

Generali Group

SUSTAINABILITY REPORT 2007



# Assicurazioni Generali

# SUSTAINABILITY REPORT

2007

## A DIDACTIC EXHIBITION OF ARCHAEOLOGICAL FINDS

The photos in this publication were taken during the didactic exhibition "Radici del presente" (Roots of the present) organised by Generali to mark its 175th anniversary celebrations.

The exhibition showcased some selected archaeological finds from Roman times belonging to Assicurazioni Generali's collection.

In the course of a school year, 318 teachers brought over 4,000 students to the exhibition, at first hosted in the Assembly Hall at the Generali building in Trieste and, later, at the Mogliano Veneto offices.

Generali started an insightful dialogue with young visitors on the predominant issues addressed by the initiative: the value of the past for constructing the future, the relevance of the past in understanding the present, and the importance of the company in social development.

To build on this dialogue, Generali distributed a "didactic kit" to all visitors, which included a questionnaire designed to evaluate the level of satisfaction and how the experiences were comprehended, titled "Raccontaci la tua mostra" (Tell us about your exhibition). Numerous, very interesting responses to the questionnaire were received, an invaluable source of information which is currently being studied.

In the following page, Ms. Anna Rita Orlando and Prof. Vito Grippaldi – the people responsible for the questionnaire given to the school pupils at the conclusion of their visit to "Radici del presente" –, explore the subject of learning in relation to the narrative aspect of the exhibition.

## TELL US ABOUT YOUR EXHIBITION

From earliest infancy, we feel an inherent need to collect and keep anything we have an emotional tie to, offsetting our anxiety about loss or forgetting about our experiences. A child's museums are pockets and drawers, bedroom furniture becomes reliquaries for storing stones, shells, dry flowers, stickers, coins, small tools and so on and so forth.

Human learning does not happen solely within the walls of institutions that provide a formal education, but it continues throughout a person's lifetime in many informal contexts.

An exhibition can also become a place of learning. During their visit, the children learn to look around, make their own assumptions, and decide what to stop to look at, and what to walk on past. They learn by observing, describing and talking about what they see, coming up with connections between the objects exhibited and their life experiences. This is how they come to assign a meaning to the objects: they become recognisable because they become personal.

The innovative setup the designers came up with in order to draw the young visitors' attention to a complex "text" – archaeological fragments that are neither easy nor immediate to understand – encouraged the need to substantiate the learning processes set in motion by the exhibition.

The finds displayed were considered to be containers of knowledge, cultural vessels sparking wonder, interest and curiosity. The show prompts the kids to discover hidden stories, pivoting not only on recognising aesthetic and artistic qualities, but also sensations, memories, images linked to daily experiences.

We have thus tried to understand how, if at all, the knowledge of kids changes after visiting the exhibition, the reasons why they acquire additional information on relevant issues and the importance of the past.

Analysis of the cognitive impact is also intended to gather information on the perception of the contents and the institution that presents it. The tool the organisers came up with to make such an evaluation consisted of some versatile and concise "questions", distributed to visitors at the end of their visit, set out in an iconic language young people can understand better than the written word.

The questionnaire focuses on four macro themes behind the exhibition. "Continuity": to understand whether the young visitors were able to grasp the concept of continuity between the past, present and future.

"Tribute to the past": to assess awareness of the importance objects take on in the various eras, bearing witness to past civilizations.

"Use, reuse and remember": to investigate how objects from the past are valued, and how they are reused over the course of time, so their original function is not forgotten.

"Roots of the present": to ascertain whether the young visitors have perceived the importance of the past representing the foundations for the present and the future.

The questionnaire "Raccontaci la tua mostra" (Tell us about your exhibition) handed out to visitors was therefore intended to prompt a mental review of all the stages of the visit, to focus on the emotions experienced before, during and after the visit and to try and understand what triggered them. In the age of development, recognising one's own emotions is not something that necessarily comes easy; the questionnaire of "Radici del Presente" is intended to make its own small contribution towards the process.

Ms. Anna Rita Orlando  
Psychologist of development and education

Prof. Vito Grippaldi  
University professor

Authors of the questionnaire  
"Raccontaci la tua mostra"

## CHAIRMAN'S LETTER



As 2007 drew to a close, it was once again my great pleasure to see that the Group had achieved its best results to date, in absolute value as well as in line with the various indicators used in the insurance industry. Net profit increased by 21.2% against 2006, per share dividend by 20% and new business value by 14.4%: these are excellent results, attained in a period of time that is posing numerous challenges to the market. I would also like to underline that – true to the commitment we had made – we have revised our three-year plan targets, improving them and projecting them directly into 2009.

This year, the fourth year of publication for the Sustainability Report, we wanted to add something new to the Report, starting with timeliness: indeed, the Report is printed just a few weeks after publication of the financial statements.

But this is not the only novelty. We have increased and improved the quantity and – first and foremost – the quality of the information presented, organizing it in easy-reference, effective tables and combining this format with a more compact document that is more accessible to the reader.

You will see that we have reserved a lot of room for photos of the archaeological exhibition held in celebration of the Company's 175th anniversary, which we deemed would best represent the Group's social-oriented vision and, in particular, our desire to bring youth and culture a step nearer together, stimulating dialogue and communication with the young, who are the society of tomorrow.

Social sustainability is, in fact, not only closely connected with the values that have always distinguished the Group, but I can say with rightful pride, that it is now deeply ingrained in company strategy and has become part of our strategic identity.

These are not empty words, the facts speak for themselves. We have introduced and strengthened the governance of sustainability, assigning specific responsibility to the Chief

Financial Officer, who oversees the Sustainability Committee – whose job it is to define sustainability policies for the entire Group –, as well as the Eco-Committee, which is called upon to define environmental policies and performance indicators for monitoring. We have also set up a Corporate Social Responsibility Department to coordinate the work of the two Committees, draw up the Sustainability Report and organise the spreading and implementation of environmental and sustainability policies.

The Sustainability Committee decided that the theme for 2008 will be the reduction of electrical energy and paper consumption. A Group-wide marketing campaign was launched to shine the spotlight on these two areas.

This is the path that we have followed since our inception and it is the one that we continue to pursue today, measuring our success against the achievement of sustainability targets and making all the results achieved and the areas for improvement transparent.

At the risk of repeating myself, I would like to once again point out that traditionally our Group has always been committed to combining long-term sustainability of corporate economic growth with social sustainability. This is something we are proud of, and always will be.

***Antoine Bernheim***

## METHODOLOGICAL NOTES

Over past years, the Group has developed an efficient system for collecting information from around the globe, enabling it for the first time in 2007 to make the Sustainability Report available to the public just a few weeks after the financial statements are published.

The fourth Report upholds past key decisions:

- its focus is on insurance and banking business (including service-related business);
- it covers a vast geographical area (including all countries of primary importance to Group strategy, namely Italy, Germany, France, Spain, Austria and Switzerland), accounting for 70.6% of the Group's overall workforce and 87.2% of total gross direct premiums. Because the deadline this year was brought forward, it was not possible to include Israel, Europ Assistance España and Europ Assistance Suisse in the Sustainability Report area. The information provided on these country/companies is limited to community and environmental initiatives. The Report also contains key information on business in the countries with higher social and environmental risks: China, Colombia and India;
- it is drafted in accordance with international standards: its content is presented according to the Guidelines for the Global Reporting Initiatives (G3) and its Financial Services Supplement; information is collected in compliance with AccountAbility1000 (AA1000);
- a "Table of objectives" is provided at the end of the document, giving a critical overview of the Group's path towards sustainability (both in terms of policies and reporting) and outlining the steps forward planned for the near future;
- information is organised on the basis of key stakeholders, divided into three categories: "direct stakeholders", members of staff and shareholders; "competitive stakeholders", clients, suppliers and issuing companies; "social/environmental stakeholders", encompassing the community and physical space where the Group operates;

- the Sustainability Report is closely linked to other information tools produced by the Group, first and foremost the financial statements and the sustainability section of the Group's website ([www.generali.com](http://www.generali.com)), where information is updated continually during the year. Hence the numerous references to other sources of information given in the Report.

In response to a number of suggestions gathered at official and informal meetings with the numerous stakeholders, some important changes have been made to the Sustainability Report 2007:

- the information is more extensive in quantitative and qualitative terms, concerning, for example: environmental performance, complaints, human resources;
- numerous tables are provided to enable a rapid overview and comparison of the Group's performance in the different countries;
- greater attention is paid to the criterion of relevance (materiality).

## Companies included in the 2007 Sustainability Report area:

### ITALY

Alleanza Assicurazioni S.p.A.  
Assicurazioni Generali S.p.A.  
Banca Generali Group  
Europ Assistance Italia S.p.A.  
FATA Assicurazioni Danni S.p.A.  
FATA Vita S.p.A.  
Generali Business Solutions S.p.A.  
Generali Investments Italy S.p.A. S.G.R.  
Generali Properties Asset Management S.p.A.  
Genertel S.p.A.  
INA ASSITALIA S.p.A.  
Intesa Vita S.p.A.  
La Venezia Assicurazioni S.p.A.  
Toro Group

### AUSTRIA

Allgemeine Immobilien Verw. KG  
Europ Assistance Gesellschaft  
Europäische Reiseversicherungs-AG  
Generali Holding Vienna AG  
Generali Immobilien AG  
Generali Versicherung AG

### FRANCE

Assurance France Generali S.A.  
Europ Assistance France S.A.  
Européenne de Protection Juridique S.A.  
Generali Iard S.A.  
Generali Vie S.A.  
Investments France S.A.  
Generali Immobilier (Generali Immobilier Gestion S.A.  
Generali Immobilier Conseil S.A.)  
GFA Caraïbes  
La France Assurances Courtage S.A.  
L'Equité S.A.  
Prudence Créole  
Trieste Courtage S.A.

### GERMANY

AachenMünchener Lebensversicherung AG  
AachenMünchener Versicherung AG  
Advocard Rechtsschutzversicherung AG  
AMB Generali Holding AG  
AMB Generali Immobilien GmbH  
AMB Generali Informatik Services GmbH  
AMB Generali Services GmbH  
AMB Generali Schadenmanagement GmbH  
Central Krankenversicherung AG  
Cosmos Lebensversicherungs-AG  
Cosmos Versicherung AG  
Deutsche Bausparkasse Badenia AG  
Dialog Lebensversicherungs-AG  
Envivas Krankenversicherung AG  
Europ Assistance Services GmbH  
Europ Assistance Versicherung AG  
Generali Investments Deutschland  
Kapitalanlagegesellschaft mbH  
Generali Lebensversicherung AG  
Generali Versicherung AG  
Volksfürsorge Deutsche Lebensversicherung AG  
Volksfürsorge Deutsche Sachversicherung AG

### SPAIN

Banco Vitalicio de España  
Cajamar Vida S.A.  
Generali España Holding S.A.  
Grupo Generali España A.I.E.  
La Estrella S.A.

### SWITZERLAND

BSI Group  
Fortuna Investment AG  
Fortuna Investment AG, Vaduz  
Fortuna Lebens-Versicherung AG  
Fortuna Rechtsschutz-Versicherungs-Gesellschaft  
Generali (Schweiz) Holding AG  
Generali Assurances Générales  
Generali Personenversicherung



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chapter 1

**Group**

Archaeological finds showcased at the "Radici del presente" (Roots of the present) exhibition organised by Assicurazioni Generali to mark its 175<sup>th</sup> anniversary.

