- Development of The Human Safety Net France initiatives.

Following these continuous efforts, Generali was awarded in the 2022 classification as the top responsible insurance company in France.
In 2021, Generali France also launched the We care programme aimed at improving working conditions in the workplace and remotely. Investments were made to adapt offices and work places, and to provide direct IT support to employees. An agreement was reached between the management and workers on post-covid working conditions, which include specific rules for smart working.

With regard to The Human Safety Net programme, 2021 represents the fourth year of its implementation, and thanks to the help of various partners, facilities have received support for families in difficulty and it has contributed to improving the integration of refugees through enterprise initiatives. The various initiatives are sustained both by private and public sources of financing. Their objective is to constantly seek social wellbeing.
In particular, in 2021:

- support to parenthood was completed by reawakening the language of younger children with the support of a local association;
- a second incubator for refugees was finalised in Saint-Denis (thanks to the support of Europ Assistance, which renewed its sponsorship) and a third one in Strasbourg.

Two significant donations were also collected through the Global Challenge in June, and the Solidarity Christmas, with the involvement of employees and agents.
As regards the impulse given by the THSN Foundation, a Hackathon was also implemented, a global initiative that sought to give advice to parents in the management of their children during the health emergency. As in 2020, 110 computers belonging to Generali were donated to families and refugees to close the digital divide that the health crisis further highlighted.

LIFE SEGMENT

LIFE PREMIUMS

€ 12,374 mln **+26.3%**

Life OR

€ 651 mln **+15.4%**

PVNBP

€ 12,588 mln **+32.9%**

NBV

€ 361 mln **+ 84.8%**

Generali Vie continues with the transformation of its business model towards a well-balanced portfolio between savings and pension lines, unit-linked lines and protection lines, also thanks to regulated profit-sharing, linked to an incentive mechanism, if the unit-linked business should increase. 2021 was characterised by the launch of a new generation of Eurocroissance products, by the implementation of a range of unit-linked products across all distribution channels and by the strengthening of the underwriting policy.
As a result, direct Life premiums rose by 31.8% compared to 2020, particularly thanks to unit-linked (up by 54.1%) and traditional savings and pension policies (25.8%). In addition, the business mix continues to be optimised, thanks to the excellent sales performance of unit-linked products, that have reached a weight of 45.9% (39.3% in 2020).

With reference to the new business, an excellent recovery was observed - after the fall last year - in PVNBP (+32.9%), both for single premiums (+33.7%) and for the present value of future annual premiums (+28.1%).
The hybrid product business grew considerably, in particular the unit-linked component (+60.6%); the Saving component also posted good performance (+37.1%). Slight increase in protection products (+2.3%).
The new business margin (expressed as a percentage of PVNBP) rose by 0.81 p.p., increasing from 2.06% in 2020 to 2.87% in 2021, thanks to the positive effects of the improved business mix.
New business value amounted to € 361 million (+84.8%).

P&C SEGMENT

P&C PREMIUMS		P&C OR		CoR	
€ 3,119 mln	+9.1%	€ 169 mln	-43.0%	97.9%	+5.2 p.p.

P&C premiums rose by 9.1%, thanks to the lively recovery of the portfolio after a 2020 heavily influenced by Covid-19. In 2021, significant growth was observed of the SMEs portfolio, due to the strengthening of partnerships of Equité and an increase of corporate revenue.
The increase of the combined ratio, which rose from 92.7% to 97.9% is related to the return to normality in terms of natural catastrophe claims, large claims in the motor business and the lower contribution of claims in the previous year.

Austria, CEE & Russia

GROSS WRITTEN PREMIUMS		TOTAL OPERATING RESULT		NFS OUR PEOPLE	
€ 6,957 mln	+5.6%	€ 885 mln	-3.3%	17,106	-2.1%

LIFE MARKET SHARE			P&C MARKET SHARE			RANKING		
At: 14.8%	Cz: 22.3%	Hu: 9.8%	At: 14.9%	Cz: 28.9%	Hu: 18.7%	At: 3rd	Cz: 2nd	Hu: 2nd
Sk: 9.2%	Pl: 4.5%		Sk: 13.6%	Pl: 5.3%		Sk: 3rd	Pl: 6th	

The ACEER regional structure is the fourth most important market for the Generali Group. The scope comprises 12 countries: Austria (At), Czech Republic (Cz), Poland (Pl), Hungary (Hu), Slovakia (Sk), Serbia, Montenegro, Romania, Slovenia, Bulgaria, Croatia and lastly Russia. The area will be called ACEE starting from March 2022, following the Group's decision to close its Moscow representative office, resign from positions held on the board of the Russian insurer Ingosstrakh and wind down Europ Assistance business in Russia.

The Group boasts its presence in the Eastern Europe territories since 1989 and over the years it has strengthened its position, becoming one of the largest insurance companies in the area:

- 2008: a joint venture collaboration with PPF Holding started, which then ended in 2015, the year in which the Generali Group acquired full control and powers over Generali CEE Holding;
- 2018: entry of Austria into the region, where Generali has operated since 1832, and of Russia. In addition, Generali has strengthened its presence in Eastern Europe through two important acquisitions, Adriatic Slovenica in Slovenia and Concordia in Poland, enabling portfolios, sales channels and its operations in the area to be balanced and diversified. Lastly, it signed a collaboration agreement with Unicredit for the distribution of insurance solutions mainly concerning Credit Protection Insurance (CPI) in the entire region;
- 2019: in line with the Group's strategy, the acquisition in Poland of Union Investment TFI S.A from the German group Union Asset Management Holding AG was completed and the agreement to acquire all Life, P&C and Mixed portfolios of three companies of ERGO International AG in Hungary and Slovakia was concluded;
- 2020: acquisition of SK Versicherung AG (founded in 1982 as a joint venture between a number of Austrian insurance companies) by Austria, signing an exclusive 5-year sales agreement with ÖAMTC (Austrian automobile, motorcycle and touring club). Furthermore, the Group completed the acquisition of the Izvor osiguranje portfolio in Croatia;
- 2021: Generali Ceska Pojistovna acquires the insurance business of Generali Poistovna in Slovakia.

Following the gradual elimination of restrictive measures and the increase of vaccinations, the Austrian economy saw a large rebound reflected in the growth of GDP (+5.4% in 2021), compared to a decrease in 2020, also thanks to the increase in private consumption and the substantial rise in investments.
The Austrian insurance market, in line with previous years, increased by 3.3%. Life premiums were up slightly (+0.6%), penalized by low interest rates, while Non-Life premiums posted +4.7% sustained by growth in the non-motor line and accidents. Health insurance premiums also increased (+3.7%).
With regard to the financial market, the ten-year bond rate in Austria showed a variation from -0.5% to -0.11%.

After a sharp fall in GDP in 2020, the growth of the Czech Republic regained vitality in 2021 (+3.6%) although it was slowed down by one of the highest rates of Covid-19 infection in the OECD area, and the slower pace of the vaccination campaign. The rise in inflation in 2021 (+6.5%) caused by the increase in the price of essential goods, should slow down, albeit remaining high in 2022. The ten-year bond rate rose from 1.5% at year-end 2020 to 3.0% in 2021.

The Life insurance segment closed 2021 up by 1.7%, despite the fall in single premium policies (-8.8%). The P&C insurance rose by 5.8%, thanks to the significant contribution of motor and property insurance.

NFS

In the ACEER region, the Group continued with its engagement activities to promote the fair transition of coal companies operating in countries that are heavily dependent on this fuel. In 2021, exposure in the coal sector was further reduced

A continuous commitment to sustainability, p. 61

Generali Česká pojišt'ovna (CZ) is the company that has most contributed to the growth of insurance products with a high social value in the Life segment, thanks to the growing demand of young households. As regards P&C, premiums originating from products with a high environmental value are rising. Generali Polska (PL) stood out for its range in the agricultural sector, to protect crops from the effects of climate change. In Austria, the Czech Republic and Hungary, an awareness campaign was launched with SMEs to promote a culture of sustainability, thanks to the driving force of the SME EnterPRIZE Group project.
In Austria, Generali Versicherung AG strengthened its partnerships with start-ups, whose mission is to promote sustainability culture at corporate level in an innovative way.
In the sports sphere and to promote a healthy lifestyle, sponsorships of sports events with low environmental impact continued. Generali Biztosító (HU) funded the Budapest marathon, in which athletes were not allowed to use plastic.
There is an increasing commitment to build a model with a low environmental impact in operational terms, by reducing CO_2 emissions, promoting digital solutions and the use of clean energy.

In the ACEER region, the Group showed strong business resilience in the face of the pandemic in both Life and P&C, confirming its ambition to become a Lifetime Partner to its customers and distributors through a series of initiatives launched in the region to respond to the emergency.
More specifically, it sought to meet customers' needs by guaranteeing the utmost flexibility in premium terms and payment methods, and in claims notification and management procedures (for example by implementing remote channels). With the aim of increasing its solidarity with its customers, specific coverage and products to cover Covid-19 risk were launched in seven countries of the region. In Serbia, the coverage for pandemic risk was integrated in policies that were already in the portfolio, while in Slovenia, Poland and Austria, tele-medicine services were launched as well as other added-value services related to the health emergency.
With regard to its agents and distributors in the region, the Group demonstrated its solidarity with the network, by setting up initiatives designed to provide financial support through advances on commissions and premium deposits, and renegotiating sales targets, with a view to simplifying the achievement of financial targets and the associated bonuses. The sales network was provided with suitable tools for remote use and internal operating processes were simplified and optimised; such as, for example, the automatic conclusion of the policy when the payment of the premium is received, and remote customer identification, in line with local laws.
In the region, Generali showed a high level of solidarity with its employees to help them handle the pandemic emergency, by setting up various initiatives to create times when employees could meet to keep up their spirit of belonging to a Group and to provide prompt updates on developments of the health emergency.
The emergency related to the pandemic was also the reason why the digital transformation of its existing processes in the region was accelerated, enabling the foundations to be laid for further and solid future growth.

Insurance companies in the Austria, CEE & Russia region are active in providing help to the community. The Human Safety Net initiatives are operational in eleven countries in the region - Austria, Bulgaria, Croatia, Czech Republic, Hungary, Poland, Romania, Serbia and Montenegro. Three of these countries - Austria, Croatia and Serbia - were awarded with the scale up impact grant, which demonstrates the rigorous selection process, the strength of local partnerships and the potential to have a greater impact when working within a global strategy. The Human Safety Net programme in the ACEER seeks to create equal opportunities for children that come from disadvantaged environments. Furthermore, the programme seeks to save new-borns from the potential fatal consequences linked to asphyxia and commits to providing the best assistance possible to babies born prematurely. In 2020 and 2021, at the time of the pandemic, all the NGO partners were helped, by raising funds and volunteer work.

LIFE SEGMENT

LIFE PREMIUMS

€ 2,325 mln +4.4%

Life OR

€ 251 mln -12.9%

PVNBP

€ 2,305 mln +10.6%

NBV

€ 157 mln +7.9%

The growth of Life premiums was sustained, in line with Group strategy, by the good performance of capital-light products. The protection product line posted significant growth (+9.5%, mostly recurring premium policies), followed by the good contribution of unit-linked lines (+6.5%, resulting from single premium policies). The fall in savings and pension premiums continued (-4.7%), mainly attributable to the recurring premium component.
The highest increases in volumes were posted by Poland (+12.4%, linked to Protection lines), Austria (+3.6%, thanks to higher linked and health insurance covers), Hungary (+9.7% driven by UL products) and Slovakia (+7.8% thanks to health products), Romania and Croatia. Volumes in the Czech Republic were down slightly (-1.3%, due to the continual decrease of new savings and pension product business) and Slovenia (-2.1% due to the decrease of unit-linked lines).

New business in terms of present value of new business premiums (PVNBP) rose by 10.6%, relating to both future annual premiums (+11.2%) and single premiums (+9.1%).
Business grew both in Austria (+10.1%) and in the whole CEE area (+11.2%), in particular in the Czech Republic (+9.0%), in Poland (+11.0%) and in Hungary (+11.7%).
Thanks to the profitability of risk products, the profit margins of new business (expressed as a percentage of PVNBP) continued to be high (6.79%) despite the slight fall compared to 2020 (-0.17 p.p.): the decrease in the CEE area (-1.11%) was only partly offset by the increase in Austria (+0.53%).
New business value amounted to € 157 million (+7.9%).

P&C SEGMENT

P&C PREMIUMS		P&C OR		CoR	
€ 4,632 mln	+6.1%	€ 622 mln	-0.4%	84.2%	+0.3 p.p.

P&C premiums grew by 6.4%, driven by the overall good performance of the main lines of business. The motor business posted an increase of 6.0% thanks to Casco (+7.3%), and RCA lines (+4.6%). This trend was mostly sustained by contributions from Romania (+47.5% - higher volumes of RCA lines linked to favourable market conditions, as well as the introduction of new state incentives), Austria (+2.7% - mostly due to the Retail business), Poland (+6.1% - increase of average premium in Casco lines), Hungary (+9.1% - increase of the average premium of the main businesses), Slovakia (+12.2% - thanks to Retail and Leasing businesses) and Slovenia (+9.0% - high written premiums in Casco lines). Non-motor lines grew by 6.7%, thanks to higher volumes posted mostly by Poland (+18.7% - thanks to agro lines, following higher subsidies, as well as the rise of Businesses lines), Hungary (+12.2% - increase of SME and Home lines), Austria (+2.5% - thanks to Home products), Croatia (+33.3% - rise of Credit lines, as well as the increase resulting from bank partnerships), Slovenia (+6.3% - sustained by assistance and health lines) and the Czech Republic (+2.2%).

The combined ratio was slightly down (+0.3 p.p.) due to higher natural catastrophe claims (+2.7% compared to the previous period) concentrated in particular during the summer, only partly offset by the reduction of the current year loss ratio (-0.7 p.p.), due to the continuing lockdown periods relating to Covid-19 in many areas of the region. Furthermore, the run-off result made a greater contribution (+1.8 p.p.). The expense ratio was substantially stable (+0.2%), benefiting from continuing cost cutting measures.

International

Spain, Switzerland, Americas and Southern Europe, Asia

GROSS WRITTEN PREMIUMS		TOTAL OPERATING RESULT		NFS OUR PEOPLE	
€ 10,179 mln	+11.8%	€ 756 mln	+104.5%	13,008	-3.5%

Spain

Generali, in Spain since 1834, operates in the country through Generali España, and two bancassurance agreements with Cajamar (Life and P&C), which guarantee the Group exposure to the major Life distribution channel, as well as continuous expansion in P&C.
Generali is one of the main insurance groups in Spain, with a market share reported in the third quarter of 2021 of 3.1% in the Life segment and 4.3% in the P&C segment. The Generali España group offers a wide range of Life and P&C policies dedicated to private individuals and companies, using a multi-channel distribution strategy including not only bank offices, but also a network of agents and brokers, which is among the most extensive in Spain. All in all, the Group ranks eighth in the Spanish insurance market in terms of total premiums (sixth place in the P&C market).

The Spanish economy is recovering, posting a 5.2% increase in GDP in 2021, thanks to the positive change in pandemic indicators.

With regard to the insurance market, the Life segment, significantly impacted in 2020 by the pandemic crisis (-21%), resumed growth (+7.9%), led by the demand for unit-linked policies (+22.1%); traditional policies were also up (+3.4%) which, sold together with mortgage loans, benefited from the recovery of the property market. P&C premiums also increased, sustained by property lines (+4.7%), which benefited from the recovery of the property market, and by the health lines (+5%). Credit, suretyship and pecuniary loss lines also posted high growth. The increase in profitability observed in 2020 led to higher pressure on prices, resulting in a slight downturn of the motor line (-1.2%).
With regard to the financial markets, the IBEX 35 posted a total return of 7.9% in 2021. Spain's ten-year bond rate rose by 52 bps, from 0.04% at the end of 2020 to 0.56% at the end of 2021.

NFS

During 2021, numerous social, environmental and workplace initiatives were launched with a view to mitigating the impact of Covid-19 on the community:

- social initiatives: The Human Safety Net España Generali Foundation was established to support families at risk of poverty, and Vitality was launched to promote good lifestyle habits for customers. In addition, EnterPRIZE awards were organised, dedicated to SMEs that stood out in terms of sustainability in the field of environmental protection, social action and labour;
- environmental initiatives: in terms of energy consumption, 100% of electric power originating from renewable sources is used, and digitalisation processes were promoted, with a view to reducing paper consumption. Furthermore, policies were adopted to prevent that the underwriting process benefits companies that extract coal and fossil fuels, and to promote the sale of green and social products;
- labour initiatives: the smart-working policy was consolidated (2.5 days per week), which promotes a healthy work-life balance, and makes a positive contribution to reducing the emissions of urban commuting. Lastly, inclusion policies were adopted to increase the number of women in management positions and to reduce the gender gap, as well as to promote the visibility of the LGBTI+ community.

Life premiums rose by 3.3% compared to 2020, reflecting the increase in both protection products (+5.0%), led by the significant improvement of Cajamar Vida, and in unit-linked products (+39.9%), in line with the Group's strategy to redirect the business mix towards capital-light products. Instead, premiums relating to savings and pension policies fell (-8.6%), reflecting the above-cited strategic decision.
New business in terms of PVNBP was up by 7.8%, both in single premium products (+7.9%) and in annual premium products (+7.7%).
The increase was driven by both the unit-linked business (+43.4%, thanks to the good contribution of products without guarantee and index-linked ones), and by the protection business (+4.4%), while savings and pension products remained stable.
The new business margin (expressed as a percentage of PVNBP) was substantially unchanged (+0.06%), confirming its excellent levels (17.41%), thanks to the high profitability of the protection business.
New business value amounted to € 127 million, up (+8.2%) compared to 2020.
In the P&C segment, premiums rose by 3.6%, thanks to the increase of the non-motor line (+6.4%), mainly due to the increase of the portfolio in the multi-risk, health and funeral costs lines, which more than offset the decrease of the motor line (-0.9%).
The combined ratio stood at 93.2%: the slight decrease compared to the previous year (-0.1 p.p.) reflects the reduction of the expense ratio (-1.4%), partly offset by the higher loss ratio (+1.2%), due to the greater impact of large man-made claims.