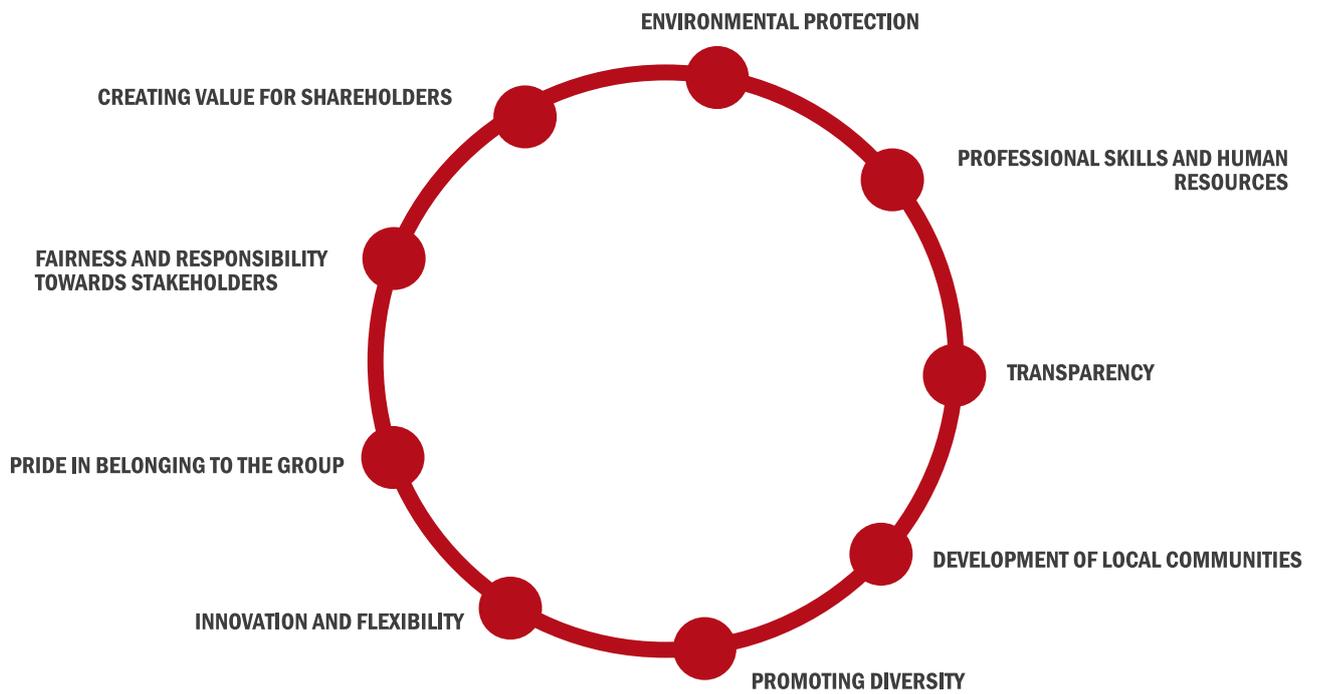
# IDENTITY

## Mission

The Generali Group

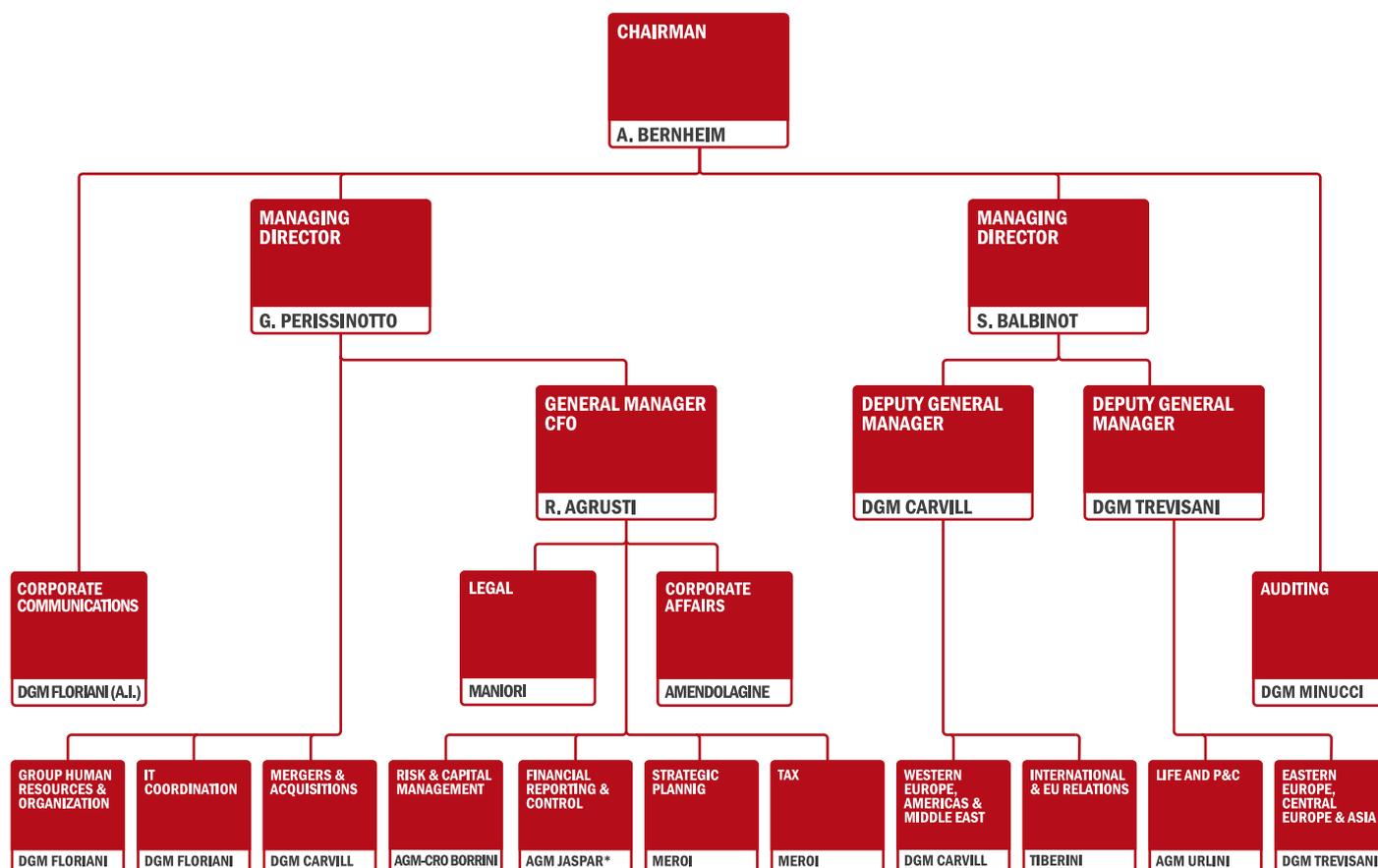
- is one of the leading insurance and financial Groups in the world
- has been characterised from the outset by a strong international outlook
- focuses on continental Europe and on markets with a strong potential for development
- primarily serves individual clients and small and medium enterprises
- operates with a view to establishing itself as one of the leading operators on the global scene in the life and non-life direct insurance in terms of profitability.

## Guide values



## Group organisation – Corporate Centre

The Generali Group has adopted a decentralized and multi-brand business model, recognising the importance and responsibility of local Managers in the various areas where the Group is present. The Corporate Centre has a planning, coordinating and controlling role for country-based operations. Its supports the work of Managing Directors in connection with their respective delegated powers and areas of activity. The current structure of the Corporate Centre is illustrated in the table below.



DGM - DEPUTY GENERAL MANAGER  
 AGM - ASSISTANT GENERAL MANAGER  
 [\*] MANAGER IN CHARGE OF THE PREPARATION OF THE COMPANY'S FINANCIAL REPORTS

## Parent Company structure – System of governance

In keeping with the Articles of Association, the Company is managed by a Board consisting of not less than 11 and not more than 21 members appointed by the Shareholders' Meeting, which also decides upon the number of Board Members.

From the time the Board of Directors is appointed for the three year period 2010-2012, with the introduction of the slate voting system in the Company's system of governance, the majority list has the right to appoint the Board of Directors in its entirety, except 1, 2 or 3 Directors to be drawn from the second-ranking list, depending on whether the number of Directors to be elected is equal to 11, between 12 and 15, or greater than 15. The Articles of Association call for the members of the Board of Directors to possess professionalism, honourableness and independence as required by current regulations. At least one third of Board Members are required to possess the independence requirements set out by law for Auditors.

Board Members stay in office for three financial years; their mandate ends on the date of the Shareholders' Meeting for the approval of the Financial Statements related to the last financial year covered by their term of office and are eligible for re-appointment. In case of appointment during such three years, the term of office of the newly-appointed directors shall expire with that of the directors in office.

## Other provisions of the Voluntary Self Regulatory Code

	YES	NO	REASONS*
<b>PROXIES AND OPERATIONS WITH RELATED PARTIES</b>			
<b>HAS THE BOARD OF DIRECTORS ASSIGNED POWERS AND DEFINED THEIR:</b>			
A) LIMITS	✓		
B) PERFORMANCE MODALITIES	✓		
C) AND FREQUENCY OF REPORTING?	✓		
<b>HAS THE BOARD EXAMINED AND APPROVED MOST SIGNIFICANT ECONOMIC, FINANCIAL AND ASSET OPERATIONS (INCLUDING OPERATIONS WITH RELATED PARTIES)?</b>			
	✓		
<b>HAS THE BOARD DEFINED GUIDELINES AND CRITERIA FOR THE IDENTIFICATION OF "SIGNIFICANT" OPERATIONS?</b>			
	✓		
<b>ARE THE ABOVE MENTIONED GUIDELINES AND CRITERIA DESCRIBED IN THE REPORT?</b>			
	✓		
<b>HAS THE BOARD DEFINED PRECISE PROCEDURES FOR EXAMINING AND APPROVING OPERATIONS WITH RELATED PARTIES?</b>			
	✓		
<b>ARE THE PROCEDURES FOR APPROVING OPERATIONS WITH RELATED PARTIES DESCRIBED IN THE REPORT?</b>			
	✓		
<b>PROCEDURES APPLYING TO THE MOST RECENT APPOINTMENT OF DIRECTORS AND AUDITORS</b>			
<b>WERE THE LISTS OF CANDIDATES FOR THE OFFICE OF DIRECTORS SUBMITTED AT LEAST TEN DAYS BEFORE THE MEETING?</b>			
	✓		
<b>WERE ALL DIRECTOR CANDIDATE RECOMMENDATIONS ACCOMPANIED BY EXHAUSTIVE INFORMATION?</b>			
	✓		
<b>WERE ALL DIRECTOR CANDIDATE RECOMMENDATIONS ACCOMPANIED BY AN INDICATION OF ELIGIBILITY AS INDEPENDENT ACTORS?</b>			
	✓		
<b>WERE THE LISTS OF CANDIDATES FOR THE OFFICE OF AUDITORS SUBMITTED AT LEAST TEN DAYS BEFORE THE MEETING?</b>			
	✓		
<b>WERE ALL AUDITOR CANDIDATE RECOMMENDATIONS ACCOMPANIED BY EXHAUSTIVE INFORMATION?</b>			
	✓		
<b>MEETINGS</b>			
<b>HAS THE COMPANY APPROVED ANY MEETING REGULATIONS?</b>			
	✓		
<b>ARE THE REGULATIONS ATTACHED TO THE REPORT OR IS THERE AN INDICATION OF WHERE TO OBTAIN/DOWNLOAD THEM FROM?</b>			
	✓		
<b>INTERNAL CONTROL</b>			
<b>HAS THE COMPANY APPOINTED PERSONS ENTRUSTED WITH INTERNAL CONTROL?</b>			
	✓		
<b>ARE THOSE PERSONS HIERARCHICALLY INDEPENDENT OF THE PERSONS RESPONSIBLE FOR OPERATIONAL SECTORS?</b>			
	✓		
<b>ORGANIZATIONAL DEPARTMENT ENTRUSTED WITH INTERNAL CONTROL (PURSUANT TO ART. 9.3 OF THE CODE)</b>		<b>GROUP INTERNAL AUDIT</b>	
<b>INVESTOR RELATIONS</b>			
<b>HAS THE COMPANY APPOINTED PERSONS ENTRUSTED WITH INVESTOR RELATIONS?</b>			
	✓		
<b>ORGANIZATIONAL DEPARTMENT AND CONTACTS (ADDRESS/TELEPHONE/FAX/E-MAIL) OF THE PERSON ENTRUSTED WITH INVESTOR RELATIONS</b>		<b>INVESTOR RELATIONS - MS. PAOLA BURATTI</b> <b>PIAZZA DUCA DEGLI ABRUZZI, 2 - 34132 TRIESTE - TEL: +39040671157</b> <b>FAX: +39040671260 - PAOLA_BURATTI@GENERALI.COM</b>	

[\*] BRIEF EXPLANATION OF THE REASONS FOR ANY INOBSERVANCE OF THE RECOMMENDATIONS OF THE CODE.

The Board of Directors has 20 members: 4 Directors who, in accordance with the Code, are considered to be Executive Directors and 16 non-Executive Directors (not vested with operating powers), 11 of whom are independent. The Board of Directors must periodically evaluate the quorum for independence, any failure to comply with the same results in withdrawal of the office.

The number of non-executive and independent Directors must at all times be sufficient to ensure that their judgement has a decisive influence on Board decision-making processes. Only non-Executive Directors can be appointed to the Internal Control and Remuneration Committees.

## Structure of the Board of Directors and of Committees

BOARD OF DIRECTORS							COMMITTEES						
OFFICE	MEMBERS	NON				NO. OTHER OFFICES	INTERNAL CONTROL COMMITTEE		REMUNERATION COMMITTEE		EXECUTIVE COMMITTEE		
		EXECUTIVE	EXECUTIVE	INDEPENDENT	[**]		[**]	[**]	[**]	[**]	[**]		
CHAIRMAN	ANTOINE BERNHEIM	✓			100%	12					✓	100%	
VICE-CHAIRMAN	GABRIELE GALATERI DI GENOLA		✓		92%	7			✓	100%	✓	100%	
MANAGING DIRECTOR	SERGIO BALBINOT	✓			100%	13					✓	100%	
MANAGING DIRECTOR	GIOVANNI PERISSINOTTO	✓			100%	16					✓	100%	
DIRECTOR	LUIGI ARTURO BIANCHI		✓	✓	100%	3	✓	100%					
DIRECTOR	ANA PATRICIA BOTIN		✓		50%	2							
DIRECTOR	FRANCESCO GAETANO CALTAGIRONE		✓	✓	86%	7							
DIRECTOR	DIEGO DELLA VALLE		✓	✓	60%	5							
DIRECTOR	LEONARDO DEL VECCHIO		✓	✓	71%	3			✓	100%			
DIRECTOR	LOÏC HENNEKINNE		✓	✓	100%	1	✓	100%					
DIRECTOR	PETR KELLNER		✓		57%	1							
DIRECTOR	KLAUS-PETER MÜLLER		✓	✓	20%	6							
DIRECTOR	ALBERTO NICOLA NAGEL		✓		90%	2					✓	100%	
DIRECTOR	ALESSANDRO PEDERSOLI		✓	✓	90%	3	✓	100%					
DIRECTOR	LORENZO PELLICOLI		✓	✓	86%	5					✓	100%	
DIRECTOR	REINFRIED POHL		✓		40%	4							
DIRECTOR	KAI UWE RICKE		✓	✓	57%	-							
DIRECTOR	VITTORIO RIPA DI MEANA		✓	✓	100%	-					✓	100%	
DIRECTOR	PAOLO SCARONI		✓	✓	71%	2			✓	100%			
DIRECTOR	CLAUDE TENDIL	✓			100%	5							

NUMBER OF MEETINGS HELD IN THE REFERENCE FINANCIAL YEAR  
 BOARD: 10 INTERNAL CONTROL COMMITTEE: 6 REMUNERATION COMMITTEE: 3 EXECUTIVE COMMITTEE: 1

[\*] THIS COLUMN INDICATES THE NUMBER OF DIRECTOR OR INTERNAL AUDITOR OFFICES CARRIED OUT BY THE SUBJECT IN CONCERN IN OTHER COMPANIES LISTED ON DOMESTIC OR FOREIGN REGULATED MARKETS, FINANCE, BANK OR INSURANCE CORPORATIONS, OR OTHER MAJOR COMPANIES. THE REPORT ON CORPORATE GOVERNANCE EXPRESSLY INDICATES SUCH OFFICES. CHART ALSO INDICATES MISSIONS CARRIED OUT WITHIN COMPANIES BELONGING TO THE GROUP, ALTHOUGH NOT CONSIDERING THEM FOR THE DISCIPLINE OF MISSION AGGREGATION RESTRICTIONS.

[\*\*] ✓ IN THIS COLUMN INDICATES THAT THE MEMBER OF THE BOARD BELONGS TO THE COMMITTEE.

[\*\*\*] THIS COLUMN SHOWS THE PERCENTAGE OF MEETINGS OF THE BOARD AND OF THE COMMITTEES ATTENDED BY DIRECTORS.

## Board of Auditors

OFFICE	MEMBERS	PERCENTAGE OF MEETINGS OF THE BOARD OF AUDITORS ATTENDED	NUMBER OF OTHER OFFICES [*]
CHAIRMAN	GIANFRANCO BARBATO	93%	-
PERMANENT AUDITOR	PAOLO D'AGNOLO	100%	1
PERMANENT AUDITOR	GAETANO TERRIN	100%	2
SUBSTITUTE AUDITOR	GIUSEPPE ALESSIO-VERNI	-	1
SUBSTITUTE AUDITOR	PAOLO BRUNO	-	-

NUMBER OF FURTHER MEETINGS ATTENDED DURING THE FINANCIAL YEAR:  
 12 (2 IN SHAREHOLDERS' MEETINGS - 10 IN THE BOARD OF DIRECTORS)

INDICATE THE QUORUM REQUIRED FOR THE SUBMISSION OF LISTS BY MINORITIES FOR THE ELECTION OF ONE OR MORE PERMANENT AUDITORS (PURSUANT TO ART. 148 TUF): 3/100 OF THE SHARE CAPITAL

[\*] THIS COLUMN SHOWS THE NUMBER OF DIRECTOR OR AUDITOR OFFICES HELD BY THE PERSON IN OTHER FIRMS LISTED ON ITALIAN REGULATED MARKETS. THE REPORT ON CORPORATE GOVERNANCE CONTAINS A COMPLETE LIST OF OFFICES. IT IS HEREBY NOTIFIED THAT THE NUMBER OF OFFICES IS NOT RELEVANT FOR THE LIMITS IMPOSED BY THE LAW UNTIL THE BODY IS REAPPOINTED.

For additional information on the Company's Corporate Governance, see the latest version of the Corporate Governance report, available also on the Internet site [www.generali.com](http://www.generali.com).

## Ethical Code

The Generali Group Ethical Code was approved in May 2004 by the Parent Company's Board of Directors, and was adopted by all major Italian and international companies. The document sets out the general principles of Group ethics, the guidelines for the Group's relationships with stakeholders and applicable regulations for the control system for the application of the Ethical Code and its continued improvement.

General principles	Guidelines relating to...	Applicable regulations
<ul style="list-style-type: none"> <li>• Fairness and honesty</li> <li>• Impartiality</li> <li>• Professionalism and enhancing human resources</li> <li>• Confidentiality</li> <li>• Transparency and comprehensive information</li> <li>• Conflicts of interest</li> <li>• Free competition</li> <li>• Health protection</li> <li>• Environmental protection</li> </ul>	<ul style="list-style-type: none"> <li>• Clients</li> <li>• Shareholders</li> <li>• Staff</li> <li>• Contractual partners</li> <li>• Public institutions and other external entities</li> <li>• The press and external communication</li> </ul>	<ul style="list-style-type: none"> <li>• Parent Company Board of Directors: definition and approval of the Code and any amendments and modifications</li> <li>• Internal Group Auditing: collecting and checking if violations that are reported are founded and communicating about any assessed violations to the Top Management of the companies concerned</li> <li>• Top Management of the Group companies involved in the assessed violations: adopting appropriate measures</li> </ul>

The Ethical Code is published on the website [www.generali.com](http://www.generali.com) in the "Governance" section and on websites belonging to leading subsidiaries. A paper copy is also distributed to all members of staff.

### Reports of alleged infringement on the Ethical Code (2006-2007)

	TOTAL REPORTS		INTERNAL SOLVED*		INVESTIGATION UNDERWAY		REJECTED		ACCEPTED	
	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007
ITALY	7	8	0	1	0	4	6	3	1	0
ABROAD	2	0	0	0	0	0	1	0	1	0

[\*] SOLVED BY THE COMPETENT COMPANY DIVISION

- The number of reports remained stable and very low, with many of the allegations being rejected.
- Reports were made primarily by employees alleging infringement to the Code in terms of staff relations (discrimination, abuse of authority, de-skilling, failure to enhance resources, termination of employment without good cause, failure to comply with the Collective Bargaining Agreement).
- In both years, in Italy disputes involved subsidiaries and not the Parent Company.

## Internal control and risk management system

An internal control and risk management system is in place for the protection of fair behaviour and to ensure legal requirements for the insurance industry are met. This entails two levels of responsibility:

- **first level**, comprising all daily operations performed by the individual operating units on their respective processes aiming to minimise major identified risks. The plan of processes and the traceability of self-evaluation procedures to measure the efficiency and effectiveness of the said processes are ensured by a special company database, known as the Library of Corporate Processes;
- **second level**, basically designed to monitor and check the operations mentioned above, by means of auditing actions performed by the Internal Audit Department on Group company processes. An Independent Risk Controlling department is dedicated to identifying, evaluating and measuring risks.

## Structure involved in the internal control system

Body	Tasks
Board of Directors	<ul style="list-style-type: none"> <li>• is ultimately responsible for the system</li> <li>• sets guidelines</li> <li>• periodically checks the adequacy and effectiveness of the system</li> </ul>
Chairman	<ul style="list-style-type: none"> <li>• is delegated by the Board of Directors to manage internal control</li> </ul>
Top Management	<ul style="list-style-type: none"> <li>• identifies major corporate risks</li> <li>• implements strategic guidelines</li> </ul>
Committee for Internal Control (part of the Parent Company Board of Directors)	<ul style="list-style-type: none"> <li>• comprises three independent, non-Executive Directors, its job is to provide advice and recommendations</li> </ul>
Internal Audit Manager	<ul style="list-style-type: none"> <li>• is in charge of internal control</li> <li>• supplies information on operations, in particular to the Board of Auditors and the Committee for Internal Control (which he/she is invited to be a member of)</li> </ul>

Acknowledging the importance of the internal control and risk management systems, the Parent Company has already concluded in all major countries a far-reaching project to standardize control systems within the Group, while preserving each subsidiary's specific features and autonomy. A model of the internal control system has thus been defined for international subsidiaries introducing, among other things, an Audit Committee within holdings – or, where holdings do not exist, directly within the operating companies – to provide advice and recommendations. With this model, the Parent Company's Internal Audit Department issues directives and establishes guidelines in order to adopt effective auditing methods. For this purpose, and to ensure the effectiveness of the internal control system within subsidiaries, the Parent Company receives periodic information on the subject, reserving the right however, to implement direct checks at a local level, at times at the special request of the Top Management.

The internal control system described above laid the foundations for the implementation in Italy of the **Organizational and Management Model** pursuant to Legislative Decree no. 231/01. Adopting and implementing the Model was, for the Parent Company, an opportunity to strengthen control, introducing specific procedures to prevent and draw attention to unlawful behaviour. Compliance with these procedures is referred to explicitly in the Group's Ethical Code and backed by the introduction of a special disciplinary penalty system. The document outlining the Model for Assicurazioni Generali, which the Models adopted by other Group companies are largely based upon, is available on the company Intranet as well as at [www.generali.com](http://www.generali.com) in the "Governance" section.

To promote understanding and diffusion of the Model, the Generali Group Innovation Academy has set up a specific **e-learning** initiative, launched in 2007 and expected to involve all Group staff members.

Again in 2007, a study was for the most part concluded to extend the capacity and organisation of the Library of Corporate Processes to identifying and managing all major corporate risks, aimed at evaluating the effectiveness of control activities implemented to eliminate or minimise negative events for the company. With such initiative, the Generali Group anticipates trends in regulations, especially in Europe, associated with the emerging Solvency II Directive, granting a solid, integrated and formal internal control and risk management system to support optimal use of capital aiming at maximizing yield.

The main operating divisions whose functions expose them to the **risk of money laundering** (units handling cash flows) and **fraud** (units in charge of claim settlement, purchase management and contracts) were analysed in Italy and other countries. Staff members working in these divisions receive training and information on anti-corruption policies and procedures adopted.

## Fight against corruption initiatives (2007)

Country	Action
Italy	<ul style="list-style-type: none"> <li>• adoption of the Organizational and Management Model</li> <li>• e-learning training courses on Legislative Decree no. 231/01</li> <li>• adoption of measures to prevent conflicts of interest in supplier relations (Ethical Code for Relations with Suppliers)</li> </ul>
Austria	<ul style="list-style-type: none"> <li>• adoption of provisions to prevent conflicts of interest in purchase processes (provisions dictated by the Internal Audit and the Austrian Supplier Management Code)</li> </ul>
France	<ul style="list-style-type: none"> <li>• adoption of measures and provisions to prevent money laundering and the financing of terrorism, outlined in detail and in writing, and applicable to all relevant operating units (60% of Group offices)</li> <li>• some staff members act as established contacts with the Authorities responsible for fighting against illegal financial channels, to whom cases of suspected money laundering are reported</li> <li>• introduction of IT instruments for the purpose of preventing the risk of fraud associated with handling motor insurance claims</li> </ul>
Germany	<ul style="list-style-type: none"> <li>• systematic fraud-prevention analysis among Group companies, for the purpose of identifying and defining indicators for the risk of corruption</li> <li>• monitoring the reshuffled corporate claims service and, from 2008, also units external to the Group (service companies, surveyors, lawyers, etc.)</li> <li>• constituting an operational unit that handles fraud and corruption within the Group's Audit Department</li> </ul>
Spain	<ul style="list-style-type: none"> <li>• a section of the company's Intranet is dedicated to training all staff members on anti-corruption policies and procedures</li> </ul>
Switzerland	<ul style="list-style-type: none"> <li>• monitoring of the operational units that are most exposed to the risk of corruption</li> <li>• information on anti-corruption policies adopted by the Group in Switzerland provided by the Managing Director to the managers of operational units and by the latter to employees</li> <li>• introduction – in the general work conditions – of an explicit provision on accepting presents in work situations</li> <li>• staff responsible for asset management are required to sign individual statements regarding specific conduct standards to be adopted in their relations with banks and other investment companies</li> </ul>

Evidence available shows there were no **confirmed episodes of corruption** within the Group in 2007.