Switzerland

The Generali Group has been operating in Switzerland since 1987, where it has been able to consolidate its position through the acquisition and merger of several insurance companies. In line with the strategy defined by the Group, Generali focuses on the retail business and provides high quality and innovative services through various distribution channels: agents, brokers, financial promoters and direct channels.
Generali ranked as the market leader in terms of premium income in the individual unit-linked Life segment with a 33% market share, and was eighth in the P&C segment with a 4.3% market share. Generali does not operate in the Collective Life policies segment.

In Switzerland, GDP in 2021 showed a recovery and returned to pre-pandemic levels. The Swiss National Bank, in its baseline scenario, envisages a growth of GDP of approximately 3.5% in 2021 and of approximately 3% in 2022. As regards the insurance market, 2021 was significantly affected by natural catastrophe claims, which had a substantial impact on P&C results. According to the Swiss Insurance Association (SIA), the loss in the P&C market in 2021 could be the largest since 2005.
In the Life segment, despite the impact of the pandemic, the demand for individual pension products rose. Both the insurance and the banking sectors increased thanks to new business. In particular, the individual pension market is growing at a rate of 4% per year.
With regard to the financial markets, the SMI closed the year up, with a total return of 23.7%. The return on the ten-year Swiss bond rose, increasing from -0.57% at the end of 2020 to -0.11% at the end of 2021.

Generali continued with the process, which began in 2020, to speed up the establishment of reserves linked to guaranteed products in the Life segment, reflecting more conservative long-term financial assumptions.

In 2021, Generali launched Tomorrow Invest in Switzerland (an ESG fund in collaboration with Sustaynalitics), integrated in unit-linked products for retail customers. For the Next Generation customer segment, Generali has implemented a new added-value service, called Smart Savings, related to the digital end-to-end individual pension solution (Digital 3a). Smart Savings is a micro-saving approach, which is directly connected to credit cards and uses the rounded-off amount of each payment to invest in Digital 3a.

Thanks to The Human Safety Net Switzerland, founded in 2019, General Switzerland participates in the global aspiration of THSN to create a movement of people who help others. More specifically, THSN Switzerland is a partner of the Marie Meierhofer Institut (MMI) and of Capacity Zurich, with the aim of supporting their Families and Refugees programmes. In 2021, Generali Switzerland provided more active assistance to refugee entrepreneurs through start-up financing and the transfer of know-how.

Life premiums fell 0.7% following the slowdown in premium income from savings and pension products.
New business in terms of PVNBP stood at € 655 million, up 3.1% driven mainly by the increase in single premiums (+21.8%), while the present value of future annual premiums was fairly stable (+1.7%).
The increase was sustained by the unit-linked business (+4.3%), which represents the dominant part of the business, while a contraction in protection (-3.5%) and saving products (-2.6%) was observed.
Overall, the new business margin (expressed as a percentage of PVNBP) posted a slight fall (from 6.75% in 2020 to 6.43% in 2021), mainly due to a less favourable business mix in the unit-linked line.
New business value amounted to € 42 million (-1.7%).
P&C premiums fell by 2.5%, mainly due to the strategic decision to abandon products in the accident & health and fleet lines that are not very profitable; the remaining P&C segments were substantially stable.
The combined ratio stood at 92.4% (+0.9 p.p.), mainly due to the impact of the storms at the beginning of the summer, only partly offset by lower distribution costs.

Americas and Southern Europe

Argentina, where Generali is ranked as the fourth largest operator in terms of premiums, is the main South American market for the Group and is characterised by a historically high rate of inflation and by high volatility. The country's macroeconomic situation was hard hit by the second wave of the pandemic in 2021.
In this context, the Group implemented best practices, investing in IT projects based on business needs, which enabled the Argentinian company to stand out in terms of service quality and innovation. The company Caja is the third largest player in the market in terms of premiums, excluding the lines of business in which it does not operate (Workers Compensation and Annuities). The impact of the pandemic on the business was mitigated by implementing more actions focused on customer assistance and loyalty. The branch and channel strategy was adapted to new consumer behaviour.
Generali also operates in Brazil, one of the worst hit countries by Covid-19, where the Life insurance market was significantly impacted by high levels of mortality and claims. Nevertheless, the segment benefited from a considerable increase in revenues, thanks to the higher demand for Life protection products.
In Chile, Generali operates through AFP PlanVital, which manages pension and savings funds for people in Chile. PlanVital has 1.8 million active customers and total assets under management of around € 5.3 billion. In addition to managing compulsory pension contributions, PlanVital sells voluntary savings products (mainly through direct channels), providing financial advice for both savings and pension purposes.

In Southern Europe, the Group has operated in Greece since 1886 through Generali Hellas Single Member Insurance Company S.A (Generali Hellas). In accordance with the Generali 2021 three-year strategic plan, with a view to strengthening its position in Europe, at the end of 2020, the Generali Group announced the acquisition of AXA Hellas Insurance SA, belonging to the AXA Group, also negotiating an exclusive bancassurance agreement with Alpha Bank for a period of 20 years. The acquisition transaction was finalised at the end of May 2021, after having obtained all of the required regulatory approvals, renaming AXA Hellas Insurance SA as Generali Hellas I. Following the necessary approvals from the local authorities, the legal merger between Generali Hellas and Generali Hellas I was completed at the end of 2021, and Generali Hellas became the only company in Greece. The integration procedures will be accelerated in the first few months of 2022 with the transfer to the new head office acquired.
The Generali Group has been present in Portugal since 1942, where it operates through Generali Seguros, S.A., a company established from the merger of the former Generali Vida Companhia de Seguros, SA (which operated in the Life segment), the former Generali Companhia de Seguros, SA (active in the P&C segment) and the former Seguradoras Unidas, SA. In January 2020, the Generali Group acquired 100% of Seguradoras Unidas and AdvanceCare, from entities whose majority shareholdings have been held by investment funds belonging to Apollo Global Management.

The merger led to the creation of Generali Seguros, S.A. and enabled Generali to rapidly proceed with the integration and the development of growth plans for the country.
Generali Seguros, S.A. is the second largest operator in the P&C market in Portugal, with a share of around 19.0% in the P&C segment and 1% in the Life segment, offering a wide range of policies addressed to individuals and businesses, sold mainly under the brand name Tranquilidade, and adopting a multi-channel distribution strategy, which can count on a solid network of agents (around 70% of total premiums issued), brokers and a direct channel, through the Logo brand.

Life premiums showed a growth of 17.8%, thanks to the positive performance of Argentina, Brazil and Greece, which offset the fall reported by Portugal. The new company acquired in Greece contributed € 28 million in premiums to the country's overall volumes.
New business in terms of PVNBP was up (+15.4%) with a new business margin (expressed as a percentage of PVNBP) that came to 8.86%.
New business value amounted to € 31 million.
P&C premiums were up by 16.9%, mostly thanks to Argentina (+51.4%), mainly due to the introduction of more competitive tariffs, which enabled it to increase its premium volume, despite the crisis generated by Covid-19, as well as thanks to Portugal (+7.1%). Lastly, the new company in Greece increased the country's P&C premiums by € 55 million.
The region's combined ratio improved slightly (96.2%; -0.6 p.p.) compared to the previous year, mainly thanks to the favourable trend of the CoR in Portugal, which benefited from the fall in claims frequency due to the lockdown. This development offset the deterioration recorded in Argentina following the initial recovery of frequency post-Covid and higher inflation.

Asia

Generali is one of the key European insurers in the Asian market, and currently operates in eight territories. The predominant segment is Life, with premium income mostly concentrated in the savings, pension and protection lines. Generali offers its products in the entire region adopting a distribution strategy that includes agents, brokers, digital channels and agreements with banking groups. Generali operates in China with Generali China Life, in partnership with China National Petroleum Corporation (CNPC), which is one of the largest Chinese state-owned companies as well as one of the major energy groups in the world. Generali has a joint venture agreement with CNPC for the P&C products offer as well. Owing to its prominent presence in the Chinese market, Generali China Life is the leading contributor to the turnover and operating result of the entire region.
Generali operates as Life insurer also in India, the Philippines, Indonesia, Thailand and Vietnam, and as P&C insurer in Thailand, Hong Kong, India and Malaysia.
The companies China P&C, India Life, India P&C and in Malaysia are not fully consolidated since a non-controlling interest is held.
Generali has been operating in the Hong Kong market, where it coordinates the activities of the whole region, since 1980, offering both Life and P&C products.
In 2021, Generali signed an agreement in Malaysia to acquire a majority share in a joint venture with AXA Affin and envisages acquiring 100% of MPI Generali. The transaction, which is still subject to the approval of the Regulator, would position Generali as one of the key insurers in the Malaysian market, creating the second largest P&C insurer by market share and entering the country's Life insurance segment.
In the past few months, Generali signed an agreement to become the majority shareholder of Future Generali India Insurance Company Limited and Future Generali India Life Insurance Company Limited. The transaction is in line with Generali's "Lifetime Partner 24: Driving Growth" strategy to strengthen its presence in fast-growing markets. Both transactions are subject to the approval of the competent regulatory authorities.

NFS

In India, which was hard hit in 2021 by the pandemic, Generali has actively supported its employees and the local community by donating supplies of oxygen and lung ventilators.

Life premiums rose by 23.0%, particularly thanks to the growth posted in China and Thailand.
New production in terms of PVNBP was up (+20.5%), with a good increase both in current value of future annual premiums (+14.8%) and in single premiums (+35.2%).
Significant growth was reported in China (+20.8%, driven by savings and pension products), in Vietnam (+25.8%, thanks to unit-linked products) and in Thailand (+23.3%, mainly thanks to the protection products business).
The new business margin (expressed as a percentage of PVNBP) posted a good increase (from 5.77% in 2020 to 6.24% in 2021), driven by the good contribution of China and Thailand (sustained by the high margins of protection products).
The value of new business amounted to € 166 million, up by 28.9%.
In the P&C segment, premiums showed an increase of 16.1%, despite the negative effects of the Covid-19 crisis.
Thanks to the positive performance of Hong Kong, which led to a positive result for the combined ratio of the entire Region, falling from 100.0% in 2020 to 99.2% in 2021.

Asset & Wealth Management

TOTAL OPERATING RESULT		Cost/Income ratio*	NFS OUR PEOPLE	
€ 1,008 mln	+22.8%	45%	2,284	+3.7%

* It is calculated as the incidence of operating costs on operating revenues.

In continuity with the Group strategy announced in 2018 and following the reorganisation announced at the beginning of 2021, the Asset & Wealth Management business unit is the Group's main managerial entity operating in the area of asset management and financial planning. In a continuously evolving market in which specialisation, efficiency and innovation are key elements in order to compete, Generali intends to become a benchmark in the asset management market not only for the insurance companies of the Generali Group, but also for external customers. The pursuit of this objective, which characterised the period of 2019-2021, was mainly achieved through different courses of action:

- cross-selling opportunities, promoting the growth of a capital-light business, such as the services of LDI (Liability Driven Investments), which offer institutional customers the expertise developed in insurance investment management;
- the expansion of the multi-boutique platform in order to diversify the range of products and services to all customers. Multi-boutiques are companies acquired on the market or created in partnership with operators with acknowledged investment skills in highly specialised asset classes, both in traditional asset classes and alternative ones.

The boutiques operating in the Asset & Wealth Management business unit are:

- Generali Global Infrastructure (GGI), a partnership created with the aim of investing in infrastructure debt with a diversified portfolio, both in terms of geography and sector;
- Aperture Investors, an innovative asset management company based on a revenue model that is radically different from that present on the market;
- Lumyna, a leading company in developing alternative UCITS (Undertakings for the Collective Investment of Transferable Securities) strategies, with an important international clientele that positively contributes to Generali's offer and distribution;
- Sycomore Factory SAS, a benchmark in ESG/SRI investment solutions in France;
- Axis Retail Partners, advisory boutique active in real estate, focused on shopping centre investments;
- Plenisfer Investments SGR, which offers an innovative and integrated approach for a wide range of asset classes.

The business unit operates in the two areas indicated by their names:

- Asset Management, addressed to both insurance customers and external customers;
- Wealth Management, which seeks to protect the entire family wealth of the Private and Affluent customer segments through the network of Banca Generali advisors.

www.generali.com/who-we-are/global-positioning/investments-asset-and-wealth-management for more information on the breakdown of the segment

NFS

Over the past year, the Asset & Wealth Management business unit continued, with an integrated approach, on its path to the full application of ESG principles in its processes. This implied growing attention to sustainability issues in the activities of the product factories of the business unit, with the launch of new funds dedicated to environmental sustainability and social impact.
The whole Asset Management value chain was fine-tuned, with a view to clearly reflecting ESG principles in it, from sector and fundamentals research to the selection of securities, from the design of new products to the construction of portfolios. This development was promoted and accelerated by internal training programmes for our employees on sustainability and regulation topics, and by synergies with Sycomore, the asset manager with a strong ESG identity, in which the Group acquired a majority share in 2018.
Special attention was paid to continuously developing models and tools to assess and manage the climate impact generated and suffered by our portfolios. Generali Insurance Asset Management (GIAM) assists the its customers in structuring and managing products that incorporate ESG features on the basis of its own expertise.
Generali Investments Partners (GIP) is the main distribution centre, a multi-channel leader, a multi-customer entity and the relationship manager for the range offered by all companies that are encompassed in the boutique perimeter. The company, with high ESG ambitions, has its own investment expertise and specialises in the management of bond portfolios, thematic, multi-asset/balanced stocks and alternative asset classes.
At the end of 2021, 7 funds managed by GIP obtained an SRI label with the intention of reviewing the remaining funds under management to offer customers a high quality service as regards ESG strategies.
In the Wealth Management segment, Banca Generali has significantly boosted its ESG range, with 6.5 billion assets invested in ESG products related to the SDGs of the UN.

NFS

Banca Generali's ESG value proposition benefited from a strong ESG commitment, represented both by the governance dimension, and through extensive training courses focused on sustainability issues and dedicated to its network of financial advisors and by a range of products that is increasingly based on sustainability principles and developments, as well as adapted and aligned to the new European regulation, known as SFDR. In this regard, Banca Generali has also announced ambitious targets for the next three years, stating that it intends to reach a percentage of 40% in ESG products with respect to total products managed.

The operating result of the Asset & Wealth Management business unit, also including the AM result of CEE countries, grew by 22.4%, rising from € 853 million in 2020 to € 1,044 million in 2021.
This increase was mainly driven by Banca Generali's Wealth Management, which increased its operating result by 14.6%, rising from € 353 million in 2020 to € 405 million in 2021, and by Asset Management, which increased its operating result by 22.9%, rising from € 546 million in 2020 to € 672 million in 2021.

Group's Holding and other companies

Group's holdings and other companies, includes the Parent Company's management and coordination activities, including Group reinsurance, Cattolica Group, Europ Assistance, Global Corporate & Commercial, Generali Employee Benefits as well as other financial holding companies and international service providers not included in the previous geographic areas.

Cattolica group

The Cattolica group is one of the key players in the Italian insurance market. With around 3.5 million customers, who rely on its insurance solutions and distributed products, the group has 1,326 agencies throughout Italy, in both large and small communities, and a network of 1,826 agents.
Cattolica has a multi-channel and multi-product, integrated and dynamic business model, ready to incorporate, and if possible anticipate developments in the insurance market, current social and demographic trends, the demand for increasingly evolved services and the appearance of new distribution channels. The Group's activities break down into three business areas: P&C, Life and Other.
The Parent Company, Cattolica Assicurazioni directly or indirectly controls seven insurance companies operating in both the Life and the P&C segments (BCC Assicurazioni S.p.A., BCC Vita S.p.A., TUA Assicurazioni S.p.A., Vera Assicurazioni S.p.A., Vera Protezione S.p.A., Vera Financial DAC and Vera Vita S.p.A.) and a reinsurance company (CattRE S.A.). In addition to these, through the Other business line, it has ten subsidiaries, one of which is a holding company (Satec Holding S.r.l.), two companies in the agricultural-property sector (Cattolica Agricola S.a.r.l. and Cattolica Beni Immobili S.r.l.), a property services company (Cattolica Immobiliare S.p.A.), two operating services companies (Cattolica Services S.C.p.A. and Meteotec S.r.l.) and four insurance brokerage and reinsurance companies (All Risks Solutions S.r.l., Mediterranea Underwriting S.r.l., Qubo S.r.l. and Satec S.r.l.). It also has four associated companies (Aladdin S.r.l., Ima Italia Assistance S.p.A., Ima Servizi S.C.a r.l. and H-FARM S.p.A.).

Europ Assistance (EA)

Established in 1963, EA, which falls within the scope of responsibility of the Country Manager France & Europ Assistance, is one of the leading global brands in the field of private assistance, with a presence in over 200 countries thanks to its assistance centres and its network of partner suppliers. EA offers insurance coverage and assistance in the travel sector, the automotive area with road-side assistance, and personalised coverage for assisting the elderly, cyber-security, and medical and concierge services.
In 2021, the EA Group's turnover stood at € 1.96 billion, posting an increase of around 24% compared to the previous year, which had suffered a significant downturn due to the pandemic. The travel insurance segment, one of the main drivers of EA's growth in recent years, and which was particularly impacted by the restrictions to mobility introduced to limit the spread of Covid-19, reported a good recovery thanks to the development of new targeted commercial proposals to cover the new requirements of customers, with a strong focus on domestic holidays and on short-term rentals.
In a difficult international context in which the recovery of business volumes continues to be partially limited by restrictions in place in numerous countries, in 2021, EA achieved results that were in line with the pre-pandemic situation, thanks to a steady focus on containing costs and benefiting from its diversification, both in terms of business and geography. In this regard, Europ Assistance continues to pursue a growth strategy focused on strengthening its leadership position in the travel sector, at the same time expanding and diversifying its range of motor and personal assistance products. To achieve this objective, in addition to organic growth, in recent years, the Europ Assistance group has embarked on an external expansion policy, making a series of acquisitions in various business sectors. Following the acquisitions made in previous years, in 2021, EA further extended its scope by acquiring GDE and Segman, two Spanish companies operating in the home services sector. Furthermore, EA has extended its geographic coverage by opening new offices in Eastern Europe (Slovenia) and in Asia (Thailand and Malaysia), with a view to supporting the development of Generali's strategy in these areas.