## Privacy

In line with national legislation, Generali Group companies have adopted suitable technical, organisational and operative measures to guarantee the confidentiality and security of personal (and at times sensitive) information relating to insured and damaged parties, potential and actual clients, members of staff, suppliers and others, processed within the scope of their insurance and banking business. Only personal data that are strictly necessary to provide the required services and to achieve the objectives laid out in specific privacy notices are collected, with particular attention being paid to sensitive data, which are gathered and processed only where the use of anonymous data is not deemed viable. All parties whose personal information is gathered and processed receive privacy notices outlining the purpose of, and methods used in data processing.

All Group employees – and the sales network – are informed of fundamental principles and their duties with respect to protecting processed data. Staff members have access to various forms of training, information sharing and updating, including handbooks, newsletters, meetings, videoconferences, self-study courses and special, up-to-date privacy sections on the Intranet and Extranet.

Some countries have a specific corporate structure for handling privacy issues. In countries where such a structure is not available, the Group coordinates these issues at a national level – normally the job of the IT Security Department or the Legal Department – to help in the application of privacy legislation, also through the definition of common solutions.

## Privacy Management

Country	Department and relevant task
Italy	<p>The Group has a Privacy Department, which:</p> <ul style="list-style-type: none"> <li>• provides assistance and consultation to Group companies for the correct implementation of regulations and draws up an annual report</li> <li>• conducts surveys on the work performed by individual companies, analyses highly-sensitive issues, updates the material available in the "Privacy" section of <a href="http://www.generali.com">www.generali.com</a></li> <li>• provides institutional training and classroom refreshers (so far involving over 2,300 employees of Group companies in Italy)</li> </ul>
Austria	<p>Within the Internal Audit Department, there are two managers for data security who answer to the Legal Department where this issue is concerned</p>
France	<p>The Group has identified a single reference person for the national Authority responsible for the protection of personal data with the task of:</p> <ul style="list-style-type: none"> <li>• assessing compliance with privacy procedures</li> <li>• informing employees of existing obligations and providing them with assistance</li> </ul>
Germany	<p>There is a special department comprising a Group manager (since July 2007, it has been the manager for the IT Security Centre) and a manager/director for the protection of data in each company. The members have regular phone contact and meet six times a year to identify common lines of approach</p>
Spain	<p>The IT Security Department is responsible for privacy issues</p>
Switzerland	<p>The Legal Department is responsible for privacy and provides for the creation and ongoing updating of the inventory of personal information collected by the Group</p>

A total of **8 complaints** were made in 2007 with regard to alleged infringements on privacy regulations by Group companies (5 in Italy, 2 in Germany and 1 in Switzerland); at the end of the year, 7 of the complaints had been solved without consequence, whilst 1 was still pending.

# STRATEGIES

## Development strategy

The update to the **Group's Business Plan for 2007-2009**, approved by Assicurazioni Generali's Board of Directors in September 2007, is confirmation of the fundamental elements characterising the strategy outlined in the previous Plan:

- operating performance
- growth and innovation
- capital optimisation.

The focus is placed on:

- product innovation
- ever greater efficiency
- further improvement to the quality of products and customer services
- reinforcement of distribution strategies, including the enhancement of direct channels.

In order to improve efficiency and effectiveness, the Plan also includes:

- an acceleration of the reshuffling process underway in Italy
- greater restructuring in Germany.

For additional information, see the numerous presentations in the "Investor relations" section at [www.generali.com](http://www.generali.com).

## Sustainability strategy

Throughout its history, the Group has been distinguished for its marked attention to members of staff, shareholders and the local community, based on its observance of a system of values such as professionalism, transparency and responsibility.

Since 2000, the Group has been strengthening its commitment further, adopting new instruments and setting up specific bodies to make social and environmental action increasingly systematic. In particular, the following initiatives are worthy of mention:

2004	<ul style="list-style-type: none"><li>• publication of the Group's Ethical Code</li></ul>
2005	<ul style="list-style-type: none"><li>• publication of the first Sustainability Report</li><li>• publication of the Ethical Code for Relations with Suppliers</li><li>• setting up of the Eco-Committee</li></ul>
2006	<ul style="list-style-type: none"><li>• publication of the European Social Charter</li><li>• adoption of ethical criteria set out by Norwegian Government Pension Fund for investments in movable assets</li></ul>
2007	<ul style="list-style-type: none"><li>• adhesion to the UN Global Compact</li><li>• setting up of the Sustainability Committee</li></ul>

This commitment has triggered a learning process resulting in the development of corporate know-how in:

- promoting the Group's **culture of sustainability**, also favouring the transfer of the best practices developed by individual companies or countries to other Group companies;
- expand **social and environmental policies** and make them more systemic to meet the expectations of stakeholders;
- engender uniformity in **management systems** associated with sustainability on a global scale;
- develop and sharpen **recognition and reporting systems**, identifying new indicators to measure the economic, social and environmental impact of company activities.

## Guidelines

The Group's sustainability strategy is characterized by the following major priorities:

- **following sustainable growth over time**, with business action to ensure the Group's long-lasting financial performance in the long-term;
- **valuing and enhancing the role of the people** who work within the Group, promoting the continual advancement of competences and professionalism among members of staff and acknowledging the individual's contribution to the success of the organisation;
- **supporting the communities** where the Group has operations, supporting social relief, cultural and sports initiatives;
- **promoting a reduction in direct and indirect environmental impact** with a twofold action: on the one hand, adopting measures to contain energy, paper and water consumption and polluting emissions; on the other hand, adopting supply, product and investment policies to influence eco-compatible behaviour in suppliers, customers and companies the Group chooses to invest in.

## Bodies for developing sustainability

The Group's commitment to sustainability on a number of levels has resulted in the introduction of new bodies and new company departments committed to taking not only economic, but also social and environmental aspects, into consideration. For this purpose, it has:

- assigned the Chief Financial Officer (CFO) the responsibility of sustainability issues;
- set up a Sustainability Committee;
- created an Eco-Committee;
- created a Corporate Social Responsibility Department.

As of this year, the Sustainability Report will be presented to Assicurazioni Generali's Board of Directors for approval.

In 2007, the Group made the **Chief Financial Officer** responsible of sustainability. The latter's job is to:

- monitor major social and environmental changes and identify the risks the Group is exposed to, with particular reference to those associated with human rights, corruption and environmental changes;
- identify sustainability strategies, guidelines and basic policies;
- define policies to be adopted to involve workers and stakeholders.

The CFO chairs both the Sustainability Committee and the Eco-Committee.

The **Sustainability Committee** is a decision-making body representing the company departments that are most involved in implementing sustainability policies (Human Resources and Group Organisation, Communications, Accounting and Control and the Corporate Social Responsibility Department). The Committee is made up of representatives from all countries where the Group has operations, which are directly involved in the processes of implementing policies and drafting the Sustainability Report. The Committee's job is to define:

- sustainability policies shared by all companies;
- opportunities, risks, areas for improvement associated with the Group's sustainability;
- shared objectives, which will be specified by each Country on an individual basis, indicating in particular the "issue of the year" on which to focus attention;
- benchmarking systems;
- contents and methods for reporting Group sustainability.

The Committee meets at least twice a year to present the Sustainability Report and to discuss results achieved, difficulties encountered and unsolved problems.

The **Eco-Committee** is the decision-making body dealing with environmental policies at Group level. Article 9 of the Ethical Code establishes Generali's commitment to safeguarding the environment as a primary asset. The committee is called upon to define:

- environmental policies;
- environmental performance indicators to be monitored;
- the objectives linked to these indicators;
- management systems aimed at achieving the planned environmental performances;
- benchmarking systems;
- opportunities and risks to the Group deriving from the climate change in progress;

- all other environmental aspects at Group level.

Eco-Committee members represent the main corporate departments involved in the management of direct and indirect environmental impact: Human Resources and Group Organisation, IT Department, Strategic Marketing, Purchase Department, Real Estate and Corporate Social Responsibility Department. A contact person has been appointed in each country within the Sustainability Report area to foster the implementation of the Eco-Committee’s environmental policies at Group level.

The **Corporate Social Responsibility Department** is part of the Group’s Corporate Centre and its task is to:

- coordinate the process of collecting information pertaining to the Sustainability Report;
- draft and publish the Sustainability Report;
- draft periodic reports and proposals to be submitted to the Eco-Committee and the Sustainability Committee;
- coordinate the activities of the Eco-Committee and the Sustainability Committee;
- ensure ongoing dialogue and involvement with stakeholders;
- coordinate the dissemination and implementation of environmental and sustainability policies;
- respond to requests for information by stakeholders with regard to Group policies and sustainability initiatives.

## Communication and stakeholder engagement strategies

Acknowledging the relevance that communication, involvement and dialogue with stakeholders have in the process of sustainable growth, the Generali Group has promoted a considerable level of activity in this regard. The Group has demonstrated its commitment with its communication instruments and forms of direct dialogue with all stakeholders.

### Forms of dialogue with various stakeholder categories

	Direct stakeholders			Competitive stakeholders			Social and environmental stakeholders
	Employees	Sales force	Shareholders	Clients	Suppliers	Issuing companies	Community
<b>COMMUNICATION INSTRUMENTS</b>							
Financial statements, half-yearly report, quarterly reports			•	•		•	•
Sustainability Report	•	•	•	•	•	•	•
Group website	•	•	•	•	•	•	•
Websites of individual companies	•	•	•	•	•	•	•
Company magazines	•	•	•	•			•
Press releases			•	•		•	•
Company Intranet	•	•					
<b>FORMS OF DIRECT DIALOGUE</b>							
Focus Group	•	•		•			•
Roadshow		•	•				
Satisfaction survey	•	•		•			
Multistakeholder meeting						•	•

Each company has its own **Internet website**, which can be accessed from the Group’s website **www.generali.com** by clicking on “Choose a country”, providing stakeholders with the chance to receive information continually on the various

activities and events the Group is involved in. Each country's site, in its national language, has a similar layout to [www.generali.com](http://www.generali.com) according to Group guidelines.

The Group's website provides a global, introductory overview of the Generali Group and contains a section specifically dedicated to corporate social responsibility. The website is available in Italian and English, and access statistics are gathered for constant monitoring and updating, with a view to understanding the users' approach and fine-tuning website settings. In 2007 and early 2008, some new important information was added, such as evidence on the remuneration system and Top Management's shareholdings. A part relating to EU insurance regulations was also introduced, and a new section dedicated to a photography competition organized by FATA was added to provide visibility to agriculture, which the Group has always considered very important. Certain tools – previously thought too complicated – providing for interaction with entities outside the Group have been improved, such as the section where people can send in their CV, making contact from outside the Group with company structures easier and faster. A subscription system to the site has been created, whereby the user can be notified when press releases, financial statements, quarterly results and the shareholders' newsletters "Investor's Info" are published. The RSS system (Really Simple Syndication) has also been activated, informing people directly of the publication of specific contents, such as a financial presentation or press release.

Websites for individual countries include the French [www.generali-avenir.com](http://www.generali-avenir.com), specifically geared towards sustainable development, and [www.agirpourmasante.com](http://www.agirpourmasante.com), created in 2007 to focus on health information and prevention for Group clients. The Europ Assistance Group also dedicates a section of its website to social responsibility ([www.europ-assistance.com/responsabilite-sociale/default.html](http://www.europ-assistance.com/responsabilite-sociale/default.html)). Similarly, the website of the Italian Alleanza ([www.alleanzaassicurazioni.it](http://www.alleanzaassicurazioni.it)) has a section dedicated to social responsibility under "Alleanza close-up" which reports, among other things, the procedures to be followed to report initiatives, criteria for awarding grants and disbursements made.

The largest Group companies in Italy and elsewhere publish regular **company magazines** which, together with the institutional websites in each country, are the main tools used to reach the various stakeholder categories for the purpose of: providing institutional information on Group companies; providing information on the Group's business and promotional activities; promoting and preserving a good organizational environment, enhancing a sense of belonging among members of staff; encouraging and facilitating the exchange of information between the various sectors and departments.

Moreover, some newsletters are geared mainly to employees, others are published for agents and the sales networks, – some providing highly technical information (accounting, legal, fiscal, organisational and sales issues) –, others are targeted at clients and provide general insurance and financial information, alongside Group and product news. The Parent Company's periodic publications include "Investor's Info", a half yearly informative publication targeting shareholders, also translated into English.

In order to reduce the environmental impact of paper consumption, in 2007 the Parent Company decided to reduce the number of paper copies of "Il Bollettino" – the historic Italian magazine in print since 1893 –, to just two issues a year. The publication contains in-depth articles on particularly relevant topics. In the same period, the publication "Il Bollettino on line" was launched exclusively in electronic format on the [www.generali.com](http://www.generali.com) website and the human resources portal; the monthly publication became a fortnightly one in January 2008, providing timely information on the most important news and events at Group level. Since the beginning of 2008, "Group News" a publication in English language for employees of all Generali Group companies around the world, has been published exclusively in digital format, for the time being on a monthly basis. A new graphic design has been developed for online publications, enhanced by multimedia features, to optimize the reader's experience on the web.

Generali's **media** communication policy is based on transparency and the commitment to guaranteeing accessible, clear and accurate information, complying with regulations on information dissemination. The tools used for this purpose are press releases, interviews, meetings, events and contacts between Top Management and journalists for the economic-financial press. In 2007, the Italian and international press mentioned the Generali Group in about 12,000 articles, and the Group made approximately 300 press releases. About 250 meetings with the media took place in the form of interviews and informal meetings between the Top Management and journalists.

Group communications are promoted and helped by the Company **Intranet** that provides up-to-date news on Group companies (events, projects, notes on organization and operative information targeted at members of staff), new products and the insurance industry in general. With a view to encouraging communication with and between members of staff, the Parent Company has set up a Human Resources (HR) portal accessible to the staff of most Italian Group companies, Europ Assistance being the only exception. Further improvements are being made as part of a plan to create – in 2008 – a single-sign-on Group Portal, which – requiring a single authentication procedure –, will enable users to access various integrated information systems.

**Marketing communication**, which includes advertising, marketing and sponsorship initiatives, “in line with the fundamental ethical values of the civil society to which it is directed, it shall always guarantee the veracity of its contents and reject any coarse or offensive messages”, in keeping with the provisions of the Group’s Ethical Code and with the directives issued by the relevant Authorities. In 2007, no cases of non-compliance with regulations or voluntary codes were reported, with reference to marketing communication involving Group companies.

As for direct dialogue instruments, a closed-door **multistakeholder meeting** was held in December 2007 in Milan, which enabled feedback from qualified representatives of industry associations (ANIA, AIAF), associations committed to spreading socially responsible practices among companies (Sodalitas), researchers and academics (Fondazione Eni Enrico Mattei, Altis - Postgraduate School Business & Society - Università Cattolica in Milan, Università di Bergamo, Università di Genova) to be heard. An intense and profitable debate prompted comments, suggestions and questions on both sustainability policies and the drawing up of the Sustainability Report, which the Corporate Social Responsibility Department has gathered and taken into consideration in the course of its duty and in drafting the report.

Direct dialogue with individual stakeholder categories is described in relevant chapters.







chapter 2

## **Economic-financial Performance**

Archaeological finds showcased at the "Radici del presente" (Roots of the present) exhibition organised by Assicurazioni Generali to mark its 175<sup>th</sup> anniversary.

## GROUP PROFILE

### The insurance industry

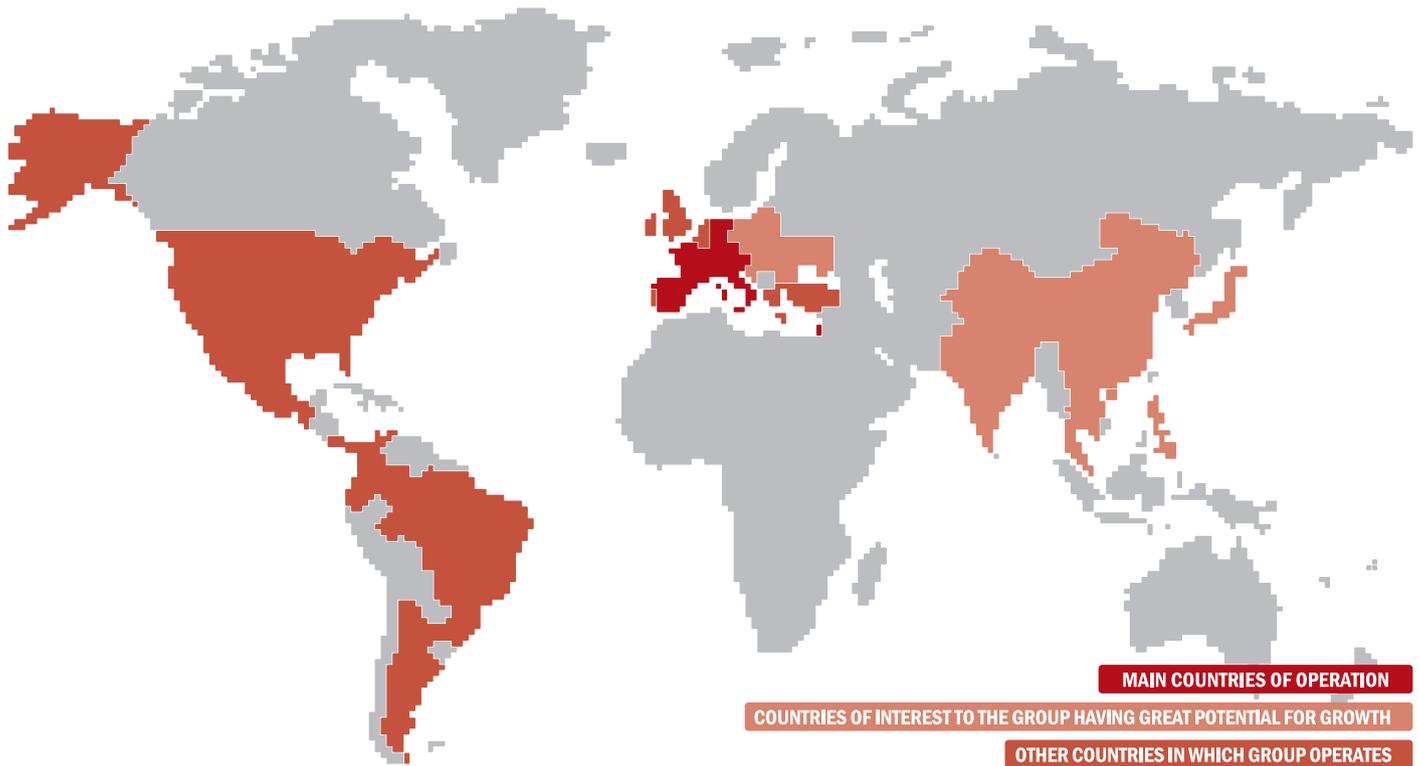
In 2007, in the main European insurance markets in which the Generali Group operates, the **life segment** saw a drastic slowdown across all regions, with lower premium income being recorded in Italy and France, virtual stability in Germany and only slight growth posted in Austria. The trend was positive in Spain, although the business growth rate slowed somewhat, and in Switzerland, where premium income rose for the first time after four years of decline. Major volatility on financial markets influenced such trends boosting cash investments to the detriment of life products, which in some countries were affected by additional factors linked to taxation and legislation.

**Non-life business** have continued to be strongly affected by heightened competition, particularly in the motor sector. The most sustained growth in premium income was recorded in Spain, though less dynamically than in 2006, and in Austria. Growth was also moderate in France, Italy and Switzerland, whilst in Germany premiums fell slightly. In all countries, growth was driven by the non-motor sector, whilst the motor sector demonstrated more modest growth, or even a negative trend, for example in Germany.

Driven by healthy economic growth, premium income in **other countries** where the Group has operations – Central and Eastern Europe, South-Eastern Asia and Latin America – increased for both life and non-life businesses.

In the international context outlined, again in 2007 the Generali Group implemented major development operations aiming at consolidating its strategic position in mature markets and expanding in those demonstrating high growth potential. Insurance joint ventures with the PPF group in Central and Eastern Europe, the Future group in India and the launch of non-life business in China are the Group's largest investments in areas with the greatest expectations for growth. In the year, extensive measures were also implemented to reshuffle some Group structures with the objective of achieving important synergy.

## Meaningful Group data and indexes



The Generali Group is one of the leading insurance groups in Europe and worldwide, with total premium income equal to 64,792 million euros in 2007, over 60% of which generated outside Italy. In the past decade, the Group has broadened its field of operations from the insurance business to include the entire range of financial services and asset management.

### The Generali Group in brief

Parent Company: Assicurazioni Generali S.p.A.

Number of companies in the Group: 344 consolidated

- of which insurance companies: 112
- of which financial/real estate companies: 97

Number of countries where the Group has operations: 40

Group highlights on a consolidated basis

	2006	2007
<b>RESULT OF THE PERIOD</b>	<b>2,404.8</b>	<b>2,915.6</b>
<b>OPERATING RESULT</b>	<b>4,073.7</b>	<b>4,860.0</b>
NET EARNED PREMIUMS	60,383.3	61,821.1
PREMIUMS RELATED TO INVESTMENT CONTRACTS	1,117.5	1,504.6
NET EARNED PREMIUMS INCLUDING PREMIUMS RELATED TO INVESTMENT CONTRACTS	61,500.8	63,325.7
GROSS PREMIUMS WRITTEN	64,525.8	66,217.8
CHANGE ON EQUIVALENT TERMS	2.3%	0.1%
ACQUISITION AND ADMINISTRATION COSTS RELATED TO INSURANCE BUSINESS	8,991.8	9,980.5
EXPENSE RATIO	14.6%	15.8%
- ACQUISITION COSTS / NET PREMIUMS	11.4%	12.4%
- ADMINISTRATION COSTS / NET PREMIUMS	3.2%	3.4%
<b>OPERATING RESULT - LIFE SEGMENT</b>	<b>2,452.9</b>	<b>2,709.3</b>
NET LIFE PREMIUMS	44,068.8	43,027.0
PREMIUMS RELATED TO INVESTMENT CONTRACTS	1,117.5	1,504.6
NET LIFE PREMIUMS INCLUDING PREMIUMS RELATED TO INVESTMENT CONTRACTS	45,186.3	44,531.6
GROSS LIFE PREMIUMS WRITTEN	46,080.9	45,373.3
CHANGE ON EQUIVALENT TERMS	2.0%	-1.6%
ACQUISITION AND ADMINISTRATION COSTS - LIFE SEGMENT	4,602.7	4,933.1
EXPENSE RATIO - LIFE SEGMENT	10.2%	11.1%
- ACQUISITION COSTS / NET PREMIUMS	8.1%	8.8%
- ADMINISTRATION COSTS / NET PREMIUMS	2.1%	2.3%
NBV	925.0	1,108.8
CHANGE ON EQUIVALENT TERMS	14.2%	12.8%
APE	4,178.3	4,556.9
CHANGE ON EQUIVALENT TERMS	8.9%	7.8%
<b>OPERATING RESULT - NON-LIFE SEGMENT</b>	<b>1,555.9</b>	<b>2,111.3</b>
NET NON-LIFE EARNED PREMIUMS	16,314.5	18,794.1
GROSS NON-LIFE PREMIUMS WRITTEN	18,444.9	20,844.5
CHANGE ON EQUIVALENT TERMS	3.1%	4.1%
ACQUISITION AND ADMINISTRATION COSTS - NON-LIFE SEGMENT	4,389.2	5,047.4
EXPENSE RATIO - NON-LIFE SEGMENT	26.9%	26.8%
- ACQUISITION COSTS / NET PREMIUMS	20.6%	20.8%
- ADMINISTRATION COSTS / NET PREMIUMS	6.3%	6.0%
LOSS RATIO - NON-LIFE SEGMENT	69.4%	69.0%
COMBINED RATIO - NON-LIFE SEGMENT	96.3%	95.8%
<b>OPERATING RESULT - FINANCIAL SEGMENT</b>	<b>369.0</b>	<b>367.2</b>
TOTAL INCOME - FINANCIAL SEGMENT	1,782.1	1,756.3
TOTAL EXPENSES - FINANCIAL SEGMENT	1,347.3	1,415.7

VALUES IN MILLIONS OF EUROS

	2006	2007
<b>INVESTMENTS</b>	<b>333,744.0</b>	<b>336,616.9</b>
<b>NET INSURANCE PROVISIONS</b>	<b>299,835.5</b>	<b>305,520.1</b>
NET INSURANCE PROVISIONS - LIFE SEGMENT	270,856.0	277,161.7
NET INSURANCE PROVISIONS - NON-LIFE SEGMENT	28,979.5	28,358.4
PROVISIONS FOR OUTSTANDING CLAIMS AND OTHER INSURANCE PROVISIONS	23,990.8	23,387.2
PROVISIONS FOR UNEARNED PREMIUMS	4,988.7	4,971.2
<b>SHAREHOLDERS' EQUITY ATTRIBUTABLE TO THE GROUP GROSS OF OWN SHARES</b>	<b>15,597.6</b>	<b>16,665.0</b>
<b>SHAREHOLDERS' EQUITY ATTRIBUTABLE TO THE GROUP</b>	<b>15,206.5</b>	<b>14,789.6</b>

**VALUES IN MILLIONS OF EUROS**

In terms of economic values, it is noted that:

- the **result of the period for the Generali Group** was 2,915.6 million euros, compared to 2,404.8 million euros at 31 December 2006 (+21.2%);
- the **operating result** – result of the period before taxes, interest expenses on financial liabilities, some net financial income and non-recurring incomes and expenses – totalled 4,860 million euros against 4,073.7 million at 31 December 2006, reflecting a growth of 19.3%. This increase derives in particular from the increase in profitability of insurance segments;
- net **earned premiums** totalled 61,821.1 million euros compared to 60,383.3 million at 31 December 2006. Taking into account premiums related to investment contracts – which are not considered as premiums for the purposes of the financial statements – **gross premiums written** totalled 66,217.8 million euros (+0.1% on equivalent terms), 45,373.3 million euros (-1.6%) in the life segment and 20,844.5 million euros (+4.1%) in the non-life segment;
- new life business in terms of **annual premium equivalents (APE)**, corresponding to the sum of annual premiums and a tenth of single premiums, was 4,556.9 million euros (+7.8% on equivalent terms);
- the **value of new business (NBV)** was 1,108.8 million euros (+12.8% on equivalent terms);
- **direct premiums** totalled 64,792.1 million euros, an increase of 2.7% on 2006; 44,429.2 million euros were generated by the life segment and 20,362.9 by the non-life segment.