Loyal to its mission of helping people in difficulty and its spirit as a caring company, EA actively contributed with numerous initiatives to addressing the Covid-19 emergency in 2021 as well, in particular by providing support in numerous countries during the vaccination campaigns, making its medical assistance network available to the national healthcare system.
With regard to its organisation, EA confirmed the extension of all measures undertaken to safeguard the health of its people and to continue to serve its customers. Furthermore, in many countries, EA implemented a new hybrid way of working, combining office and smart-working, in order to guarantee a healthy work-life balance. To promote the development of this new working model, projects to upgrade the offices were undertaken, to create spaces that facilitated sharing and socialising.

Generali Global Business Lines (GBL)

GROSS WRITTEN PREMIUMS GBL

€ 4,069 mln **+6.7%**

Generali Global Business Lines (GBL), which fall within the scope of responsibility of the Country Manager & CEO of Generali Country Italia and Global Business Lines, support companies of global reach with a complete insurance offer. The GBLs include two units: Generali Global Corporate & Commercial and Generali Employees Benefits, which offer medium to large companies flexible and smart insurance services and solutions in the Life and P&C segments, health protection and pension plans for local and global employees of multinational companies.

Global Corporate and Commercial (GC&C)

GC&C provides insurance solutions and P&C services to medium-large companies and intermediaries in over 160 countries worldwide. Backed by its solid global experience and knowledge of the local markets and of the corporate sector, integrated solutions that can be personalised in properties, casualty, engineering, marine, aviation, cyber and speciality risks are provided. Furthermore, GC&C guarantees companies the same level of assistance and protects everywhere in the world through its Multinational Programs, Claims and Loss Prevention experts. GC&C's total premium volumes were € 2.5 billion in 2021.
The year's performance was positive, although it was influenced by several large natural catastrophe claims in the property business. From a technical perspective, in 2021 GC&C continued to pursue a policy to develop Multinational Programs, Parametric Products, Cyber risk and Financial Lines, focusing on and balancing the portfolio globally in the medium-large companies segment, in a market characterized by a hardening phase.

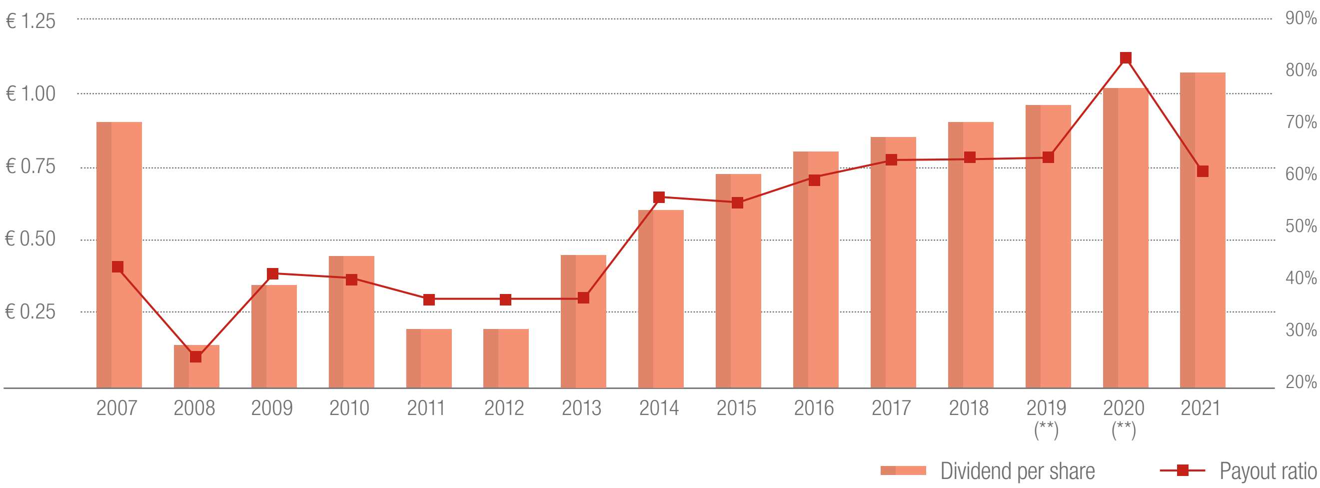
Generali Employee Benefits (GEB) Network

An integrated network based on a global platform of services that protect and improve the well-being of employees throughout the world. We are the Generali Group's business line, a leading provider of global solutions for employee benefits and insurance services, designed for local and seconded employees of multinational companies and comprised by life protection (health, accident and disability), emotional support (e.g. prevention of mental health problems) and financial protection (life and pension).
Driven by innovation, by people and by know-how, we are built on an ecosystem of partnerships to provide customers with support on their ESG, Environmental, Social and Governance path. Our global presence in 126 countries, with the support of 138 local network partners, enables us to provide competence and support to 47 captive clients and to 330 coordinated multinational programmes, with a volume of premiums of € 1.6 billion.
The GEB network is an entity of partnerships based on reinsurance, which operates through 12 offices worldwide - that cover the APAC, EMEA and Americas regions - coordinated centrally by its head office in Luxembourg.

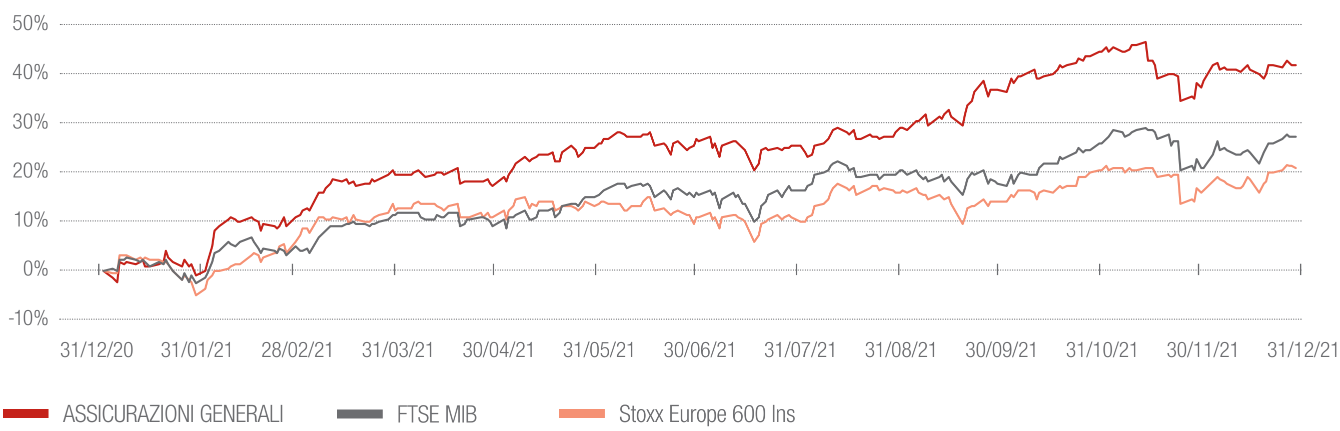
SHARE PERFORMANCE

KPI per share

	31/12/2021	31/12/2020
Earnings per share (EPS)	1.81	1.11
Adjusted net EPS (*)	1.78	1.23
Dividend per share (DPS) (**)	1.07	1.01
Total dividend (in € million) (**)	1,691	1,591
Adjusted payout ratio (***)	60.5%	82.6%
Share price	18.63	14.26
Minimum share price	13.92	10.39
Maximum share price	19.24	18.88
Average share price	17.13	13.91
Weighted average number of ordinary shares outstanding	1,573,173,478	1,569,448,327
Market capitalization (in € million)	29,455	22,475
Average daily number of traded shares	4,835,633	5,544,326
Total shareholders' return (TSR) (****)	41.9%	-19.36%



2021 total shareholders' return performance (***)



(*) The adjusted net result - defined as the net result without the impact of gains and losses related to acquisitions and disposals - was equal to € 2,795 million in 2021 and excluded € 52 million relating to the acquisition of the control of the Cattolica group and to related extraordinary costs (€ 1,926 million at 31 December 2020, which neutralised € 183 million resulting from the settlement agreement for the BSI disposal). In addition, excluding from the 2020 adjusted net result the € 77 million, net of taxes, one-off expense from the establishment of the Extraordinary International Fund for Covid-19 and the € 73 million, net of taxes, expense arising from the liability management transaction, the adjusted net result would have been € 2,076 million, with an adjusted net EPS equal to € 1.32.

(**) The dividend per share at 31 December 2020, equal to € 1.01 (totalling € 1,591 million), refers to the 2020 financial year and does not include the € 0.46 dividend per share (totalling € 724 million), which was paid in 2021 and which referred to the second tranche of the 2019 financial year.

(***) The adjusted payout ratio at 31 December 2020, equal to 82.6%, is calculated as the ratio of the € 1,591 million total dividend referred only to the 2020 financial year to the ajusted net result, which amounted to € 1,926 million. The adjusted payout ratio at 31 December 2020 would have been equal to 120.2%, if it had been calculated considering the total dividend paid in 2021 for an amount of € 2,315 million (including the second tranche of the 2019 dividend).

(****) The total shareholders' return (TSR) is the measure of performance which combines share price variation and dividends paid to show the total return to the shareholder expressed as an annualized percentage.

Financial ratings

Ratings refer to a judgement of the credit rating and probability of default of an entity or the security to which the rating has been assigned. Every ratings agency uses a different method to compile its ratings.

AGENCY		31/12/2021	31/12/2020
Moody's	Rating	Baa1	Baa1
	Outlook	Stable	Stable
Fitch	Rating	A	A-
	Outlook	Positive	Stable
AM Best	Rating	A	A
	Outlook	Stable	Stable

AGENCY		31/12/2021	31/12/2020
Moody's	Senior	Baa2	Baa2
	Subordinated	Baa3	Baa3
	Hybrid	Ba1	Ba1
	Outlook	Stable	Stable
Fitch	Senior	A-	BBB+
	Subordinated	BBB (*)	BBB- (*)
	Hybrid	BBB	BBB-
	Outlook	Positive	Stable
AM Best	Senior	a	a
	Subordinated	a-	a-
	Hybrid	bbb+ (**)	bbb+ (**)
	Outlook	Stable	Stable

(*) Generali's € 1 billion 4.125% subordinated note, issued on 29 April 2014, affirmed at BBB+.
(**) AM Best new methodology on debt, effective on 6 May 2014, introduced a different notching between senior and junior subordinated debt.

www.generali.com/investors/debt-ratings/ratings

Sustainability indices

Over the years, the commitments and the results achieved by the Generali Group have improved the ratings assigned by the main agencies in the ESG (environmental, social and governance) performances and have led to the inclusion of the Group in important international sustainability indices.

Member of Dow Jones Sustainability Indices Powered by the S&P Global CSA

FTSE4Good

MSCI

EURONEXT vigeo World 120

Member 2015/2016 STOXX ESG LEADERS INDICES

www.generali.com/our-responsibilities/performance/sustainability-indices-and-ratings

OUTLOOK


GENERALI
#Generali190

Thanks to the widespread distribution of vaccines and the gradual end of the pandemic phase, a recovery of the global economy is expected in 2022.
In particular, the growth of GDP in the Eurozone should stand at 3.3% in 2022, sustained by the overcoming of the negative effects on supply chains and by the consequent resumption of production processes. High confidence and continued surplus savings should drive consumers to increase spending. In March, the ECB will terminate its Pandemic Emergency Purchase Programme (PEPP), which supports the economies of member countries and, as inflation will continue to be high for a long time, it will increase interest rates in the second half of 2022.
In the United States, the interruption to supplies, which rendered growth weaker, fuelling inflation, should gradually subside during the first half of 2022. Growth forecasts are 3.4% in 2022. In March, the FED will terminate the asset purchase programme and then begin the quantitative tightening; it will increase interest rates, more aggressively than the ECB.
With regard to the financial markets, 2022 should be characterised by an increase of core government rates, by a modest widening of the BTP-Bund spread and by a limited narrowing envisaged for European investment grade spreads. The stock market should, albeit moderately, report positive earnings in both the United States and Europe.

The recent Russian-Ukrainian conflict has generated a context of greater uncertainty and volatility, with an increase of downside risks. To date, the development of the conflict remains unpredictable and consequently it is not possible to make a reasonable estimate of the effect of the crisis on the markets and the insurance business.

With regard to the insurance sector as a whole, growth prospects are still positive, albeit at a slower pace than those of 2021. The pandemic has highlighted the need to better protect households from situations of economic uncertainty; even the progressive ageing of the population will lead to a lower demand for savings products and a higher demand for income products and those related to self-sufficiency. Renewed interest is expected in Life protection policies (pension, Long Term Care policies, critical illness, health assistance and death coverage policies, not related to the granting of mortgage loans, loans or salary-backed loans) and P&C (income protection and creditor protection policies).

In this context, the Group confirms and continues with its strategy to rebalance the Life portfolio in order to further increase its profitability and with a more efficient capital allocation, also backed by an in-depth analysis of existing portfolios. Simplification and innovation will continue to be key, with the introduction of a range of modular product solutions, designed for the specific requirements and new needs of customers, and marketed through the most suitable, efficient and modern distribution channels. The Generali's objective to be a Lifetime Partner to its customers will be the priority underpinning all Life and Health business development processes.

This strategic direction is a perfect fit with the approach adopted for new business growth through the selective development of business lines such as protection and health, as well as of capital-light savings and investment insurance solutions. The development of these lines aims to offer a wide range of insurance solutions adapted to risk and investment profiles for the benefit of both the policyholders and the Group. In particular, for products in the protection line, we aim to offer modular solutions in which traditional risk coverage is combined with substantial service packages to provide even better prevention, information, management and resolution of the critical areas subject to coverage. Amongst the capital-light products, unit-linked products are increasingly characterized by financial mechanisms that are able to handle potential market contractions (e.g. protected funds and guided investment management options). Greater attention will be paid to the development of insurance solutions that include ESG sustainable features, which play an increasingly greater role in the choices of customers who are particularly interested in socio-environmental issues, but also wish to get good returns on their investments; this trend will be further accelerated by the gradual application of the European regulation on sustainable finance (Sustainable Finance Disclosure Regulation or SFDR) and the related transparency commitments towards customers. Thanks to asset management capabilities at Group level, it is also possible to offer innovative investment solutions based on private and real assets, which allow customers to get higher returns than the average market ones and the Group to increase the assets under management.
With regard to in-force business, efforts will continue to strengthen relations with existing customers on the basis of an updated analysis of current insurance needs.
Premium trends will continue to reflect the Group's common goals, driven by a focus on the central importance of the customer's interests and by a prudent underwriting policy consistent with the Risk Appetite Framework, which is focused on continuous value creation through its products.

With regard to the Property & Casualty insurance segment, the Group recorded an increase in premiums, at the same time maintaining the already excellent technical profitability. The objective for the mature insurance markets in which the Group operates is to maximize growth in each of the respective economic contexts and, in parallel, gain ground in high growth potential markets by expanding our presence and offer in the territory.
In the motor line, there is strong pressure on premiums and in keeping the average premium due to the competitiveness of the market. Generali's objective of developing innovative insurance solutions that guarantee a competitive edge and the business line's profitability is confirmed.
In line with the strategic priorities for profitable growth and to become a Lifetime Partner to our customers, the development of the non-motor line focused on modular insurance solutions designed to meet the specific requirements and the new needs of customers, expanding the offer of innovative services, prevention and assistance with the support of digital

tools and platforms (such as the coverage of cyber risks, which became extremely important in the lockdown period due to the extensive adoption of smart working). Growth in this segment will also be supported by taking advantage of the opportunities offered by demographic and social changes, new markets and moving forward with distribution channel and partnership initiatives. The Group is always very careful to combine the opportunities present on the market with a disciplined approach in underwriting and portfolio optimization - pricing, selection and profitability - and careful assessments of the customer's new requirements, which are placed at the heart of product development.
The P&C segment's management - also considering the low level of capital absorption of these products - will therefore continue to be a cornerstone for the implementation of the Group's strategy, whose objective is to maintain its leadership role in the European insurance market for private individuals, professionals and SMEs.

The global reinsurance market continues to show sufficient capitalization to meet the needs of ceding insurance companies, despite the fact that reinsurers have not been able to adequately remunerate the capital employed in recent years. In turn, this situation triggered an upward trend in hedging costs that was evident as early as the end of 2020, and continuing into 2021, the year in which the reinsurance market had to pay substantial claims caused by natural events in Europe and the United States, in addition to recurring devastating forest fires.
The negotiations for the renewal of reinsurance contracts were strongly affected by the weight of claims relating to the storms and floods that hit Europe in the summer, as well as by the evolution of the Covid-19 claims during 2021, which experienced great increases particularly in the Life segment. In addition to cost, much attention was also paid by reinsurers to the extent of coverage with the introduction of exclusions related to cyber risk and other limitations intended to more accurately define the scope of coverage.
The frequency and intensity of claims in geographical areas where the Group is quite active have resulted in significant gross impacts, but the reinsurance structure in place has proven effective in containing the volatility of the result. Notwithstanding a reinsurance market that tends to increase costs, Generali deemed it appropriate to keep the retention levels substantially unchanged and in line with its risk appetite, adjusting them only in those rare cases in which the costs would have otherwise proved excessive. The result was a renewal of reinsurance coverage with cost increases that were nonetheless contained compared to market trends, thanks to the technical quality of the portfolio and the good performance of previous years.

With regard to the Asset Management segment, activities identified for the new plan will continue in 2022 in order to extend the product catalogue in terms of real assets & private assets, high conviction and multi-asset strategies. The Asset Management platform, which is at present mainly based in Europe, aims to become global with a consequent increase in revenues and assets under management (AUM) from external customers.

With reference to the investment policy, the Group will continue to pursue an asset allocation strategy aimed at consolidating current returns and ensuring consistency with liabilities to policyholders.
As regards the strategy for fixed-income investments, in order to efficiently manage the matching between assets and liabilities, the Group will continue to mainly use long-term government bonds with high credit ratings to ensure effective coverage of long-term liabilities. A balanced approach will be maintained with investments in corporate bonds that contribute to improving the portfolio profitability, also in light of the increase in yields and positive expectations on the economy and corporate fundamentals.
Alternative investments and investments in real assets continue to be an important part of the strategy due to their contribution to portfolio diversification and return, particularly in the persistent context of low interest rates. The Group continues to develop a multi-boutique insurance asset manager platform to enhance the investment ability in these market sectors and better monitor their management in terms of complexity and liquidity.
The equity investments are managed with particular attention to periods of volatility, in order to seize opportunities offered by the market and ensure greater portfolio diversification.
In the real estate sector, the controlled investment fund strategy will focus on the most resilient European markets (France, Germany, UK and CEE) and on indirect investments in Asia.
In all asset classes, the Group's policy is focused on ESG and sustainability aspects, prioritizing investments that are consistent with green energy policies to reduce climate change risk.