The table below shows the allocation of premiums, divided into life and non-life lines of business, in countries of the Sustainability Report area; Group market shares in each country are also shown.

**Direct premiums and market shares by country (Sustainability Report area; 2007)**

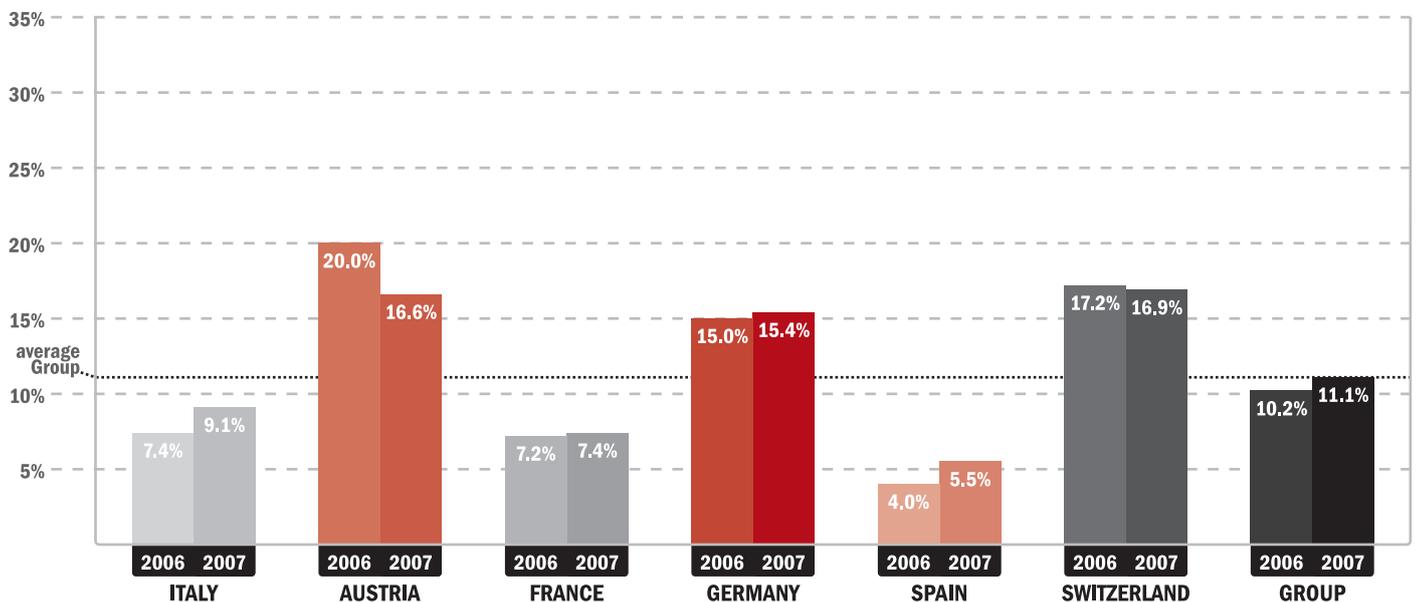
	LIFE 2007		NON-LIFE 2007		TOTAL 2007	
	VALUE	MARKET SHARE	VALUE	MARKET SHARE	VALUE	MARKET SHARE
ITALY	15,041.2	24.6%	8,003.7	22.1%	23,044.9	23.7%
AUSTRIA	910.7	10.5%	1,294.1	18.0%	2,204.8	13.9%
FRANCE	11,288.2	8.0%	3,383.6	6.4%	14,671.8	7.5%
GERMANY	11,164.8	10.0%	3,033.1	5.5%	14,197.9	8.5%
SPAIN	983.2	4.3%	1,510.5	4.8%	2,493.8	4.6%
SWITZERLAND	832.4	4.5%	450.2	4.7%	1,282.6	4.6%
<b>TOTAL SR AREA</b>	<b>40,220.5</b>		<b>17,675.3</b>		<b>57,895.8</b>	
<b>TOTAL NON-SR AREA</b>	<b>4,208.7</b>		<b>2,687.6</b>		<b>6,896.3</b>	
<b>TOTAL GROUP</b>	<b>44,429.2</b>		<b>20,362.9</b>		<b>64,792.1</b>	

**VALUES IN MILLIONS OF EUROS**

- **Life** – Premium income in the Sustainability Report area amounts to 90.5% of the Group's total income. The three major countries (Italy, France and Germany) account for over 93.2% of the life portfolio in the Sustainability Report area; Italy alone generates approximately 37.4%.
- **Non-life** – Premium income in the Sustainability Report area amounts to 86.8% of the Group's total income. In the non-life segment, Italy, France and Germany generate over 81.6% of premiums in the Sustainability Report area (Italy over 45%).

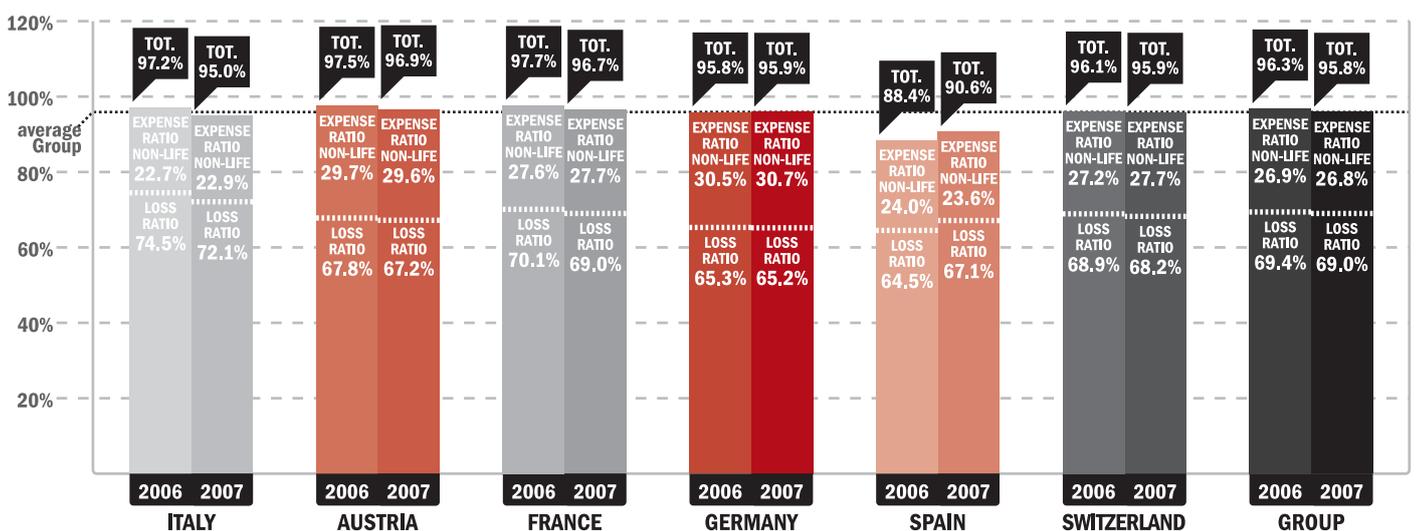
Information on **indicators** measuring the technical profitability of business underwritten in 2007 in the individual countries is provided below.

### Expense ratio of the life segment by country (Sustainability Report area; 2006-2007)



- The expense ratio of the life segment, i.e. acquisition and administration costs expressed as a percentage of total premiums, increased on 2006 due to the growth in the incidence of acquisition costs to total premiums (from 8.1% to 8.8%). The incidence of administration costs, on the other hand, remained substantially unchanged at 2.3%.
- The variance in the expense ratio of individual countries is mainly attributable to the different range of products offered and different sales channels used, affecting distribution costs.

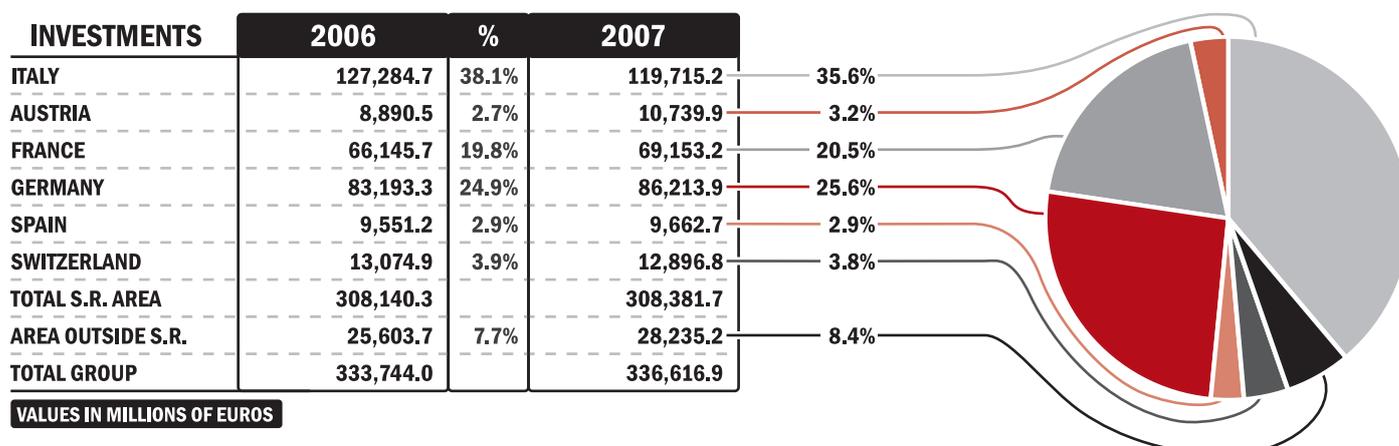
### Main non-life business indicators by country (Sustainability Report area; 2006-2007)



- The combined ratio of the non-life segment, i.e. claims and operating expenses as a percentage of premium income, fell due to the decrease in loss ratio, whilst the expense ratio remained virtually stable. The combined ratio increased only in Spain, though remaining at the lowest level, whilst it fell or remained substantially stable in other countries.
- The most significant fall in loss ratio, which overall fell by 0.4 percentage points, was recorded in Italy.

## Investments

### Investments by country (Sustainability Report area; 2006-2007)



- The breakdown of investments by country corresponds to the extent of Group commitments and interests in the various markets.
- At 31 December 2007, investments in the life segment amounted to 249,197.8 million euros, up 0.9% against the end of the previous year.

### Breakdown of investments (Sustainability Report area; 2006-2007)

	2006	IMPACT	2007	IMPACT
LAND AND BUILDING (INVESTMENT PROPERTIES)	11,365.3	4.0%	11,906.5	4.2%
INVESTMENTS IN SUBSIDIARIES, ASSOCIATED COMPANIES AND J. V.	1,029.6	0.4%	2,735.9	1.0%
HELD TO MATURITY INVESTMENTS	1,125.8	0.4%	1,148.4	0.4%
LOANS AND RECEIVABLES	51,676.8	18.1%	61,371.0	21.5%
AVAILABLE FOR SALE FINANCIAL ASSETS	192,874.7	67.5%	180,933.4	63.3%
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	27,782.9	9.7%	27,809.8	9.7%
TOTAL	285,855.1	100.0%	285,905.0	100.0%
INVESTMENTS BACK TO POLICIES WHERE THE INVESTMENT RISK IS BORNE BY THE POLICYHOLDERS	47,888.9		50,711.8	
TOTAL INVESTMENTS	333,744.0		336,619.9	

**VALUES IN MILLIONS OF EUROS**

- In 2007, the Group's total investments increased by 2,875.9 million euros (+0.9%).
- The breakdown of investments remained substantially stable compared to 2006, with the exception of loans and receivables, whose weight rose by over 3 percentage points, and financial activity available for sales, whose share fell by more than 4 percentage points.

## Shareholders' equity

The Group shareholders' equity amounted to 14,789.6 million euros (15,206.5 million at 31 December 2006). The decrease was caused by the purchase of shares of the Parent Company for a total amount of 1,499.7 million euros, which reduced the Group's share capital and reserves.

The reserve for net profit on available for sale financial assets went from 3,052.9 million euros at 31 December 2006 to 2,024.2 million euros (-33.7%). It corresponds to the balance between unrealised gains and losses on financial assets, net of deferred life policyholders' liabilities and deferred taxes. The decrease is substantially attributable to the reduction in net unrealized gains on bonds due to the increase in interest rates across Europe over the course of the year.

The cost of the Parent Company shares held by the Parent Company or by other Group companies amounted to 1,875.4 million euros (391.1 million at 31 December 2006), at an average unit cost of 30.5 euro.

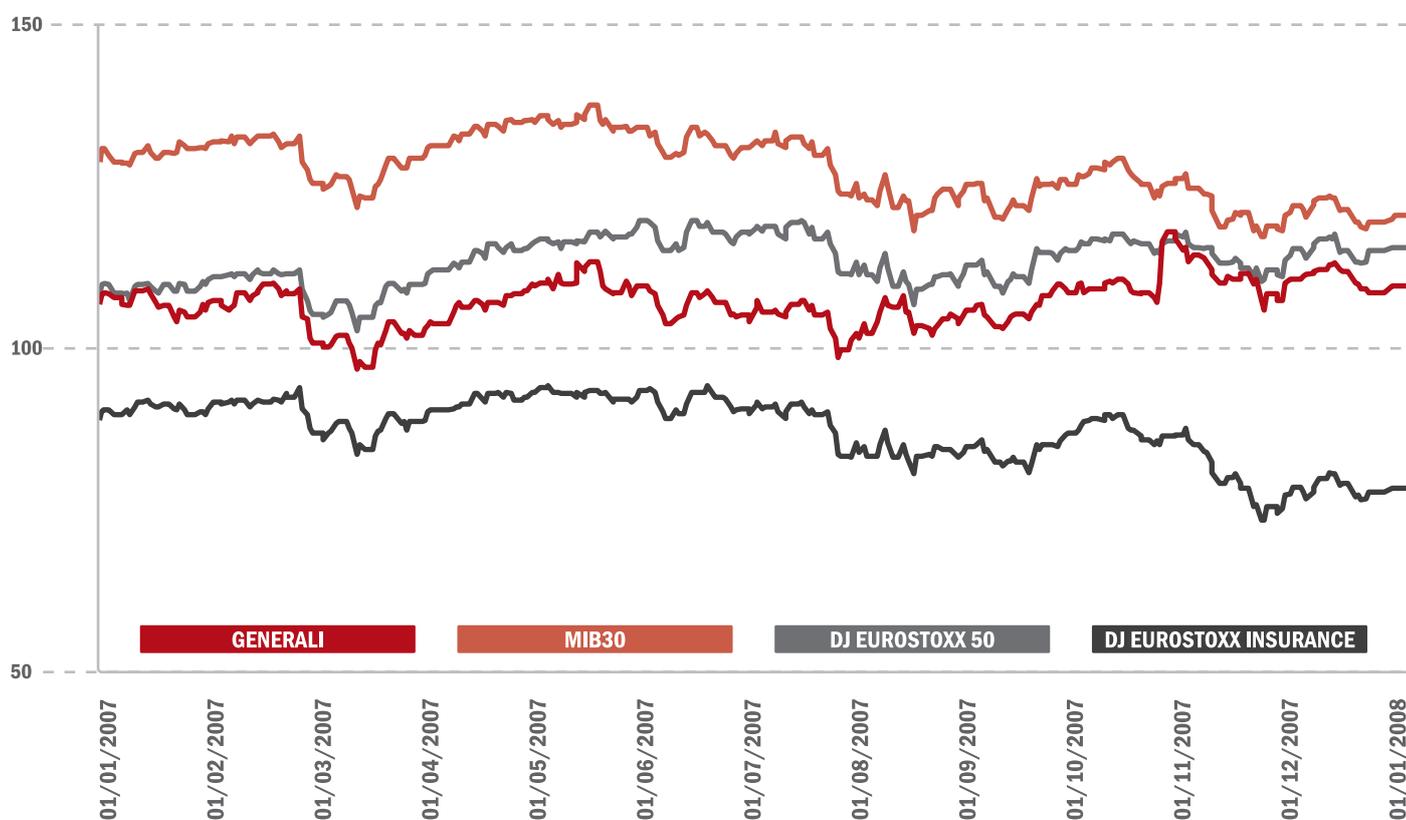
## Company value

The Company's stock market capitalisation at the end of 2007 was 43,511.5 million euros (+2.1% compared to 31 December 2006), a value that confirms Generali fourth amongst the major insurance-linked securities in Europe.

The embedded value, i.e. the adjusted shareholders' equity plus the value of portfolio, representing the Company's intrinsic value, was 27,778 million euros at the end of 2007, equal to 20.52 euros per share, compared to 25,839 million euros in December 2006, equal to 20.34 euros per share.

## Generali shares

Generali share performance compared to the main Stock Exchange indexes (Assicurazioni Generali; 2007)



- During 2007, the price of Generali shares fluctuated between a low of 28.21 euros (27 July 2007) and a high of 34.47 euros (7 May 2007). The Group's shares were listed at 30.87 euros at the close of the period, up 1.86% on the end of 2006.
- Generali shares outperformed the Italian Mib 30 Stock Exchange index (- 6.5%) and the Eurozone insurance index DJ EuroStoxx Insurance (-12.1%), while they were exceeded by the DJ EuroStoxx 50 index (+6.9%).

Generali is listed in 163 stock exchange indexes. The following table highlights the percentage impact of Generali shares on the main stock exchange indexes.

Percentage impact of Generali share on the main stock exchange indexes  
(Assicurazioni Generali; 2006-2007)

	2006	2007
Mibtel	5.334%	5.801%
Mib 30	7.375%	7.646%
FTSE Eurotop 100	0.911%	0.904%
DJ EuroStoxx 50	1.733%	1.555%
DJ EuroStoxx	1.027%	0.976%
DJ EuroStoxx Insurance	11.369%	10.368%

For additional and up-to-date information on the Group's economic-financial performance, see the "Investor relations" section on the Internet site [www.generali.com](http://www.generali.com).

# GLOBAL ADDED VALUE

## Description

The Global Added Value (GAV) can be deduced from the reclassification of the consolidated financial statements and expresses the wealth generated by the Group's operations over the year for the various stakeholder categories.

The GAV is calculated as the difference between the value of goods and services provided by the company and the value of the goods and services it acquires from third parties. It can be expressed net or gross of depreciation. In the latter case, the flows for the gradual reintegration of durable productive factors are added to the new wealth generated by the company.

The Generali Group's GAV is calculated net of depreciation as, differently from industrial businesses, the reintegration of durable productive factors is of little relevance to insurance companies. This reflects the non-essential role played by tangible assets in this specific business activity compared to intangible assets such as human, organisational and technological resources.

## Calculating Global Added Value

The Generali Group's consolidated financial statements as at 31 December 2007 were drawn up in accordance with the international accounting standards IAS/IFRS. Ordinary and extraordinary items are no longer distinct, which is one of the changes introduced by the new accounting standard. It follows that added value cannot be calculated on the operating income without considering the impact of extraordinary transactions.

### Calculating GAV (Consolidation area; 2006-2007)

	2006	2007
<b>TOTAL INCOME</b>	<b>81,262.8</b>	<b>83,266.9</b>
<b>OF WHICH: NET EARNED PREMIUMS</b>	<b>60,383.3</b>	<b>61,821.1</b>
<b>NET INCOME FROM FINANCIAL INSTRUMENTS AND LAND AND BUILDINGS</b>	<b>18,293.7</b>	<b>18,338.3</b>
<b>TOTAL EXPENSES</b>	<b>68,927.5</b>	<b>69,109.9</b>
<b>OF WHICH: NET INSURANCE BENEFITS AND CLAIMS</b>	<b>61,981.4</b>	<b>61,415.1</b>
<b>EXPENSES FROM OTHER FINANCIAL INSTRUMENTS AND LAND AND BUILDINGS</b>	<b>1,615.6</b>	<b>1,785.3</b>
<b>GAV</b>	<b>12,335.3</b>	<b>14,157.0</b>

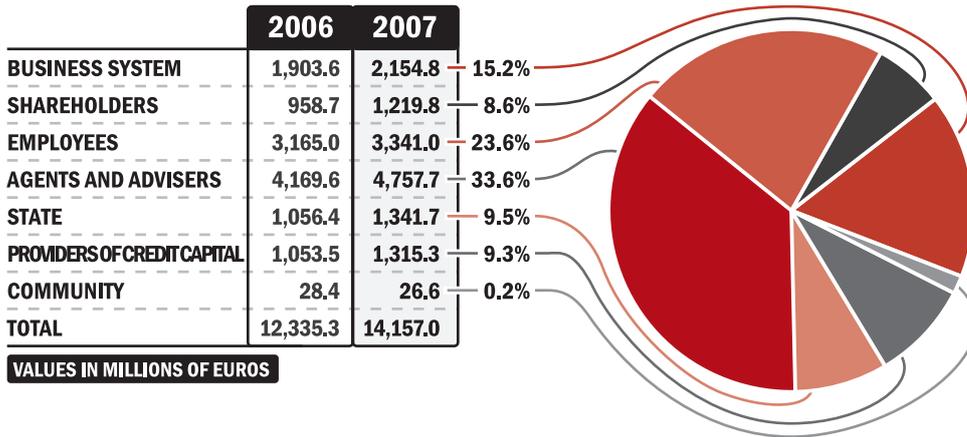
#### VALUES IN MILLIONS OF EUROS

- The **total income** – corresponding to the total income item in the consolidated profit and loss account and including income from: net earned premiums; financial instruments; investment properties; subsidiaries, associated companies and joint ventures – increased by 2.5 % due in particular to the contribution of net earned premiums.
- The **total expenses** – corresponding to technical expenses (costs pertaining to the management of the insurance business, such as: payments of claims and life policies having reached maturity, changes to insurance provisions, acquisition costs, administration costs, depreciation) minus the items relating to: remuneration for employees, agents and advisers, open distributions and sponsorships, and interest on interest-bearing debt – revealed only a slight increase, in part because of the fall in net insurance benefits and claims.
- GAV increased by **14.8%** in 2007 as compared to 2006.

## Distribution of Global Added Value

GAV may be described as a significant indicator of generated wealth and, thanks to its distribution analysis, it provides an insight into how the benefits produced by the Group's operations are distributed among the various stakeholders. It should, however, be noted that this does not account for all wealth generated and transferred outside the Group: for instance, it cannot highlight the benefits investments bring to the relevant economy and environment.