In line with the *Lifetime Partner 24: Driving Growth* strategic plan, in the next three years, the Group is committed to deliver strong financial performance, best-in-class customer experience and an even greater social and environmental impact, thanks to our empowered people.
Specifically, it intends to pursue sustainable growth, enhance its earnings profile and lead innovation in order to achieve a compound annual growth rate in earnings per share[1] between 6% and 8% in the period 2021-2024, to generate net holding cash flow[2] exceeding € 8.5 billion in the period 2022-2024 and to distribute cumulative dividend[3] to shareholders for an amount between € 5.2 billion and € 5.6 billion in the period 2022-2024, with ratchet policy on dividend per share.
Sustainability commitments are also embedded within the *Lifetime Partner 24: Driving Growth* strategic plan, including growing premiums from sustainable solutions, by 5%-7% CAGR in the period 2022-2024 and a climate-neutral insurance portfolio by 2050 as well as the full integration[4] of ESG criteria into direct investments by 2024 and new green and sustainable investments worth between € 8.5 and € 9.5 billion in the period 2021-2025. With the aim of making also the investment

1. 3 year CAGR; adjusted for impact of gains and losses related to acquisitions and disposals. Target based on current IFRS accounting standards.
2. Net holding cash flow and dividend expressed in cash view.
3. Subject to regulatory recommendations.
4. General account - Direct investments (corporate bond and equity, sovereign bond).

portfolio climate neutral by 2050, the Group is committed to the 25% reduction in the carbon footprint of listed equities and corporate bonds by 2024[5]. A roadmap is also defined for the complete exclusion of investments and underwriting activities in the thermal coal sector in OECD countries by 2030 and in the rest of the world later; the commitment to no longer insure upstream oil and gas is confirmed.

The Group will continue to invest in its people to ensure they are engaged with the successful delivery of the new strategic plan, while fostering a sustainable work environment. It will then focus on enhancing its customer-centric culture, based on meritocracy and developing competencies, including the 70% employees' upskilling with new digital and strategic skills. Generali's people will continue to be supported by fair processes and equal opportunities, considering diversity in all its components as a value and aiming, in particular, to have 40% women in leadership positions[6]. The Group is also committed to embrace new sustainable and balanced hybrid work models in all its entities, delivering important benefits to its employees and stakeholders in the Next Normal.

The Report contains statements concerning events, estimates, forecasts and future expectations based on the current knowledge of the Group's management. Such statements are generally preceded by expressions such as "a decrease/increase is expected", "is forecast", "should grow", "we believe it may decline" or other similar wording. Please note that these forward-looking statements should not be considered forecasts of the Group's actual results or of factors outside the Group. Generali assumes no obligation to update or revise such forecasts, even after new information, future events or other elements come to light, unless required by law.

5. Reduction in terms of GHG intensity per invested amount. Baseline: 2019.
6. Group Management Committee, Generali Leadership Group and their first reporting line.

LIFETIME PARTNER 24: DRIVING GROWTH

DRIVE SUSTAINABLE GROWTH

- BOOST P&C REVENUES AND MAINTAIN BEST-IN-CLASS TECHNICAL MARGINS
- GROW CAPITAL LIGHT BUSINESS, TECHNICAL PROFITS AND ESG PRODUCT RANGE
- UNDERPIN GROWTH WITH EFFECTIVE COST MANAGEMENT

ENHANCE EARNINGS PROFILE

- IMPROVE LIFE BUSINESS PROFILE AND PROFITABILITY
- REDEPLOY CAPITAL TO PROFITABLE GROWTH INITIATIVES
- DEVELOP ASSET MANAGEMENT FRANCHISE FURTHER

LEAD INNOVATION

- INCREASE CUSTOMER VALUE THROUGH LIFETIME PARTNER ADVISORY MODEL
- ACCELERATE INNOVATION AS A DATA-DRIVEN COMPANY
- ACHIEVE ADDITIONAL OPERATING EFFICIENCY BY SCALING AUTOMATION AND TECHNOLOGY

DELIVER **STRONG FINANCIAL PERFORMANCE, BEST-IN-CLASS CUSTOMER EXPERIENCE** AND **EVEN GREATER SOCIAL AND ENVIRONMENTAL IMPACT**,

DELIVER A POSITIVE SOCIAL, ENVIRONMENTAL AND STAKEHOLDER IMPACT

RESPONSIBLE INVESTOR

- **FULL ESG INTEGRATION**[12] BY 2024
- 2050 **CARBON NEUTRAL** INVESTMENT PORTFOLIO, WITH AN INTERIM GOAL OF 25%[13] CARBON FOOTPRINT REDUCTION BY 2024
- **€ 8.5-9.5 billion** NEW GREEN & SUSTAINABLE INVESTMENTS 2021-2025
- **€ 3.5 billion** INVESTMENT PLAN BY 2025 TO SUPPORT THE EU RECOVERY

RESPONSIBLE INSURER

- **+5-7%** SUSTAINABLE SOLUTIONS GROSS WRITTEN PREMIUMS CAGR 2022-2024
- 2050 **CARBON NEUTRAL** INSURANCE PORTFOLIO
- FOSTER SUSTAINABLE TRANSITION FOR SMES THROUGH **ENTERPRIZE** PROJECT

RESPONSIBLE EMPLOYER

- **SUSTAINABILITY WITHIN** ALL PEOPLE PROCESSES, ENABLED BY A PEOPLE STRATEGY FOCUSED ON CULTURE, DIVERSITY, COMPETENCE UPSKILLING AND NEW WAY OF WORKING
- **CHANGE MANAGEMENT** PROGRAM ON SUSTAINABILITY, TARGETING GROUP LEADERSHIP AND ALL EMPLOYEES
- **GOVERNANCE OF SUSTAINABILITY** TO MIRROR AND MONITOR OUR AMBITION

THE HUMAN SAFETY NET - A social innovation hub powered by Generali's skills, networks and solutions to create social impact, supporting the most vulnerable groups in unlocking their potential

>4%
P&C NON MOTOR GWP CAGR 2021-2024

€ 2.3-2.5 billion
LIFE NEW BUSINESS VALUE AT 2024

COST SAVINGS TO COUNTERBALANCE INFLATION IN INSURANCE EUROPE[7]

Up to **€ 1.5 billion**
POTENTIAL SOLVENCY II CAPITAL REQUIREMENT REDUCTION

€ 2.5 - 3 billion
CUMULATIVE DISCRETIONARY AVAILABLE FREE CASH FLOW

+ € 100 million
ASSET MANAGEMENT THIRD PARTY REVENUES

RELATIONSHIP NPS
MAINTAIN THE LEADERSHIP AMONG OUR EUROPEAN INTERNATIONAL PEERS

€ 1.1 billion
CUMULATIVE INVESTMENTS IN DIGITAL AND TECHNOLOGY

2.5 - 3 p.p.
COST/INCOME RATIO[8] IMPROVEMENT

STRONG EARNINGS PER SHARE GROWTH

6 - 8%
EPS CAGR RANGE[9] 2021-2024

INCREASED CASH GENERATION

> € 8.5 billion
CUMULATIVE NET HOLDING CASH FLOW[10] 2022-2024

HIGHER DIVIDEND[11]

€ 5.2 - 5.6 billion
CUMULATIVE DIVIDEND[10] 2022-2024, WITH RATCHET POLICY ON DIVIDEND PER SHARE

THANKS TO **OUR EMPOWERED PEOPLE.**

ENGAGED PEOPLE AS A CORE ASSET TO SUCCESSFULLY DELIVER THE NEW PLAN

BUILD A DIVERSE AND INCLUSIVE ENVIRONMENT ENSURING EQUAL OPPORTUNITIES

40%
WOMEN IN LEADERSHIP POSITIONS[14]

INVEST IN DIGITAL AND STRATEGIC SKILLS PLACING PEOPLE AT THE HEART OF OUR TRANSFORMATION

70%
EMPLOYEES UPSKILLED

ENABLE AN EFFICIENT AND AGILE ORGANIZATION EMBRACING A SUSTAINABLE HYBRID WORK MODEL ROOTED ON DIGITAL

100%
ENTITIES WORKING HYBRID

ENHANCE CUSTOMER-CENTRIC, SUSTAINABLE AND MERITOCRATIC CULTURE

ENGAGEMENT INDEX > EXTERNAL MARKET BENCHMARK[15]

7. Excluding sales-force cost.
8. Income defined as the sum of general expenses, operating result and non-operating result (excluding non-operating investments result and interest on financial debt); insurance perimeter (total Group excluding A&WM and EA). Target based on current IFRS accounting standards.
9. 3 year CAGR; adjusted for impact of gains and losses related to acquisitions and disposals. Target based on current IFRS accounting standards.
10. Net holding cash flow and dividend expressed in cash view.
11. Subject to regulatory recommendations.
12. General account - Direct investments (corporate bond and equity, sovereign bond).
13. General account - Listed equity and corporate bond portfolios. Carbon footprint in terms of GHG intensity per invested amount. Baseline: 2019.
14. Group Management Committee, Generali Leadership Group and their first reporting line.
15. Willis Tower Watson Europe HQ Financial Services Norm.

CONSOLIDATED NON-FINANCIAL STATEMENT

pursuant to legislative decree of 30 December 2016, no. 254 as amended

NFS

The Annual Integrated Report of the Generali Group includes non-financial information in compliance with the provisions of legislative decree of 30 December 2016, no. 254 (leg. decree 254/2016), in implementation of European directive 2014/95. In line with the approach adopted, this information is clearly identified through a specific infographic to improve accessibility to the information itself.

Information relating to environmental matters, social and employee-related matters, respect for human rights, anti-corruption and bribery matters - which is relevant to the activities and characteristics of the Group - is reported to the extent necessary for an understanding of the Group development, performance, position and impact of its activity. It comprises a description of the:

- organization and management model, including direct and indirect impact (p. 22-23). The main operating companies based in Italy have adopted models, pursuant to art. 6, paragraph 1, letter a), of legislative decree of 8 June 2001, no. 231. These models aim at mitigating risks connected to offences that are relevant also to leg. decree 254/2016;

Corporate Governance and Share Ownership Report 2021, p. 115 for the organization and management model of the Parent Company

- policies applied (p. 24-36; 66-69);
- non-financial key performance indicators (p. 13, 40-65 and in *Our performance*, where indicated through the infographic);
- principal risks related to the matters mentioned above, as reported in the table below, and their management.

The Report also complies with art. 8 of Regulation EU 2020/852 (known as EU Taxonomy Regulation) on transparency of undertakings in non-financial statements and Delegated Regulation EU 2021/2178, specifying the content and presentation of information to be disclosed concerning environmentally sustainable economic activities, and specifying the methodology to comply with that disclosure obligation. Furthermore, the disclosure drafted in compliance with the aforementioned Regulations is based on the description of the economic activities included in Annexes I and II of the Delegated Regulation EU 2021/2139, which establish the technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to climate change mitigation or climate change adaptation and for determining whether that economic activity causes no significant harm to any of the other environmental objectives. We also took into account the reporting guidelines published by the European Commission in December 2021 and February 2022[1].
The Report applies the International <IR> Framework issued by the International Integrated Reporting Council (IIRC)[2] and adopts for the disclosure of non-financial matters envisaged by leg. decree 254/2016 the Consolidated Set of GRI Sustainability Reporting Standards, issued by the GRI-Global Reporting Initiative (GRI-Referenced claims), with reference to selected GRI Standards and indicators of the GRI G4 Financial Services Sector Disclosures, as well as indicators defined by a proprietary methodology.
The Report is in line with the 2021 priorities on non-financial information by ESMA[4] and considers the TCFD[3] recommendations and the Guidelines on non-financial reporting of the European Commission[5] as for the material environmental matters.

Notes to the Report, p. 142 for the criteria of the International <IR> Framework and selected indicators

In 2019, we developed the materiality analysis process methodology by concentrating our efforts on the identification of the mega trends, i.e. the large social, environmental and governance transformations, which is expected to be able to change the world of enterprises, society and the natural environment significantly over a ten-year horizon, and this entails risks and opportunities for Generali, its value chain and its stakeholders. We intend to focus strategies, actions and reporting on these priorities to support the Group's ability to create lasting value over time.
The Statement reflects this analysis: it focuses on the most material mega trends identified and describes the management tools in place to mitigate risks and seize opportunities related to them.
The following activities were carried out to identify the material aspects:

- identification of the potentially material mega trends in connection with the Group's activities, strategy and countries which were identified based on public scenario analysis documents and sustainable development research drawn up by international non-government institutions and associations, think tanks, trade associations and forums in the industry;
- assessment of the mega trends, aggregating[6] the viewpoint of the internal and external stakeholders, with which it was asked to order by priority the identified mega trends, considering both their potential impact on Generali and the possibility that they are influenced by us, also through our value chain, consistent with the perspective of the double materiality. This perspective, that considers both the financial materiality and the social and environmental materiality for each mega trend, was introduced by the non-binding Guidelines on reporting non-financial information adopted by the European Commission and afterwards

1. *FAQs: How should financial and non-financial undertakings report Taxonomy-eligible economic activities and assets in accordance with the Taxonomy Regulation Article 8 Disclosures Delegated Act? and Draft Commission notice on the interpretation of certain legal provisions of the Disclosures Delegated Act under Article 8 of EU Taxonomy Regulation on the reporting of eligible economic activities and assets*.
2. The International Integrated Reporting Council (IIRC) is a global coalition of regulators, investors, companies, standard setters, the accounting profession and NGOs.
3. The document *European common enforcement priorities for 2021 annual financial reports* is available on www.esma.europa.eu.
4. The TCFD (Task force on Climate-related Financial Disclosures) was established in 2015 by the Financial Stability Board (FSB) with the aim to formulate a set of recommendations on reporting climate-change-linked risks in order to guide and encourage companies to align the information disclosed with the expectations and needs of investors.
5. *Guidelines on non-financial reporting: supplement on reporting climate-related information* (C/2019/4490) were published in June 2019. They are available on eur-lex.europa.eu.
6. The assessment was made using an approach based on the consolidation of the results of multiple repetitive analysis cycles conducted with groups of experts (the so-called Delphi method).

picked up by ESMA. Over 120 top managers at the Group Head Office and business unit levels were involved internally through interviews and focus groups. To guarantee adequate consideration of the risk component of the identified mega trends, the internal assessment considered the results of the Group Own Risk and Solvency Assessment process.

Risk Report, p. 139 of the Annual Integrated Report and Consolidated Financial Statements 2021

The assessment of the external stakeholders[7] was supplemented by the analysis of the investment policies of 20 large SRI and traditional investors, the results of opinion polls conducted by Eurobarometer involving a sample of over 114,000 people in Europe, and the analysis of a survey conducted with the sustainability managers of roughly 190 multinational companies. Furthermore, about 1,700 company reports, 2,600 rules and bills of law, 4,000 articles published online and over 108 million tweets published between April and October 2019 were analysed using Artificial Intelligence technology and computational linguistics with the support of a specialised provider;

- processing of the Group materiality matrix, previously discussed by the Governance and Sustainability Committee and the Board of Statutory Auditors, and then approved by the Board of Directors

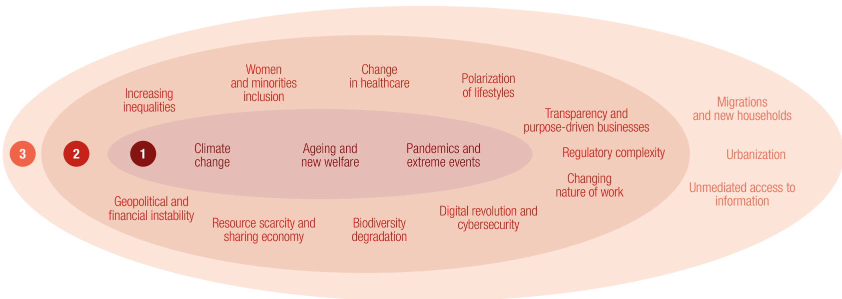
Considered the context changed following the crisis triggered by the Covid-19 pandemic, in 2020 the Generali top management reviewed the current relevance of mega trends that were resulted from the materiality analysis carried out the year before. It confirmed that materiality analysis, still considering it an effective synthesis of the priority corporate and social challenges for the years to come. There was just a limited number of changes compared to the results from the analysis carried out in 2019: the mega trend *Pandemics and extreme events* was moved to cluster 1, that currently includes two other priorities for the benefit of a greater focus: *Climate change and Ageing and new welfare*. The mega trends *Digital revolution and cybersecurity* and *Geopolitical and financial instability* were moved to cluster 2, as well as the mega trend Biodiversity degradation due to its increasing relevance. In November 2020, the Board of Directors approved these updates together with a more immediate representation of the materiality analysis, that gives better evidence to the distribution of the mega trends within the three priority clusters, that determine the Group's approach for their management. We confirmed mega trends also for 2021, taking into account the perspective of the double materiality: we assessed the potential impact each mega trend can have on the Group and how megatrend can be influenced by the Group, also through its value chain. Belonging to one of the three priority clusters determines the Group's approach for its management and reporting.

1 Central cluster that identifies the material mega trends on which the strategic initiatives common to the Group are focused and the disclosure of which is included in this Report

2 Intermediate cluster that groups the mega trends of considerable relevance, which are addressed by specific business units or functions

3 External cluster that groups the mega trends to be monitored, which are of minor relevance compared to the other factors analysed

Glossary available at the end of this document



The material information pursuant to the decree[8] was identified taking the mega trends belonging to the first 2 clusters into consideration. Confirming the approach adopted in the previous Statement, the material mega trends specified above are reported in this Report using indicators announced through the Generali 2021 strategic plan and monitored in the planning and control processes. The scope of reporting for these indicators is the consolidated one, unless otherwise specified[9]. A comparison is offered with the previous period, where feasible.

In order to monitor processes for the non-financial information collection and data quality, we have implemented an integrated internal control system. This model, that is modular and constantly evolving, leverages the approach adopted for the financial reporting to the market, and the broader Data Quality framework. A non-financial information reporting manual has been drawn up for some years. It includes indicators, calculation methods and reporting flows, as well as a standard catalogue of control objectives applicable to the processes at both the Group Head Office and each contributing company level. The integrated internal control model currently used is therefore based on a streamlined approach that allows the control activities implemented to be identified and assessed compared to expected control objectives and applicable risks. For monitoring purposes, specific activities aimed at verifying processes and controls are also carried out, where necessary, by an independent advisor.

7. The opinions of the external stakeholders - 50 opinion leaders representing the major stakeholder categories, such as customers, investors, employees, representatives of the Group's workers (European Works Council), regulatory institutions and authorities, enterprises and trade associations in the industry, universities and research centres, NGOs and future generations - were collected both through direct engagement activities and indirectly with the use of Artificial Intelligence technology and computational linguistics for the quantitative analysis of a large number of document sources.
8. The following matters envisaged by leg. decree 254/2016, art. 3, paragraph 2 are not material: water use, air pollutant emissions and impact on health and safety.
9. The non-financial indicators in the NFS referred to consolidated line-by-line companies, unless otherwise reported in the chapters dedicated to them. Except for the number of employees and the breakdown by gender as well as for the provisions of Regulation EU 2020/852 and the relative Delegated Regulations, all non-financial indicators excluded from their scope the information of the companies of the Cattolica group, the acquisition of which was completed in November 2021. As envisaged by the relevant legislation, such exclusion was based on the timing of the transaction that did not allow adequate harmonization of procedures and criteria, adopted by the Group, for the recognition and measurement of their non-financial information.

NFS

The following table connects the material mega trends and those of considerable relevance as mentioned above to the five matters envisaged by leg. decree 254/2016, including the related main risk categories and pages of the Report in which they are reported. It also highlights our support for the Sustainable Development Goals of the United Nations.

MATTERS ex leg. decree 254/2016	MATERIAL MEGA TRENDS AND THOSE OF CONSIDERABLE RELEVANCE ex 2021 materiality matrix	MAIN RISK CATEGORIES[10]
1. ENVIRONMENTAL MATTERS	CLIMATE CHANGE[11]	**Emerging risks with foreseeable developments on underwriting, financial, operational and reputational risks** (Clients and products: *Product flaws; Damage to physical assets: Accidents and natural disasters, Human caused events*)
	RESOURCE SCARCITY AND SHARING ECONOMY	
	BIODIVERSITY DEGRADATION	
	TRANSPARENCY AND PURPOSE-DRIVEN BUSINESSES	**Operational risks**[12] (Clients and products: *Suitability, disclosure and fiduciary duties, Improper business or market practices, Selection, sponsorship and exposure*)
2. SOCIAL MATTERS	PANDEMICS AND EXTREME EVENTS[13]	**Operational risks** (External fraud: *System security (from external attack)*; Employment practices: *Employee relations, Workplace safety*) **with possible impact in terms of strategic and underwriting risks**
	DIGITAL REVOLUTION AND CYBERSECURITY	**Operational risks** (External fraud: *System security (from external attack)*; Employment practices: *Employee relations, Workplace safety, Workplace discrimination*)
	TRANSPARENCY AND PURPOSE-DRIVEN BUSINESSES	
	AGEING AND NEW WELFARE	**Emerging risks with foreseeable developments on strategic, underwriting and operational risks** (Clients and products: *Product flaws, Selection, sponsorship and exposure, Advisory activities*; Employment practices: *Workplace discrimination*; Damage to physical assets: *Human caused events*)
	CHANGE IN HEALTHCARE	
	POLARIZATION OF LIFESTYLES	
	INCREASING INEQUALITIES	
3. EMPLOYEE-RELATED MATTERS	TRANSPARENCY AND PURPOSE-DRIVEN BUSINESSES	**Operational risks** (Employment practices: *Employee relations, Workplace safety, Workplace discrimination*)
	CHANGING NATURE OF WORK	
	WOMEN AND MINORITIES INCLUSION	
4. RESPECT FOR HUMAN RIGHTS MATTERS	TRANSPARENCY AND PURPOSE-DRIVEN BUSINESSES	**Operational risks**[12] (Employment practices: *Employee relations, Workplace safety, Workplace discrimination*; Clients and products: Product flaws, Selection, sponsorship and exposure, *Advisory Activities*)
5. ANTI-CORRUPTION AND BRIBERY MATTERS	TRANSPARENCY AND PURPOSE-DRIVEN BUSINESSES	**Operational risks** (Internal fraud: *Unauthorised activity*; Clients and products: *Improper business or market practices*)
	REGULATORY COMPLEXITY	

10 Categories are defined in accordance with the provisions of the European directive 2009/138 on the taking-up and pursuit of the business of insurance and reinsurance (Solvency II). See the Risk Report chapter in the Annual Integrated Report and Consolidated Financial Statements 2021 for their specific management. As for operational risks, the taxonomy is in line with the provisions of Solvency II Directive/Basel III.
11. The mega trend *Climate change* also includes extreme events.
12. Limited to possible risks of non-compliance with laws.
13. Extreme events are illustrated in the mega trend *Climate change*.

KEY PERFORMANCE INDICATORS	PAGES OF THE REPORT	SUSTAINABLE DEVELOPMENT GOALS
• Total GHG emissions from direct operations • Carbon footprint of the portfolio of Group's listed equities and corporate bonds • Premiums from environmental products • New green and sustainable investments • Insurance exposure to fossil fuel sector • Engagement activities with companies of the coal sector • Renewable energy purchased • Direct investments by the Group's insurance companies subject to RIG • Mandates and investments managed ex art. 8/9 SFDR • Engagement activities	p. 13, 31-35, 61-62, 66, 82-83, 91-96 p. 31-35, 62 p. 66-67, 93 p. 13, 91-96	7 AFFORDABLE AND CLEAN ENERGY 11 SUSTAINABLE CITIES AND COMMUNITIES 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 13 CLIMATE ACTION
• Fenice 190 • Investments in internal strategic initiatives • Our customers • Our agents • Change in Relationship NPS • Direct investments by the Group's insurance companies subject to RIG • Mandates and investments managed ex art. 8/9 SFDR • Engagement activities • Premiums from social products • Active countries and partners of The Human Safety Net	p. 25-28, 95 p. 28-30, 46-50 p. 13, 48-49, 60, 91-96 p. 13, 36-37, 82-83 p. 13, 36-37, 82-83 p. 13, 36-37, 82-83 p. 13, 64-65, 103-117	3 GOOD HEALTH AND WELL-BEING 4 QUALITY EDUCATION 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 10 REDUCED INEQUALITIES 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
• Engagement and participation in Generali Global Engagement Survey • Reskilled employees • Trained employees • Per capita training • Training investment • Our people • Organizational entities with smart working policy • Female employees • Diversity and Inclusion Index • Equal pay gap • Gender pay gap • Accessibility gap to variable remuneration between females and males	p. 13, 53, 55-57 p. 13, 51, 58 p. 13, 51, 53-55	5 GENDER EQUALITY 8 DECENT WORK AND ECONOMIC GROWTH 10 REDUCED INEQUALITIES 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
• Direct investments by the Group's insurance companies subject to RIG • Mandates and investments managed ex art. 8/9 SFDR • Engagement activities	p. 13, 66-67, 91-96	12 RESPONSIBLE CONSUMPTION AND PRODUCTION
• Direct investments by the Group's insurance companies subject to RIG • Mandates and investments managed ex art. 8/9 SFDR • Engagement activities • Employees trained in the Code of Conduct • Managed reports on to the Code of Conduct	p. 13, 66, 68-69, 91-96 p. 66, 68-69	12 RESPONSIBLE CONSUMPTION AND PRODUCTION 16 PEACE, JUSTICE AND STRONG INSTITUTIONS

Pursuant to art. 5 of the Consob Regulation of 18 January 2018, no. 20267, the Generali Group assigned the auditing firm KPMG S.p.A. - the current external auditor for the financial statements - with the task of performing the limited assurance activity on this Statement, except for the provisions of Regulation EU 2020/852 and the relative Delegated Regulations in line with the guidelines issued by Assonime and Assirevi. The Report drafted by KPMG S.p.A. is attached to this document.

Milan, 14 March 2022
The Board of Directors

Independent Auditor's Report on the Consolidated Non-Financial Statement

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(This independent auditors' report has been translated into English solely for the convenience of international readers. Accordingly, only the original Italian version is authoritative.)

Independent auditors' report on the consolidated non-financial statement pursuant to article 3.10 of Legislative decree no. 254 of 30 December 2016 and article 5 of the Consob Regulation adopted with Resolution no. 20267 of 18 January 2018

To the board of directors of
Assicurazioni Generali S.p.A.

Pursuant to article 3.10 of Legislative decree no. 254 of 30 December 2016 (the "decree") and article 5 of the Consob (the Italian Commission for listed companies and the stock exchange) Regulation adopted with Resolution no. 20267 of 18 January 2018, we have been engaged to perform a limited assurance engagement on the 31 consolidated non-financial statement of the Generali Group (the "group") prepared in accordance with article 4 of the decree, presented in the specific section of the Annual integrated report and consolidated financial statements 2021 and approved by the board of directors on 14 March 2022 (the "NFS").

Our procedures did not cover the information set out in the "EU Taxonomy eligible and non-eligible non-life insurance activities" and "Exposures to EU Taxonomy eligible and non-eligible activities" sections on pages 83 and 96, respectively, of the NFS required by article 8 of Regulation (EU) 852 of 18 June 2020.

Responsibilities of the directors and board of statutory auditors ("Collegio Sindacale") of Assicurazioni Generali S.p.A. (the "parent") for the NFS

The directors are responsible for the preparation of an NFS in accordance with articles 3 and 4 of the decree and the "Global Reporting Initiative Sustainability Reporting Standards" issued by GRI - Global Reporting Initiative (the "GRI Standards"), with reference to selected GRI Standards and indicators of the GRI G4 Financial Services Sector Disclosures (the "GRI Standards - Referenced option"), as well as indicators defined by a proprietary methodology, selected as specified in the "Notes to the management report" section of the Annual integrated report and consolidated financial statements 2021 (the "additional indicators"), which they have identified as the reporting standards.

The directors are also responsible, within the terms established by the Italian law, for such internal control as they determine is necessary to enable the preparation of an NFS that is free from material misstatement, whether due to fraud or error.

Moreover, the directors are responsible for the identification of the content of the NFS, considering the aspects indicated in article 3.1 of the decree and the group's business and characteristics, to the extent necessary to enable an understanding of the group's business, performance, results and the impacts it generates.

The directors' responsibility also includes the design of an internal model for the management and organisation of the group's activities, as well as, with reference to the aspects identified and disclosed in the NFS, the group's policies and the identification and management of the risks generated or borne.

The *Collegio Sindacale* is responsible for overseeing, within the terms established by the Italian law, compliance with the decree's provisions.

Auditors' independence and quality control

We are independent in compliance with the independence and all other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards, the IESBA Code) issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. Our company applies International Standard on Quality Control 1 (ISQC Italia 1) and, accordingly, maintains a system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditors' responsibility

Our responsibility is to express a conclusion, based on the procedures performed, about the compliance of the NFS with the requirements of the decree and the GRI Standards - Referenced option, as well as the additional indicators. We carried out our work in accordance with the criteria established by "International Standard on Assurance Engagements 2021 (revised) - Assurance Engagements other than Audits or Reviews of Historical Financial Information" ("ISAE 3000 revised"), issued by the International Auditing and Assurance Standards Board applicable to limited assurance engagements. This standard requires that we plan and perform the engagement to obtain limited assurance about whether the NFS is free from material misstatement. A limited assurance engagement is less in scope than a reasonable assurance engagement carried out in accordance with ISAE 3000 revised, and consequently does not enable us to obtain assurance that we would become aware of all significant matters and events that might be identified in a reasonable assurance engagement.

The procedures we performed on the NFS are based on our professional judgement and include inquiries, primarily of the parent's personnel responsible for the preparation of the information presented in the NFS, documental analyses, recalculations and other evidence gathering procedures, as appropriate.

Specifically, we carried out the following procedures:

1. Analysing the material aspects based on the group's business and characteristics disclosed in the NFS, in order to assess the reasonableness of the identification process adopted on the basis of the provisions of article 3 of the decree and taking into account the reporting standards applied.
2. Analysing and assessing the identification criteria for the reporting scope, in order to check their compliance with the decree.
3. Comparing the financial disclosures presented in the NFS with those included in the group's consolidated financial statements.
4. Gaining an understanding of the following:
   - the group's business management and organisational model, with reference to the management of the aspects set out in article 3 of the decree;
   - the entity's policies in connection with the aspects set out in article 3 of the decree, the achieved results and the related key performance indicators;
   - the main risks generated or borne in connection with the aspects set out in article 3 of the decree.

   Moreover, we checked the above against the disclosures presented in the NFS and carried out the procedures described in point 5.a).
5. Understanding the processes underlying the generation, recording and management of the significant qualitative and quantitative information disclosed in the NFS.

   Specifically, we held interviews and discussions with the parent's management personnel and personnel of Generali Italia S.p.A., Generali Deutschland AG, Generali Vie S.A. Generali Versicherung AG, Generali Espana, S.A. de Seguros y Reaseguros, Generali Personenversicherungen AG Generali CEE Holding and Generali Ceska pojistovna. We also performed selected procedures on documentation to gather information on the processes and procedures used to gather, combine, process and transmit non-financial data and information to the office that prepares the NFS.

   Furthermore, with respect to significant information, considering the group's business and characteristics:
   - at group level,
     a) we held interviews and obtained supporting documentation to check the qualitative information presented in the NFS and, specifically, the business model, the policies applied and main risks for consistency with available evidence,
     b) we carried out analytical and limited procedures to check, on a sample basis, the correct aggregation of data in the quantitative information;
   - we visited Generali Italia S.p.A., Generali Deutschland AG, Generali Vie S.A. Generali Versicherung AG, Generali Espana, S.A. de Seguros y Reaseguros, Generali Personenversicherungen AG Generali CEE Holding and Generali Ceska pojistovna, which we have selected on the basis of their business, contribution to the key performance indicators at consolidated level and

location, to meet their management and obtain documentary evidence supporting the correct application of the procedures and methods used to calculate the indicators.

Conclusion

Based on the procedures performed, nothing has come to our attention that causes us to believe that the 2021 consolidated non-financial statement of the Generali Group has not been prepared, in all material respects, in accordance with the requirements of articles 3 and 4 of the decree and the GRI Standards - Referenced option, as well as the additional indicators.

Our conclusion does not extend to the information set out in the information set out in the "EU Taxonomy eligible and non-eligible non-life insurance activities" and "Exposures to EU Taxonomy eligible and non-eligible activities" sections on pages 84 and 96, respectively, of the NFS required by article 8 of Regulation (EU) 852 of 18 June 2020.

Other matters

The NFS presents the corresponding figures included in the 2020 consolidated non-financial statement for comparative purposes, on which other auditors performed a limited assurance engagement and expressed an unqualified conclusion on 31 March 2021.

Trieste, 4 April 2022

KPMG S.p.A.

(signed on the original)

Andrea Rosignoli
Director of Audit

APPENDICES TO THE REPORT

NOTES TO THE REPORT

The Annual Integrated Report and Consolidated Financial Statements 2021 is drafted in compliance with currently effective regulations and it applies the IAS/IFRS international accounting standards as well as the International <IR> Framework.

Annual Integrated Report and Consolidated Financial Statements 2021, p. 204 for further details on the basis of presentation and accounting principles

The Group used the option provided for under art. 70, paragraph 8, and art. 71, paragraph 1-bis of Issuers' Regulation to waive the obligation to publish the information documents provided for in relation to significant mergers, de-mergers or capital increases by contribution of assets, acquisitions and disposals.

The Report is drawn up in euro, i.e. the functional currency used by the entity that prepares the Annual Integrated Report and Consolidated Financial Statements. The amounts are shown in million and rounded to the first decimal, unless otherwise reported. Therefore, the sum of each rounded amounts may sometimes differ from the rounded total.

The details by geographical area highlighted in this document reflect the Group's managerial structure in place since March 2021, made up of:
- Italy;
- France;
- Germany;
- ACEER: Austria, Central Eastern Europe (CEE) countries - Czech Republic, Poland, Hungary, Slovakia, Serbia, Montenegro, Romania, Slovenia, Bulgaria and Croatia - and Russia. The area will be called ACEE starting from March 2022, following the Group's decision to close its Moscow representative office, resign from positions held on the board of the Russian insurer Ingosstrakh and wind down Europ Assistance business in Russia;
- International, consisting of Spain, Switzerland, Americas and Southern Europe, and Asia;
- Asset & Wealth Management, which includes the main Group entities operating in investment advisory, asset management and financial planning;
- Group holdings and other companies, which consists of the Parent Company's management and coordination activities, including Group reinsurance, as well as Cattolica Group, Europ Assistance, Global Corporate & Commercial, Generali Employee Benefits and other financial holding companies and suppliers of international services not included in the previous geographical areas.

Our main markets: positioning and performance, p. 103

At 31 December 2021, the consolidation area increased from 484 to 505 companies, of which 445 were consolidated line-by-line and 60 measured with the equity method.

Transactions with related parties

Information on transactions with related parties is available in the chapter *Transactions with related parties* in the *Notes* in the Annual Integrated Report and Consolidated Financial Statements.

Annual Integrated Report and Consolidated Financial Statements 2021, p. 244

Report and International <IR> Framework

The Report is drafted in line with the International <IR> Framework issued by the International Integrated Reporting Council (IIRC): each chapter of the Report meets one or more Content Elements envisaged by the Framework.

Group Annual Integrated Report	Content Elements of the International <IR> Framework
WE, GENERALI	
GROUP'S HIGHLIGHTS	Performance
2021 AND 2022 KEY FACTS	Organisational overview and external environment
THE VALUE CREATION PROCESS	Organisational overview and external environment
CHALLENGES AND OPPORTUNITIES OF THE MARKET CONTEXT	Risks and opportunities
THE GENERALI 2021 STRATEGY	Strategy Performance Risks and opportunities
OUR RULES FOR RUNNING BUSINESS WITH INTEGRITY	Organisational overview and external environment Risks and opportunities
OUR GOVERNANCE AND REMUNERATION POLICY	Governance
OUR PERFORMANCE	Performance
OUTLOOK	Outlook

The Report is drafted also applying the Guiding Principles of the Framework.

The strategy together with our vaue creation process remains at the heart of our story. The strategic focus and future orientation principle is, in fact, applied in the whole document.

The key forms of connectivity of information used by Generali include the connectivity between qualitative and quantitative information, financial and non-financial information, present and future information, that is coherent with the information included in other communication tools in accordance with the Core&More reporting approach. Other elements that improve the connectivity of information and the overall usefulness of the Report are the cross-referencing , the graphic component and a glossary at the end of this document to use in case of insurance sector's terminology.

Generali maintains stakeholder relationships in order to understand and meet their needs, especially their information and dialogue needs.
We regularly engage with investors, analysts and rating agencies. We meet them every quarter following our results' presentation and in specific occasions, thus sharing the reporting required. We organise roadshows and we participate in sector conferences. Some of the main annual recurring occasions for interaction between the financial community and the Company's top management are the annual Shareholders' Meeting, events on the strategic plan (Investor Day) and the main presentation of the financial results. During 2021 we came into contact with more than 450 people based in the main financial centres of Europe and North America, with virtual individual and small group meetings. We successfully continued our dialogue with relevant stakeholders on virtual platforms - used since 2020 following the Covid-19 pandemic - while maintaining high quality standards.

We regularly interact with regulators and the European and international Institutions to maintain good relationships and share authoritative and updated information in order to properly interpret and apply new regulations. We are committed to transparency in our relations with European public authorities: in 2014 the Group joined the Transparency Register, a joint initiative of the European Parliament and the European Commission with the aim of informing the public about how Generali represents its interests. We also offer our skills and contribute to public consultations for the definition of new laws and regulations in the sector, by providing, in view of the Group's direct experience, concrete indications in order to safeguard the specificities of the Group and the insurance industry. To this purpose, we collaborate with several trade organizations and associations in the sector. Our active presence in these organizations allows us also to expand our knowledge of the different regulations and potential impacts. We engage customers, agents and Group employees with a view to continuous improvement.

The Generali 2021 strategy, p. 38

www.generali.com/our-responsibilities/responsible-business/stakeholder-engagement for different methods of dialogue with stakeholders

The materiality approach is presented in the Consolidated Non-Financial Statement.

Consolidated Non-Financial Statement, p. 129

1. The Report includes links to web pages that might not exist in the future.

The conciseness principle is met through the issue of the Group Annual Integrated Report. The diagram below shows the shift from the Group Annual Integrated Report, drafted in accordance with the materiality principle, to the Annual Integrated Report and Consolidated Financial Statements, compliant with regulations.

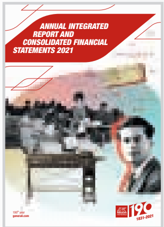
Group Annual Integrated Report

Additional management information on segments

Risk Report

Further financial statements and Notes

Management Report



Annual Integrated Report and Consolidated Financial Statements

Reliability and completeness are supported by a structured information system, built for the drafting of the Report and processing financial and non-financial information while ensuring their homogeneity and reliability. They are also supported by a specific integrated internal control system, which monitors information generation and collection processes as well as data quality. The performance indicators are those used in the business management in line with the strategic plan. They refer to the whole Group, unless otherwise indicated[2].

The integrated internal control system covers the consistency and comparability principle, too. The Report includes information that is consistent with the previous year, unless otherwise indicated.

NFS

Report and Consolidated Non-Financial Statement

The Report adopts for the disclosure of non-financial matters envisaged by leg. decree 254/2016 the Consolidated Set of GRI Sustainability Reporting Standards, issued by the GRI-Global Reporting Initiative (GRI-Referenced claims), with reference to selected GRI Standards - in accordance with the provision of GRI 101: Foundation, paragraph 3, in addition to GRI 103: Management Approach - and indicators of the GRI G4 Financial Services Sector Disclosures.

GRI STANDARDS AND G4 FINANCIAL SERVICES SECTOR DISCLOSURES	**MATERIAL MEGA TRENDS AND THOSE OF CONSIDERABLE RELEVANCE** ex 2021 materiality matrix
GRI 102: General Disclosures 102-9 Supply chain (a)	Transparency and purpose-driven businesses
GRI 102: General Disclosures 102-43 Approach to stakeholder engagement (a)	Transparency and purpose-driven businesses
GRI 205: Anti-corruption 205-2 Communication and training about anti-corruption policies and procedures (e, aggregated data)	Regulatory complexity Transparency and purpose-driven businesses
GRI 302: Energy 302-1 Energy consumption within the organization (a, b)	Resource scarcity and sharing economy
GRI 305: Emissions 305-1 Direct (Scope 1) GHG emissions (a, b, d, g) 305-2 Energy indirect (Scope 2) GHG emissions (a, c, d, g) 305-3 Other indirect (Scope 3) GHG emissions (a, b, d, e) 305-4 GHG emissions intensity	Climate change
GRI 404: Training and Education 404-1 Average hours of training per year per employees (a, aggregated data) 404-2 Programs for upgrading employee skills and transition assistance programs (a)	Transparency and purpose-driven businesses

2. The non-financial indicators in the NFS referred to consolidated line-by-line companies, unless otherwise reported in the chapters dedicated to them. Except for the number of employees and the breakdown by gender as well as for the provisions of Regulation EU 2020/852 and the relative Delegated Regulations, all non-financial indicators excluded from their scope the information of the companies of the Cattolica group, the acquisition of which was completed in November 2021. As envisaged by the relevant legislation, such exclusion was based on the timing of the transaction that did not allow adequate harmonization of procedures and criteria, adopted by the Group, for the recognition and measurement of their non-financial information.

GRI 405: Diversity and equal opportunity 405-02 Ratio of the basic salary and remuneration of women to men for each employee category	Women and minorities inclusion
GRI 413: Local communities Management approach disclosures	Increasing inequalities
Product portfolio G4 FS7: Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose	Ageing and new welfare Change in healthcare Polarization of lifestyles
Product portfolio G4 FS8: Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose	Climate change
Active ownership G4 FS10: percentage and number of companies held in the insitution's portfolio with which the reporting organization has interacted on environmental or social issues	Climate change Transparency and purpose-driven businesses
Active ownership G4 FS11: Percentage of assets subject to positive and negative environmental or social screening	Climate change Biodiversity degradation Transparency and purpose-driven businesses

We use key performance indicators in accordance with a proprietary disclosure methodology for material and relevant mega trends. They are not envisaged by the standard adopted but they are representative of our business and, in line with our strategy, they are monitored in the planning and control processes.

INDICATORS IN ACCORDANCE WITH A PROPRIETARY METHODOLOGY	MATERIAL MEGA TRENDS AND THOSE OF CONSIDERABLE RELEVANCE ex 2021 materiality matrix
Insurance exposure to fossil fuel sector	Climate change
Fenice 190	Pandemics and extreme events
Investments in internal strategic initiatives	Digital revolution and cybersecurity
Our clients	Transparency and purpose-driven businesses
Trained employees	Transparency and purpose-driven businesses Changing nature of work
Training investments	Transparency and purpose-driven businesses Changing nature of work
Our people	Changing nature of work
Organizational entities with smart working policy	Changing nature of work
Female employees	Women and minorities inclusion
Diversity and Inclusion Index	Women and minorities inclusion
Gender pay gap	Women and minorities inclusion
Accessibility gap to variable remuneration between females and males	Women and minorities inclusion
Managed reports on the Code of Conduct	Regulatory complexity

Glossary available at the end of this document

The reporting process and methodologies to calculate all indicators are included in a specific manual, shared at both the Group Head Office and each contributing company level.

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METHODOLOGICAL NOTES ON ALTERNATIVE PERFORMANCE MEASURES

In order to help the assessment of the quality and sustainability of the net result of the Generali Group in the various business segments and territorial areas, the Management Report includes the following alternative performance measures.

Gross written premiums

Gross written premiums in the Management Report differ from gross earned premiums in the Income Statement, since they include premiums related to investment contracts as to better present the insurance turnover of the Group and they exclude changes in the provisions for unearned premiums.

Operating result

The operating result cannot replace earnings before taxes calculated in accordance with IAS/IFRS. In addition, it should be read with the financial information and related notes on the accounts which are included in the audited financial statements.
The operating result is drawn up by reclassifying items of earnings before taxes for each segment on the basis of the management characteristics of each segment and taking into consideration the recurring holding expenses.
Specifically, the operating result represents earnings before taxes, gross of interest expense on financial debt, specific net income from investments and non-recurring income and expenses.

In the Life segment, all profit and loss accounts are considered as operating items, except for the following which are represented in the non-operating result:

- net realized gains and net impairment losses that do not affect both the local technical reserves, but only the deferred liabilities towards policyholders for the amount not attributable to the policyholders, and the free assets;
- net other non-operating expenses that mainly include results of the run-off activities, company restructuring costs, amortization of the value of the portfolios acquired directly or through acquisition of control of insurance companies (Value Of Business Acquired, VOBA) and net other non-recurring expenses.

In particular, the Life non-operating result in Germany and Austria is net of the entire estimated amount attributable to the policyholders in order to consider the specific calculation method of the policyholders' profit sharing based on the net result of the period in these countries.
Furthermore, where a new fiscal law or other non-recurring fiscal impacts materially affects the operating result of the countries where the policyholders' profit sharing is based on the net result of the period, the estimated amount of non-recurring effects mentioned above is accounted for in the operating result.

In the Property & Casualty segment, all profit and loss accounts are considered as operating items, except for the following which are represented in the non-operating result:

- realized gains and losses, unrealized gains and losses, net impairment losses on investments, including gains and losses on foreign currencies;
- net other non-operating expenses that mainly include results of both real estate development activities and run-off activities, impairment losses on self-used properties, company restructuring costs and amortization of the value of the portfolios acquired directly or through the acquisition of control of insurance companies (Value Of Business Acquired, VOBA) and net other non-recurring expenses.

In the Asset Management segment, all profit and loss accounts are considered as operating items, except for the following which are represented in the non-operating result:

- net other non-operating expenses that mainly include project costs, including consulting, and severances.

The Holding and other businesses segment includes activities in the banking and asset management sectors, expenses for management, coordination and financing activities, as well as all the other operations that the Group considers to be ancillary to the core insurance business. All profit and loss accounts are considered as operating items, except for the following which are represented in the non-operating result:

- non-recurring realized gains and losses and net impairment losses;
- net other non-operating expenses that mainly include results of the run-off activities, company restructuring costs, amortization of the value of the portfolios acquired directly or through acquisition of control of companies operating in the banking and asset management sectors (Value Of Business Acquired, VOBA) and net other non-recurring expenses.

As for holding expenses, general expenses incurred for management and coordination by the Parent Company and territorial sub-holdings are considered as operating items. Non-operating holding expenses include:

- interest expenses on financial debt[3];
- company restructuring costs and other non-recurring expenses incurred for management and coordination activities;
- costs arising from the assignment of stock options and stock grants by the Group.

The operating result and non-operating result of the Group are equivalent to the sum of the operating result and the non-operating result of the abovementioned segments and related consolidation adjustments.

In accordance with the approach described above, the operating result in the main countries where the Group operates is reported for the Life and Property & Casualty segments and the consolidated figures. In order to provide a management view of the operating result by geographical area, the disclosure by business segment and geographical area allows measurement of the result of each geographical area from a country viewpoint instead of as a contribution to the Group's results.
Within the context of the Life and Property & Casualty operating result of each country, reinsurance operations between Group companies in different countries are considered as transactions concluded with external reinsurers. This representation of the Life and Property & Casualty operating result by geographical area makes this performance indicator more consistent with both the risk management policies implemented by each company and the other indicators measuring the technical profitability of the Group's companies.

The following table reconciles the operating and non-operating result with the corresponding items in the income statement:

Operating and non-operating result	Profit and loss account
Net earned premiums	1.1
Net insurance benefits and claims	2.1
Acquisition and administration costs	2.5.1 - 2.5.3
Net fee and commission income and net income from financial service activities	1.2 - 2.2
Net operating income from financial instruments at fair value through profit or loss	1.3 - 1.4 - 1.5 - 2.3 - 2.4 - 2.5.2
Net operating income from other financial instruments	1.3 - 1.4 - 1.5 - 2.3 - 2.4 - 2.5.2
Net non-operating income from financial instruments at fair value through profit or loss	1.3 - 1.4 - 1.5 - 2.3 - 2.4 - 2.5.2
Net non-operating income from investments	1.3 - 1.4 - 1.5 - 2.3 - 2.4 - 2.5.2
Net other and holding operating expenses	1.6 - 2.6
Net other and holding non-operating expenses	1.6 - 2.6

The following reclassifications are made in the calculation of the operating result with respect to the corresponding items in the income statement:

- investment management expenses and investment property management expenses are reclassified from acquisition and administration costs to net operating income from other financial instruments, more specifically to other expenses from financial instruments and land and buildings (investment properties);
- income and expenses related to real estate development activities are classified under other non-operating income and expenses, in accordance with the management model adopted that provides for sale at completion;
- in the Life and Holding and other businesses segments, gains and losses on foreign currencies are reclassified from net operating income to net operating income from financial instruments at fair value through profit or loss. In the Property & Casualty segment, they are reclassified from net operating income to net non-operating income from financial instruments at fair value through profit or loss. The classification for each segment is consistent with the related classification of the derivative

3. Please refer to the paragraph *Debt* in the chapter *Group's financial position* for further details on the definition of financial debt.

transaction drawn up in order to hedge the Group's equity exposure to the changes in the main currencies of operations. Net operating and non-operating income from other financial instruments are therefore not subject to financial market volatility;
- net other operating expenses are adjusted for operating taxes and for non-recurring taxes that significantly affect the operating result of the countries where the policyholders' profit sharing is determined by taking the taxes for the period into account. These adjustments are included in the calculation of the operating result and are excluded from the income taxes item;
- in net operating income from other financial instruments, interest expenses on deposits and current accounts under reinsurance business are not included among interest expenses related to liabilities linked to operating activities but are deducted from the related interest income. Moreover, the interest expenses related to the abovementioned real estate development activities are not included in interest expenses related to liabilities linked to operating activities but are classified under other non-operating income and expenses in accordance with the management model adopted that provides for sale at completion.

Operating result by margins

The operating result of the various segments are reported also in accordance with a margin-based view which shows the operating trends of the changes occurred in each segment performance more clearly.
The Life operating result is made up of the technical margin excluding insurance expenses, the net investment result and the component that includes acquisition and administration costs related to the insurance business and other net operating expenses. Specifically, the technical margin includes loadings, technical result and other components, and unit- and index-linked fees. The net investment result comprises operating income from investments, net of the portion attributable to the policyholders. Finally, the insurance management and other net operating components are indicated separately.
The Property & Casualty operating result is made up of the technical result, the financial result and other operating items. Specifically, the technical result represents the insurance activity result, i.e. the difference between premiums and claims, acquisition and administration costs and other net technical income. The investment result comprises current income from investments and other operating net financial expenses, like expenses on investment management and interest expenses on operating debt. Finally, other operating items mainly include acquisition and administration costs related to the insurance business, depreciation of tangible assets and amortization of long-term costs, provisions for recurring risks and other taxes.

Adjusted net profit

The adjusted net profit is the profit adjusted for impact of gains and losses related to acquisitions and disposals.

Return on investments

The indicators for the return on investments are:
- net current return calculated as the ratio of:
  - interest and other income, including income from financial instruments at fair value through profit and loss (excluding income from financial instruments related to linked contracts) net of depreciation on real estate investments; to
  - average investments (calculated on book value);
- harvesting rate calculated as the ratio of:
  - net realized gains, net impairment losses and realized and unrealized gains and losses from financial instruments at fair value through profit and loss (excluding those from financial instruments related to linked contracts); to
  - average investments (calculated on book value).

The profit and loss return is the sum of the net current return and the harvesting rate net of investment management expenses as well as gains and losses on foreign currencies.

The average investments (calculated on book value) include: land and buildings (investment properties), investments in subsidiaries, associated companies and joint ventures, loans and receivables, cash and cash equivalents, available for sale financial assets, financial assets at fair value through profit or loss excluding those related to linked contracts. Total investments are adjusted for both derivative instruments classified as financial liabilities at fair value through profit of loss and REPOs classified as other financial liabilities. The average is calculated on the average investment base of each quarter of the reporting period.

The indicators for the return on investments described above are presented for the Group and for Life and Property & Casualty segments.

Consolidated investments

In order to provide a presentation of investments that is consistent with the calculation of the return on investments, the Group's investments in the Management Report differ from those reported in the balance sheet items since:

- Investment Fund Units (IFU) are split by nature in equity, bond and investment property instruments as well as cash equivalents;
- derivatives are presented on a net basis, thus including derivative liabilities. Moreover, hedging derivatives are classified in the respective asset class hedged;
- reverse REPOs (Repurchase Agreements) are reclassified from other fixed income instruments to cash and cash equivalents in accordance with their nature of short-term liquidity commitments; and
- REPOs classified as liabilities are presented in cash and cash equivalents.

Investments by segment are presented in accordance with the methods described in the chapter *Segment reporting* in the *Notes*.

BALANCE SHEET

Assets

References:	(€ million)	31/12/2021	31/12/2020
	1 INTANGIBLE ASSETS	**9,970**	**9,612**
4	1.1 Goodwill	7,607	7,537
18	1.2 Other intangible assets	2,363	2,075
	2 TANGIBLE ASSETS	**3,990**	**3,804**
19	2.1 Land and buildings (self used)	2,965	2,764
19	2.2 Other tangible assets	1,025	1,040
13	**3 AMOUNTS CEDED TO REINSURERS FROM INSURANCE PROVISIONS**	**6,646**	**5,107**
38, 39, 40, 41	**4 INVESTMENTS**	**527,904**	**492,522**
10	4.1 Land and buildings (investment properties)	16,867	15,124
3	4.2 Investments in subsidiaries, associated companies and joint ventures	2,353	2,107
6	4.3 Held to maturity investments	1,687	1,983
7	4.4 Loans and receivables	31,420	30,856
8	4.5 Available for sale financial assets	348,572	337,005
9	4.6 Financial assets at fair value through profit or loss	127,006	105,447
	of which financial assets where the investment risk is borne by the policyholders and related to pension funds	107,243	84,914
20	**5 RECEIVABLES**	**13,912**	**12,101**
	5.1 Receivables arising out of direct insurance operations	7,686	7,524
	5.2 Receivables arising out of reinsurance operations	1,999	1,905
	5.3 Other receivables	4,228	2,672
21	**6 OTHER ASSETS**	**15,326**	**13,664**
	6.1 Non-current assets or disposal groups classified as held for sale	0	0
14	6.2 Deferred acquisition costs	2,198	2,117
	6.3 Deferred tax assets	3,633	2,785
	6.4 Tax receivables	3,747	3,291
	6.5 Other assets	5,748	5,471
11	**7 CASH AND CASH EQUIVALENTS**	**8,476**	**7,900**
	TOTAL ASSETS	**586,225**	**544,710**

Equity and liabilities

References:	(€ million)	31/12/2021	31/12/2020
15	**1 SHAREHOLDERS' EQUITY**	**31,875**	**31,794**
	1.1 Shareholders' equity attributable to the Group	**29,308**	**30,029**
	1.1.1 Share capital	1,581	1,576
	1.1.2 Other equity instruments	0	0
	1.1.3 Capital reserves	7,107	7,107
	1.1.4 Revenue reserves and other reserves	12,292	12,848
	1.1.5 (Own shares)	-82	-80
	1.1.6 Reserve for currency translation differences	-93	-549
	1.1.7 Reserve for unrealized gains and losses on available for sale financial assets	6,841	8,764
	1.1.8 Reserve for other unrealized gains and losses through equity	-1,185	-1,379
	1.1.9 Result of the period attributable to the Group	2,847	1,744
	1.2 Shareholders' equity attributable to minority interests	**2,568**	**1,765**
	1.2.1 Share capital and reserves	1,933	1,295
	1.2.2 Reserve for unrealized gains and losses through equity	286	181
	1.2.3 Result of the period attributable to minority interests	348	289
22	**2 OTHER PROVISIONS**	**2,424**	**1,772**
12	**3 INSURANCE PROVISIONS**	**479,449**	**442,330**
	of which insurance provisions for policies where the investment risk is borne by the policyholders and related to pension funds	102,481	80,370
	4 FINANCIAL LIABILITIES	**47,713**	**44,068**
16	4.1 Financial liabilities at fair value through profit or loss	9,317	7,198
	of which financial liabilities where the investment risk is borne by the policyholders and related to pension funds	6,038	5,281
17	4.2 Other financial liabilities	38,396	36,871
	of which subordinated liabilities	8,760	7,681
23	**5 PAYABLES**	**13,250**	**13,184**
	5.1 Payables arising out of direct insurance operations	5,502	5,080
	5.2 Payables arising out of reinsurance operations	1,460	1,254
	5.3 Other payables	6,288	6,851
24	**6 OTHER LIABILITIES**	**11,512**	**11,561**
	6.1 Liabilities directly associated with non-current assets and disposal groups classified as held for sale	0	0
	6.2 Deferred tax liabilities	3,815	3,871
	6.3 Tax payables	2,134	1,768
	6.4 Other liabilities	5,564	5,921
	TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**586,225**	**544,710**

INCOME STATEMENT

References:	(€ million)	31/12/2021	31/12/2020
25	1.1 Net earned premiums	70,684	64,468
	1.1.1 Gross earned premiums	73,985	67,393
	1.1.2 Earned premiums ceded	-3,301	-2,926
26	1.2 Fee and commission income and income from financial service activities	1,953	1,504
27	1.3 Net income from financial instruments at fair value through profit or loss	8,834	1,778
	of which net income from financial instruments where the investment risk is borne by the policyholders and related to pension funds	9,222	1,614
28	1.4 Income from subsidiaries, associated companies and joint ventures	245	143
29	1.5 Income from other financial instruments and land and buildings (investment properties)	13,164	13,679
	1.5.1 Interest income	7,449	7,713
	1.5.2 Other income	3,221	2,458
	1.5.3 Realized gains	2,409	3,378
	1.5.4 Unrealized gains and reversal of impairment losses	86	129
30	1.6 Other income	4,209	3,670
	1 TOTAL INCOME	**99,088**	**85,242**
31	2.1 Net insurance benefits and claims	-72,971	-60,011
	2.1.1 Claims paid and change in insurance provisions	-75,779	-62,056
	2.1.2 Reinsurers' share	2,808	2,045
32	2.2 Fee and commission expenses and expenses from financial service activities	-784	-677
33	2.3 Expenses from subsidiaries, associated companies and joint ventures	-10	-102
34	2.4 Expenses from other financial instruments and land and buildings (investment properties)	-2,203	-3,887
	2.4.1 Interest expense	-736	-837
	2.4.2 Other expenses	-455	-411
	2.4.3 Realized losses	-476	-1,458
	2.4.4 Unrealized losses and impairment losses	-536	-1,181
35	2.5 Acquisition and administration costs	-12,658	-11,643
	2.5.1 Commissions and other acquisition costs	-9,520	-8,734
	2.5.2 Investment management expenses	-304	-167
	2.5.3 Other administration costs	-2,835	-2,742
36	2.6 Other expenses	-5,883	-5,534
	2 TOTAL EXPENSES	**-94,509**	**-81,852**
	EARNINGS BEFORE TAXES	**4,580**	**3,390**
37	**3 Income taxes**	**-1,384**	**-1,175**
	EARNINGS AFTER TAXES	**3,195**	**2,215**
	4 RESULT OF DISCONTINUED OPERATIONS	**0**	**-183**
	CONSOLIDATED RESULT OF THE PERIOD	**3,195**	**2,032**
	Result of the period attributable to the Group	2,847	1,744
	Result of the period attributable to minority interests	348	289
15	EARNINGS PER SHARE:		
	Earnings per share (in €)	1.81	1.11
	From continuing operation	1.81	1.23
	Diluted earnings per share (in €)	1.78	1.09
	From continuing operation	1.78	1.21

ATTESTATION TO THE CONSOLIDATED FINANCIAL STATEMENTS

Attestation of the Consolidated Financial Statements pursuant to art. 154-*bis*, paragraph 5, of legislative decree of 24 February 1998, no. 58 and art. 81-*ter* of Consob regulation of 14 May 1999, no. 11971 as amended

1. The undersigned, Philippe Donnet, in his capacity as Managing Director and Group CEO, and Cristiano Borean, in his capacity as Manager in charge of preparing the financial reports of Assicurazioni Generali S.p.A. and Group CFO, having also taken into account the provisions of Art 154-*bis*, paragraphs 3 and 4, of the Italian Legislative Decree No. 58 dated 24 February 1998, hereby certify:
   - the adequacy in relation to the characteristics of the Company and
   - the effective implementation

   of the administrative and accounting procedures for the preparation of the consolidated financial statements over the course of the period from 1 January to 31 December 2021..

2. The adequacy of the administrative and accounting procedures in place for preparing the consolidated financial statements as at 31 December 2021 has been assessed through a process established by Assicurazioni Generali S.p.A. on the basis of the guidelines set out in the *Internal Control – Integrated Framework* issued by the *Committee of Sponsoring Organizations of the Treadway Commission*, an internationally-accepted reference framework.

3. The undersigned further confirm that:

   3.1 the consolidated financial statements as at 31 December 2021:

   a) are prepared in compliance with applicable international accounting standards recognized by the European Community pursuant to Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of 19 July 2002, and with the applicable provisions and regulations;

   b) correspond to the related books and accounting records;

   c) provide a true and fair representation of the financial position of the issuer and the group of companies included in the scope of consolidation;

   3.2 the management report contains a reliable analysis of the business outlook and management result, the financial position of the issuer and group companies included in the scope of consolidation and a description of the main risks and uncertain situations to which they are exposed.

Milan, 14 March 2022

Philippe Donnet
Managing Director and Group CEO

ASSICURAZIONI GENERALI S.p.A.

Cristiano Borean
Manager in charge of preparing the Company's financial reports and Group CFO

ASSICURAZIONI GENERALI S.p.A.

GLOSSARY

Absolute emissions: greenhouse gas emissions associated to an investment portfolio, expressed as ton of CO_2 equivalent.

$$\text{ABSOLUTE EMISSIONS }(t) = \sum_{i=1}^{N} \text{Emissions company}_i * \frac{\text{Exposure AG}_{\text{vs company } i}}{\text{EVIC company}_i}$$

Definitions:
(t): reference date (as example, year-end 2021).
Emissions of company $_i$: ton of CO_2 equivalent emitted by the company - Scope 1 and Scope 2.
Exposure of AG $_{\text{in company } i}$: total investment in € million in the company i via the investment portfolio in scope (direct investments of the Group general account in corporate listed equity and bond).
EVIC of company $_i$: Enterprise Value Including Cash of the company, in € million, measured as: market capitalization + preferred shares + minority shares + total debt.

Accessibility gap to variable remuneration between females and males: difference in percentage between females' and males' accessibility rate to variable remuneration across the entire organization.

Adjusted net result: it is the result of the period adjusted for the impact of gains and losses from acquisitions and disposals.

Ageing and new welfare: ESG factor material to the Group's strategy and considering stakeholders' expectations; it refers to trend of increasing life expectation and reducing birth rates that will make sizeable impacts on the financial sustainability of the social protection systems and might lead to reduced public welfare services. The aging of the population will also influence the job market and consumption, with effects on productivity and the intergenerational relations, with increased welfare costs borne by the working population.

Agent: sales force within traditional distribution networks (exclusive agents, non-exclusive agents and employed sales force permanently involved in the activities of promoting and distributing Generali products).

Asset owner: who owns investments and bears the related risks.

Average duration: it is defined as the average residual economic maturity (considering the first call option date) of the financial debt outstanding as at the reporting date, weighted for the nominal amount.

Biodiversity degradation: ESG factor of high relevance to the Group's strategy and considering stakeholders' expectations; it refers to the rapid extinction of many animal and plant species, with an impoverishment of biological diversity and the gene pool, due to the land conversion, to the increase in pollution levels and to the climate change. The progressive collapse of the natural ecosystems represents a growing risk also for human health as it impairs the food chain, reduces resistance to pathogens and threatens the development of communities and economic sectors that strongly depend on biodiversity, such as farming, fishing, silviculture and tourism. In the face of this threat, the activism of civil society, regulatory pressure and the supervision of the authorities are growing, which broaden the responsibility of companies not only as regards their own operations, but also regarding their supply chain.

Business for Societal Impact (B4SI): it is an international standard for companies to report their activities in the community. It is internationally recognized and follows an Inputs-Outputs-Impact (IOI) logic, assessing community initiatives in terms of the resources committed (inputs) and the results achieved (outputs) and impacts.

Capitals: stocks of value as inputs to the business model. They are increased, decreased or transformed through the organization's business activities and outputs. The capitals are categorized in the International <IR> Framework as:

- financial capital: the pool of funds that is available to an organization for use in the production of goods or the provision of services, obtained through financing, such as debt, equity or grants, or generated through operations or investments;
- manufactured capital: manufactured physical objects (as distinct from natural physical objects) that are available to an organization for use in the production of goods or the provision of services;
- intellectual capital: organizational, knowledge-based intangibles;
- human capital: people's competencies, capabilities and experience, and their motivations to innovate;
- social and relationship capital: the institutions and the relationships within and between communities, groups of stakeholders and other networks, and the ability to share information to enhance individual and collective well-being;
- natural capital: all renewable and non-renewable environmental resources and processes that provide goods or services that support the past, current or future prosperity of an organization.

Carbon intensity (EVIC): this metric measures the greenhouse gases associated to the investment portfolio, expressed as ton of CO_2 equivalent per € million invested, by using Enterprise Value Including Cash (EVIC) as normalization factor for the emissions.

$$\text{CARBON INTENSITY (EVIC) }(t) = \sum_{i=1}^{N} \frac{\text{Emissions company}_i}{\text{EVIC company}_i} * \frac{\text{Exposure AG}_{\text{vs company}}}{\text{Total portfolio AG}}$$

Definitions:
(t): reference date (as example, year-end 2021).
Emissions of company $_i$: ton of CO_2 equivalent emitted by the company - Scope 1 and Scope 2.
Exposure of AG $_{\text{in company } i}$: total investment in € million in the company i via the investment portfolio in scope (direct

investments of the Group general account in corporate listed equity and bond).
EVIC of company $_i$: Enterprise Value Including Cash of the company, in € million, measured as: market capitalization + preferred shares + minority shares + total debt.
Total AG portfolio: total direct investment of the Group general accounts in corporate listed equities and bond, expressed in € million.

Carbon Intensity (Sales): this metric measures the greenhouse gases associated to the investment portfolio, expressed as ton of CO_2 equivalent per € million invested, by using sales as normalization factor for the emissions.

$$CARBON\ INTENSITY\ (SALES)\ (t) = \sum_{i=1}^{N} \frac{Emissions\ company_i}{Sales\ company_i} * \frac{Exposure\ AG_{\ vs\ company\ i}}{Total\ portfolio\ AG}$$

Definitions:
(t): reference date (as example, year-end 2021).
Emissions of company $_i$: ton of CO2 equivalent emitted by the company - Scope 1 and Scope 2.
Exposure of AG $_{in\ company\ i}$: total investment in € million in the company i via the investment portfolio in scope (direct investments of the Group general account in corporate listed equity and bond).
Sales of company i: sales of the company i for the year t
Total AG portfolio: total direct investment of the Group general accounts in corporate listed equities and bond, expressed in € million.

Cash and cash equivalents: it includes cash and highly-liquid short-term financial investments (readily convertible in specific amounts of cash which are subject to an irrelevant risk of change in value). Furthermore, this asset class includes also short-term deposits and money-market investment funds, which are included in the Group liquidity management.

Cash remittance: dividends and dividend-equivalent permanent or long-term transactions from subsidiaries towards the Parent Company (e.g. capital reduction or permanent debt reimbursement) measured on a cash basis.

Change in healthcare: ESG factor of high relevance to the Group's strategy and considering stakeholders' expectations; it refers to the transformation of the healthcare systems due to demographic, technological and public policy evolution, leading to a higher demand for increasingly advanced patient-centric healthcare services, with growing healing and quality treatment expectations. That means that the level of sophistication and of healthcare service cost is growing, with an increasing integration of the public offer with private sector initiative.

Changing nature of work: ESG factor of high relevance to the Group's strategy and considering stakeholders' expectations; it refers to the transformation in the labour market due to new technologies, the globalisation and the growth of the service industry which are a leading to the spread of a flatter and more fluid organisation of work, as the diffusion of agile and flexible working arrangements, the job rotation and smart working solutions show. Self-employed workers and freelance collaborations are also on the rise versus a stagnation of employment, which make the labour market less rigid but also more precarious, irregular and discontinuous. In terms of changes in the real economy, the number of SMEs is increasing in Europe and we are witnessing a restructuring of the traditional industrial sectors and the globalization of the production processes with an increased complexity of the supply chains.

Climate change: ESG factor material to the Group's strategy and considering stakeholders' expectations; it refers to global warming due to the emissions rise of greenhouse gases coming from human activities, which is intensifying extreme natural events such as floods, storms, rise in sea level, drought, wildfire and heat waves, with repercussions on the natural ecosystems, human health and the availability of water resources. The policies and efforts required to limit global warming to below 1.5°C through the decarbonisation of the economy will lead to radical changes in the production and energy systems, transforming especially carbon-intensive activities, sectors and countries and encouraging the development of clean technologies. As effective as these efforts may be, some changes will be inevitable, therefore making strategies to adapt and to reduce the vulnerability to the changing climate conditions necessary.

Climate change adaptation: the process of adjustment to actual or expected climate and its effects (IPCC AR5). Economic activities contributing to climate change adaptation are described in Annex I of the Commission Delegated Regulation EU 2021/2139 of 4 June 2021 (known as Taxonomy Climate Delegated Regulation).

Climate change mitigation: a human intervention to reduce the sources or enhance the sinks of greenhouse gases (GHGs) (IPCC AR5). Economic activities contributing to climate change mitigation are described in Annex II of the Commission Delegated Regulation EU 2021/2139 of 4 June 2021 (known as Taxonomy Climate Delegated Regulation).

Climate-related perils: chronic and acute events related to temperature, wind, water and solid mass that are projected to increase in frequency and severity due to climate change (EEA, 2017&2020).

Companies of the coal sector:
- if identified as issuers of the coal sector:
  - companies for which over 20% of revenues derive from coal;
  - companies for which over 20% of electricity's production derive from coal;
  - companies for which the installed coal electricity generation capacity is greater than 5 GW;
  - companies that extract more than 10 million tons of coal per year;
  - companies actively involved in building new coal capacity (coal plants) for an output exceeding 0.3 GW;
- if identified as customers of the coal sector:
  - companies for which over 30% of revenues derive from coal;

- companies for which over 30% of electricity's production derive from coal;
- companies that extract more than 20 million tons of coal per year;
- companies actively involved in building new coal capacity (coal plants) as identified by Urgewald in its Top 120 Coal Plant Developers' list.

Companies of the tar sand sector: companies whose revenues are at least 5% derived from tar sands' extraction or operators of controversial pipelines dedicated to tar sands' transportation.

CoR, combined ratio: it is a technical performance indicator of Property & Casualty segment, calculated as the ratio of net insurance benefits and claims as well as administration and acquisition costs to net earned premiums. In other words, it is the sum of loss ratio and expense ratio.

Current year loss ratio: it is a further detail of combined ratio calculated as the ratio of:
- current year incurred claims + related claims management costs net of recoveries and reinsurance; to
- net earned premiums.

Customer: either a physical person or a legal entity that holds at least one active insurance policy and pays a premium to Generali accordingly, a banking product or a pension fund product (the policy/the product is either with Generali, or other non-Generali local brand, or white labelled).

Digital revolution and cybersecurity: ESG factor of high relevance to the Group's strategy and considering stakeholders' expectations; it refers to the technological innovations introduced by the fourth industrial revolution, including big data, artificial intelligence, the Internet of Things, automation and block chain which are transforming the real economy and the social habits with the spread of services featuring a high level of customization and accessibility. The digital transformation requires new know-how and skills, resulting in a radical change of traditional jobs and in the appearance of new players on the market. The growth in complexity, interdependence and speed of innovation of the new digital technologies are posing challenges associated with the security of IT systems and infrastructures.

Diversity and Inclusion Index, D&I Index: it measures the progress of the Group compared to Diversity & Inclusion 2021 ambitions, i.e. objectives set internally on gender, generations, cultures and inclusion through eight indicators: female managers, female talent, talent under the age of 35, new hired employees with average age less than 30 years, *Turn to The New Index*[1], talents with international experience, organizational entities with smart working policy and organizational entities with local action plans on disability.

Earnings per share: it is equal to the ratio of Group net result and to weighted average number of ordinary shares outstanding.

Employees: all the Group direct people at the end of the period, including managers, employees, sales attendant on payroll and auxiliary staff.

Environmental products:
- products designed to promote sustainable transport with reduced environmental impact, including policies that reward responsible driving;
- products that support the energy efficiency of buildings;
- products for covering the risks connected with the production of renewable energies;
- products specifically designed to cover catastrophe risks or specific environmental damage;
- products to companies with environmental certifications (e.g. ISO 14001, EMAS, LEED) or adopting safety measures to prevent environmental damages;
- anti-pollution products.

Equal pay gap: difference between females' and males' median base salary for comparable roles, comparing females and males belonging to the same job function and organizational level. It is calculated applying a Group common methodology as a percentage of the difference between females' salary minus males' salary for comparable roles, divided by the males' salary. If the result is positive, the gap shows that the gender female is the most compensated; vice-versa, if the result is negative, the gap shows that the gender male is the most compensated.

Equity investments: direct investments in quoted and unquoted equity instruments, as well as investment funds that are mainly exposed to equity investments, including private equity and hedge funds.

Equivalent consolidation area: constant consolidation scope.

Equivalent terms: constant exchange rates and consolidation scope.

ESG: acronym which qualifies aspects related to the environment, social and corporate governance.

Financial asset: any asset that is:
- cash;
- an equity instrument of another entity;
- a contractual right:
  - to receive cash or another financial asset from another entity; or
  - to exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity; or

1. The training effort offered to employees by the Group is measured through the *Turn to The New Index*.

- a contract that will or may be settled in the entity's own equity instruments and is:
  - a non-derivative for which the entity is or may be obliged to receive a variable number of the entity's own equity instruments; or
  - a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments. For this purpose, the entity's own equity instruments do not include puttable financial instruments that are classified as equity instruments.

Financial liability: any liability that is:

- a contractual obligation:
  - to deliver cash or another financial asset to another entity; or
  - to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity; or
- contract that will or may be settled in the entity's own equity instruments and is:
  - a non-derivative for which the entity is or may be obliged to deliver a variable number of the entity's own equity instruments; or
  - a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments. For this purpose, the entity's own equity instruments do not include puttable financial instruments that are classified as equity instruments.

Fixed income instruments: direct investments in government and corporate bonds, loans, term deposits other than those presented as cash and cash equivalents, and reinsurance deposits. This asset class also includes investments funds that are mainly exposed to investments or risks similar to direct investments presented within this asset class.

Gender pay gap: difference between females' and males' median base salary across the entire organization regardless of the roles. It is calculated applying a Group common methodology as a percentage of the difference between females' salary minus males' salary, divided by the males' salary. If the result is positive, the gap shows that the gender female is the most compensated; vice-versa, if the result is negative, the gap shows that the gender male is the most compensated.

General account: investments reported in the financial statements (excluding financial assets categorized as unit- and index-linked or deriving from pension funds management) and cash and cash equivalents. They also include some liabilities, with features similar to investments, among which derivative liabilities referred to investment portfolio and REPOs.

Geopolitical and financial instability: ESG factor of high relevance to the Group's strategy and considering stakeholders' expectations; it refers to the weakening of multilateralism and of the traditional global governance mechanism that are leading to increased tension between countries and to the resurgence of trade protectionism and populism. Associated with the changing geopolitical balance - with complex cause and effect relationships - is the worsening of macroeconomic conditions and a scenario of a continuing lowering of interest rates. The weakening of the initiative of the traditional political institutions is compensated by the emergence of coalitions and global coordination mechanisms promoted by the private sector and civilian society.

Green and sustainable investments: investments that support green and/or social projects, with the explicit aim of creating a positive impact and contributing to the United Nations Sustainable Development Goals.

Gross direct written premiums: gross written premiums of direct business.

Gross written premiums (GWP): gross written premiums of direct business and accepted by third parties.

Increasing inequalities: ESG factor of high relevance to the Group's strategy and considering stakeholders' expectations; it refers to the growing gap in the distribution of wealth between social groups and - more in general - the polarisation in accessing self-determination opportunities. These trends are accompanied with a decline in social mobility, leading to a protracted permanence in the state of poverty and exclusion, mainly related to the socio-economic conditions of the household of origin.

Insurance exposure to fossil fuel sector: it refers to direct premiums from property and engineering (including marine) coverage for coal activities related to companies of the coal sector and/or from the underwriting of risks related to oil and gas exploration/extraction if not marginal compared to the customer's main activity.

Integrated report: concise communication that illustrates how the strategy, governance and future prospects of an organization, in the external environment in which it operates, are used to create value in the short, medium and long term.

Investment contracts: contracts that have the legal form of insurance contracts but, as they do not substantially expose the insurer to significant insurance risk (e.g. the mortality risk or similar insurance risks), cannot be classified as insurance contracts. In accordance with the definitions of IFRS 4 and IAS 39 these contracts are recognized as financial liabilities.

Investments back to unit- and index-linked policies: various types of investments backing insurance liabilities related to unit and index-linked policies.

Investments in internal strategic initiatives: total investments (included in the general expenses, in cash view - capex) included within the expenses baseline as the sum of all strategic initiatives considered in the Generali 2021 strategy.

Investments properties: direct investments in properties held in order to receive rent or to achieve targets for capital appreciation, or for both reasons. This asset class also includes investments funds that are mainly exposed to real-estate investments.

Leads: number of users who manifested interest for a Generali product/service leaving contact details on company channels.

Lockup clause: it imposes the unavailability of the shares assigned with respect to some incentive plans (or a specific share) for a specific time horizon as defined by any individual plan. The clause provides for the commitment of the issuing Company and potentially of some shareholders not to pursue selected actions on the equity of the company itself in the period subsequent to a public offering.

Managed reports related to the Code of Conduct: they are the allegations of potential breaches of the Group's Code of Conduct that are managed in accordance with the Group's Process on managing reported concerns. They do not include customer complaints.

Mathematical provisions: it is the amount that shall be set aside by the insurance company to meet its future obligations to policyholders.

Migrations and new households: ESG factor monitored by the Group; it refers to the migration phenomena and increased international mobility that are broadening the cultural diversity of the modern globalised societies and are transforming the preferences and market of the consumers, the workplace and the political debate. Also the profile of modern family is profoundly changing with a significant increase in households made up of only one person and in single-parent families due to greater women emancipation, growth in separations, longer life expectation and urbanisation. As a result, consumption habits, the distribution of resources and the social risk mitigation mechanisms are changing, and the vulnerability of the single-person households to situations of hardship - such as loss of employment or disease - is growing.

NBM, new business margin: it is a performance indicator of the new business of the Life segment, equal to the ratio of NBV to PVNBP. The margin on PVNBP is intended as a prospective ratio between profits and premiums.

NBV, new business value: it is an indicator of value created by the new business of the Life segment. It is obtained by discounting at the date of new contracts the corresponding expected profits net of the cost of capital (net of the portion attributable to minority interests).

Net inflows: it is an indicator of cash flows generation of the Life segment. It is equal to the amount of premiums collected net of benefits paid.

Operating result: it is the result of the period before taxes, before interest expense on liabilities linked to financing activities, certain net financial income as well as non-recurring income and expenses. Please refer to the chapter *Methodological notes on alternative performance measures* for further information.

Operating return on investments: it is an alternative performance measure of both the Life and Property & Casualty segments, calculated as the ratio of the operating result to the average investments at IAS/IFRS book value, as described in the chapter *Methodological notes on alternative performance measures*.

Organizational entities with smart working policy: organizational entities where, in accordance with local laws and regulations, it is possible to adopt smart working through the application of a dedicated policy.

Other investments: it includes participations in non-consolidated companies, associated companies and joint ventures, derivative investments and receivables from banks and customers, the latter mainly related to banking activities by some Group companies.

Outcomes: the internal and external consequences (positive and negative) for the capitals as a result of an organization's business activities and outputs.

Pandemics and extreme events: ESG factor material to the Group's strategy and considering stakeholders' expectations; it refers to the fact that the population concentration and the deficiencies in population protection and emergency management mechanisms are increasing the risks associated with extreme events, such as earthquakes and tsunamis, pandemics and health emergencies as well as other man-made catastrophes such as technological, radiological incidents, and terrorism. A strengthening of the system to prevent, prepare for and respond to these events is required in order to increase the resilience of the affected territories and communities.

P&L return on investments: it is the sum of the current return on investments and the harvesting rate net of investment management expenses. Please refer to the chapter Methodological notes on alternative performance measures for further information.

Polarization of lifestyle: ESG factor of high relevance to the Group's strategy and considering stakeholders' expectations; it refers to the enhanced awareness of the connection between health, living habits and the environmental, which is favouring the spread of healthier lifestyles, based on the prevention and proactive promotion of well-being, especially in the higher income and higher education social groups. Examples of this are the growing attention to healthy eating and to physical activity. However, amongst the more vulnerable social brackets, unhealthy lifestyles and behaviours at risk are continuing, if not actually increasing, with the spread of different forms of addiction (drugs, alcohol, tobacco, compulsive gambling, Internet and smartphone addiction), mental discomfort, sleep disorders, incorrect eating habits and sedentariness, with high human and social costs related to healthcare expenditure, loss of production and early mortality.

Prior year loss ratio: it is a further detail of combined ratio calculated as the ratio of:
- previous year incurred claims + related claims management costs net of recoveries and reinsurance; to
- net earned premiums.

Provision for outstanding claims: it comprises the estimated overall amounts which, from a prudent valuation based on objective elements, are required to meet the payment of the claims incurred during the current year or the previous ones, and not yet settled, as well as the related settlement expenses. The outstanding claims provisions shall be estimated as the total ultimate cost taking into account all future foreseeable charges, based on reliable historical and forecast data, as well as the specific features of the company.

Provision for unearned premiums: it comprises the unearned premium component, defined as the part of gross premiums written which is to be allocated to the following financial periods, and the provisions for unexpired risk on insurance contracts in force in excess of the related unearned premiums.

Provisions arising from policies where the investment risk is borne by the policyholders and from pension funds: they comprise the amounts to be allocated to the policyholders or to the beneficiaries relating to Life segment products where the risk arising from the underlying financial investments backing the technical liabilities is borne by the policyholders.

Provisions for sums to be paid: they are technical reserves constituted at the end of each financial year by companies operating in the Life segment in order to cover the overall amounts required to meet the payment of the capitals and annuities accrued, surrenders and claims outstanding.

PVNBP, present value of new business premiums: it is the present value of the expected future new business premiums, allowing for lapses and other exits, discounted to point of sale using reference rates.

Regulatory complexity: ESG factor of high relevance to the Group's strategy and considering stakeholders' expectations; it refers to the increase in the production of laws and regulatory mechanisms especially for the financial sector, in order to regulate its complexity and to share the fight against illegal economic activities with the sector's participants. Therefore, the costs for guaranteeing regulatory compliance and the need for greater integration and simplification of the governance systems are increasing.

Relationship Net Promoter Score, Relationship NPS: it is an indicator calculated from customer research data. A pre-defined market representative sample is surveyed on a quarterly base. Specifically, customers are asked to assess their likelihood to recommend Generali to their friends, colleagues and family members, using a scale from 0 to 10. Thanks to this feedback, the company is able to identify detractors (rating from 0 to 6), passives (rating of 7 or 8) and promoters (rating of 9 or 10). In order to calculate the RNPS, the percentage of detractors is deducted from the percentage of promoters. The RNPS is not expressed as a percentage but as an absolute number.
At each wave, at least 200 Generali customers and as many customers of our European international peers (AXA, Allianz and Zurich) are surveyed per market to guarantee the robustness of the data surveyed.

Relevant personnel: it refers to general managers with strategic tasks, the Heads and the highest-level personnel of the key functions and the other categories of personnel whose activity can have a significant impact on the company risk profile in accordance to IVASS Regulation no. 38/2018, art. 2, paragraph 1, letter m).

Resource scarcity and sharing economy: ESG factor of high relevance to the Group's strategy and considering stakeholders' expectations; it refers to the increase in world population and the excessive exploitation of natural resources such as soil, land water, raw materials and food resources that make the transition to circular and responsible consumption models necessary as they reduce the resources use and the waste production. Technological innovation and the spread of more sustainable lifestyles encourage the spread of new consumption and production patterns based on reuse and sharing, such as car sharing, co-housing, co-working and crowdfunding.

RoE, Return on Equity: it is an indicator of return on capital in terms of the Group net result. It is calculated as the ratio of:
- Group net result; to
- average Group shareholders' equity at the beginning and end of the period, adjusted to exclude other gains and losses directly booked to equity, included in Other Comprehensive Income, such as gains and losses on available for sale financial assets, gains and losses on foreign currency translation differences, unrealized gains and losses on hedging derivatives and unrealized gains and losses on defined benefit plans.

Solvency Ratio: it is the ratio of the Eligible Own Funds to the Group Solvency Capital requirement, both calculated according to the definitions of the SII regime. Own funds are determined net of proposed dividend. The ratio has to be intended as preliminary since the definitive Regulatory Solvency Ratio will be submitted to the supervisory authority in accordance with the timing provided by the Solvency II regulations for the official reporting.

Social products:
- products that respond to the needs of specific categories of customers or particularly unfortunate events in life, including, but not limited to, products dedicated to the young, to the elderly, to the disabled, to immigrants, to the unemployed and to coverage for professional disabilities, or which in some way support and foster social inclusion;
- products that promote a more prosperous and stable society, with particular attention on small and medium-sized enterprises and people involved in voluntary work;
- products with high pension or microinsurance content;
- products that promote responsible and healthy lifestyles, leveraging the opportunities provided by new technologies, on the importance of preventive healthcare or other virtuous behaviours of policyholders;
- products that supplement the public health service, designed to help manage the costs of treatment and assistance, as well as the reduction in earnings of customers in the event of serious illnesses or the loss of self-sufficiency.

Stock granting: free shares assignment.

Stock option: it represents the right of the holder to buy shares of the Company at a predefined price (so-called strike). These options are assigned free of charge.

Stranded asset: invested assets that may lose their economic value in advance of the expected duration, due to regulatory changes, market forces, technological innovation, environmental and social problems associated with the transition to a low-carbon economy. They are typically associated with the coal and fossil fuel sector, with an indirect impact on the utilities and transport sectors.

Sustainable Development Goals (SDGs): 17 objectives contained in the 2030 Agenda for sustainable development, launched by the United Nations.

Taxonomy-aligned economic activity: an economic activity that is described in Annexes I and II of the Commission Delegated Regulation EU 2021/2139 of 4 June 2021 (known as Taxonomy Climate Delegated Regulation) adopted pursuant to Regulation EU 2020/852 and that meets all of the technical screening criteria laid down in those Annexes.

Taxonomy-eligible economic activity: an economic activity that is described in Annexes I and II of the Commission Delegated Regulation EU 2021/2139 of 4 June 2021 (known as Taxonomy Climate Delegated Regulation) adopted pursuant to Regulation EU 2020/852 irrespective of whether that economic activity meets any or all of the technical screening criteria laid down in those Annexes.

Trained employees: employees who attended stand-alone training activities designed for one target group, dealing with one topic and not embedded in daily work. They include those employees trained during the period who left the Group before the end of the period.

Training investment: they include all direct costs for formal learning, except for those for on-the-job training.

Transparency and purpose-driven businesses: ESG factor of high relevance to the Group's strategy and considering stakeholders' expectations; it refers to the fact that key stakeholders of companies - such as investors, consumers and employees, especially in Europe and with particular reference to the Millennials - are ever more attentive and demanding on the purpose and the sustainability practices of companies. Also, the regulatory requirements for companies in terms of reporting and transparency are increasing, making it increasingly essential that a company demonstrate its ability to create value for all of its stakeholders, going beyond the shareholders. The growing number of benefit companies, cooperatives and social enterprises stands as proof of this trend.

Third-Party Assets Under Management, TP AUM: assets managed by the Group on behalf of its institutional and retail clients, insurance companies and pension funds.

Undertakings not obliged to publish non-financial information: undertakings that are not obliged to publish non-financial information in line with the directive EU 2014/95, which are not subject to disclosure obligations relating to EU Taxonomy-aligned activities.

Unmediated access to information: ESG factor monitored by the Group; it refers to the increasing speed, ease and amount of information shared between people, governments and companies thanks to the diffusion of new communication technologies, social media and web platforms. In this way, knowledge is increasingly accessible, multi-directional, intergenerational and on a global scale, and is transforming how people form opinions and mutually influence each other. The traditional sources of information, such as newspapers, schools, parties and religious institutions, are undergoing a resizing of their role in mediating knowledge, with consequences for control of the reliability of the information circulated and for manipulating public opinion, as evidenced by the fake news phenomenon.

Urbanization: ESG factor monitored by the Group; it refers to the trend of human population concentrating in urban areas. Today over 70% of Europeans live in cities, and the amount should rise to above 80% by the year 2050. At the same time, over the years land consumption to convert natural land into urbanised areas has accelerated. Together with their expansion, the cities find themselves having to take up increasingly urgent challenges, such as social inclusion in the outskirts and the lack of adequate housing, congestion and air pollution. Considerable investments will therefore be necessary for urban regeneration and to modernise infrastructure and mobility systems based on a more sustainable planning.

Weighted average carbon intensity (WACI): portfolio's exposure to carbon-intensive companies, expressed in tons CO_2e/€ million revenue.

Weighted average cost of debt: it is the annualized cost of financial debt considering the nominal amounts at the reporting date and the related transactions of currency and interest rate hedging.

Women and minorities inclusion: ESG factor of high relevance to the Group's strategy and considering stakeholders' expectations; it refers to the growing demands for greater inclusion and empowerment of the diversities related to gender, ethnic group, age, religious belief, sexual orientation and disability conditions in the various areas of social life, from the workplace to that of political representation and public communication. The topic of women empowerment and reducing the gender pay and employment gaps has taken on particular emphasis. However, in the face of these trends an increase in forms of intolerance, social exclusion and violence is noted, particularly against women, ethnic and religious minorities, immigrants and LGBTI+ people and those with mental-physical disabilities, especially in the lower income and lower education social brackets.

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