## Distribution of GAV (Consolidation area; 2006-2007)



- In 2007, almost all sums due to various stakeholders increased. The community was the sole exception, to which a sum lower than the previous year was allocated, though the GAV share remained unchanged.
- Taxes paid to the State increased considerably, also in terms of share, because 2006 had benefited from the so called "realignment" of tax for real estate in Italy and the accounting of a special tax credit in Germany. In the year, the Generali Group did not receive significant financing from the government.
- The distribution of GAV changed, and some stakeholders experienced significant changes. In 2007, the shares distributed to parties outside the company rose; in particular, in addition to that due to the State, the share allocated to shareholders (dividends) and providers of credit rose sharply, the latter because of the increase in interest rates as well as in operating and financial debt.
- The overall sum due to staff members (employees, agents and advisers) continued to fall following the trend set in the last few years, settling at around 57% due especially to a reduction in the sum allocated to employees.





chapter 3

## Direct stakeholders

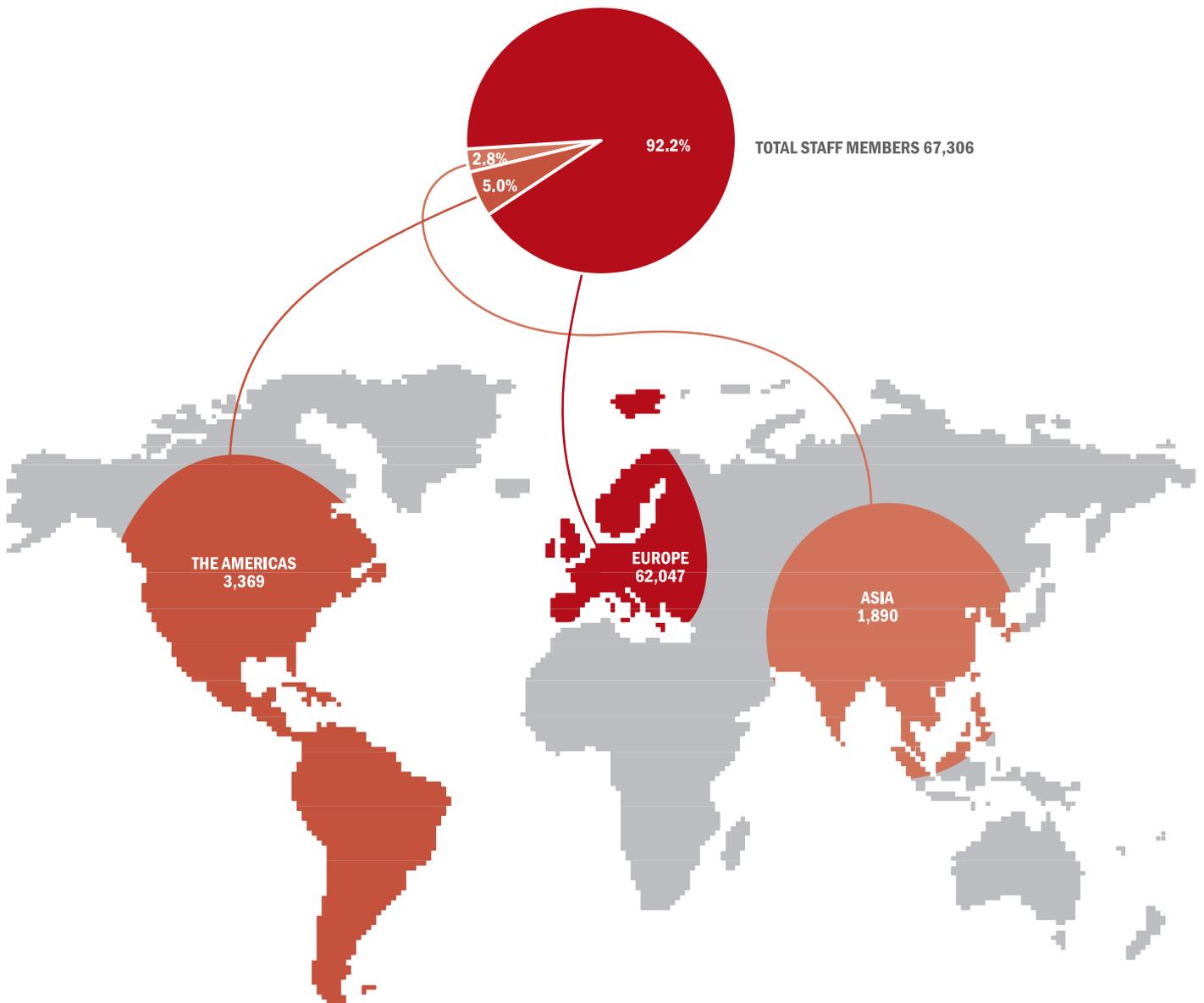
Archaeological finds showcased at the "Radici del presente" (Roots of the present) exhibition organised by Assicurazioni Generali to mark its 175<sup>th</sup> anniversary.

# EMPLOYEES

Human resources are a key element of the Group's strategic vision, which believes in the value of its collaborators and builds its competitive advantage on the commitment of each individual.

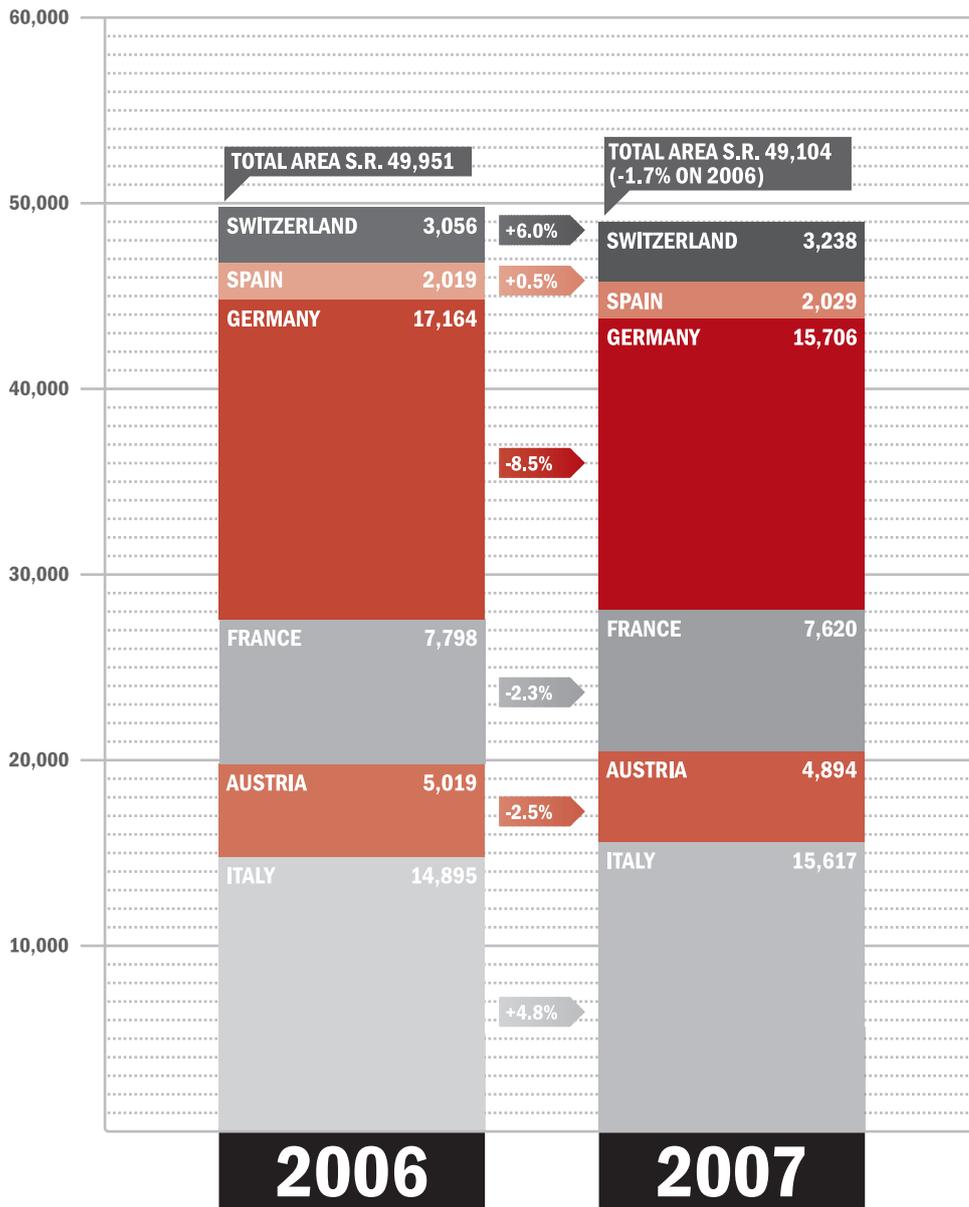
## Dynamic workforce

Group staff members (Consolidation area; 2007)



- As at 31 December 2007, the Group's workforce numbered 67,306, taking into account employees with permanent contracts only. The 2% increase on the previous year is attributable primarily to the enlargement of the consolidation area to include, in particular, some insurance companies in the Europ Assistance group.
- The workforce is highly concentrated in European countries and comprises 2,146 managers, 46,110 employees and 19,041 sales employees.

## Staff members (Sustainability Report area; 2006-2007)



- The number of staff members in the Sustainability Report area fell by 1.7%, though differing workforce trends were recorded in individual countries:
  - increasing in Italy (+4.8%), where the number of sales employees continues to rise, and in Switzerland (+6%), due in part to BSI's acquisition of the Banca Unione Credito;
  - falling in Germany (-8.5%) and in Austria (-2.5%), where downsizing is being implemented as part of company reorganisation processes, and in France (-2.3%), also linked to rationalization and streamlining plans;
  - remaining stable in Spain.

## Turnover (Sustainability Report area; 2006-2007)

	2005	2006			STAFF MEMBERS AS AT 31/12/06	2007			STAFF MEMBERS AS AT 31/12/07
	STAFF MEMBERS AS AT 31/12/05	RECRUITMENTS	TERMINATIONS	CHANGE		RECRUITMENTS	TERMINATIONS	CHANGE	
ITALY	14,255	2,241	1,601	640	14,895	2,650	1,928	722	15,617
AUSTRIA	5,061	291	333	-42	5,019	183	308	-125	4,894
FRANCE	7,959	1,007	1,168	-161	7,798	1,076	1,254	-178	7,620
GERMANY	17,744	1,561	2,141	-580	17,164	1,408	2,866	-1,458	15,706
SPAIN	2,043	255	279	-24	2,019	232	222	10	2,029
SWITZERLAND	3,038	427	409	18	3,056	670	488	182	3,238
<b>TOTAL</b>	<b>50,100</b>	<b>5,782</b>	<b>5,931</b>	<b>-149</b>	<b>49,951</b>	<b>6,219</b>	<b>7,066</b>	<b>-847</b>	<b>49,104</b>

- In the two-year period in question, the overall workforce decreased by almost a thousand people (-2%). The turnover is rather high, essentially because temporary staff and staff hired for special projects are included in the figures and counted as people joining and leaving the Group.

## Characteristics of the workforce

### Staff members by level (Sustainability Report area; 2006-2007)

	MANAGERS		MIDDLE MANAGERS		EMPLOYEES		SALES FORCE ON PAYROLL		OTHER		TOTAL		
	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	
ITALY	327	326	1,686	1,749	7,443	7,726	5,303	5,692	136	124	14,895	15,617	▲ +4.8%
AUSTRIA	40	37	276	274	2,599	2,523	2,080	2,011	24	49	5,019	4,894	▼ -2.5%
FRANCE	123	108	2,606	2,689	2,692	2,684	2,377	2,139	0	0	7,798	7,620	▼ -2.3%
GERMANY	224	272	737	740	11,168	10,760	4,628	3,805	407	129	17,164	15,706	▼ -8.5%
SPAIN	63	62	272	268	819	836	855	856	10	7	2,019	2,029	▲ +0.5%
SWITZERLAND	86	89	262	283	2,098	2,218	554	575	56	73	3,056	3,238	▲ +6.0%
<b>TOTAL</b>	<b>863</b>	<b>894</b>	<b>5,839</b>	<b>6,003</b>	<b>26,819</b>	<b>26,747</b>	<b>15,797</b>	<b>15,078</b>	<b>633</b>	<b>382</b>	<b>49,951</b>	<b>49,104</b>	▼ -1.7%

- The composition of the Group's workforce by level has not changed significantly as far as the percentage of individual levels is concerned.
- The largest change pertains to the sales force on payroll, down by 719 people, thus reducing by about one percentage point their incidence on the total workforce. The sizable increase in employed sellers in Italy only partially compensated for the reduction, which was particularly accentuated in France (-238 people) and especially high in Germany (-823). In France, the fall was related to the new pay system adopted pursuant to an agreement with the trade unions, which was refused by about 15% of sales force on payroll. For them, a plan to protect their jobs was introduced in compliance with the law. In Germany, the decrease is part of the ongoing company reorganization process.
- Among administrative staff, the number of middle managers and managers increased, while the number of employees fell, though the latter still account for 54% of the Group's workforce. The fundamental causes include the reorganization process being implemented in Germany and Austria, where redundancies are managed through early retirement plans for staff members whose positions are then not filled which, as a rule, happens at an employee level. The reduction in the number of employees is also attributable to internal promotions in line with professional growth.
- In France, the incidence of managers and middle managers (36.7%) is notably higher than the Group average (14.5%).
- The Hay method was used for the first time this year to place staff at managerial levels. The method has been used by the Generali Group for many years, and is based on an evaluation of the position the managerial staff member occupies. This helps to evaluate the workforce of different countries on an equal level and provides a coherent comparison.

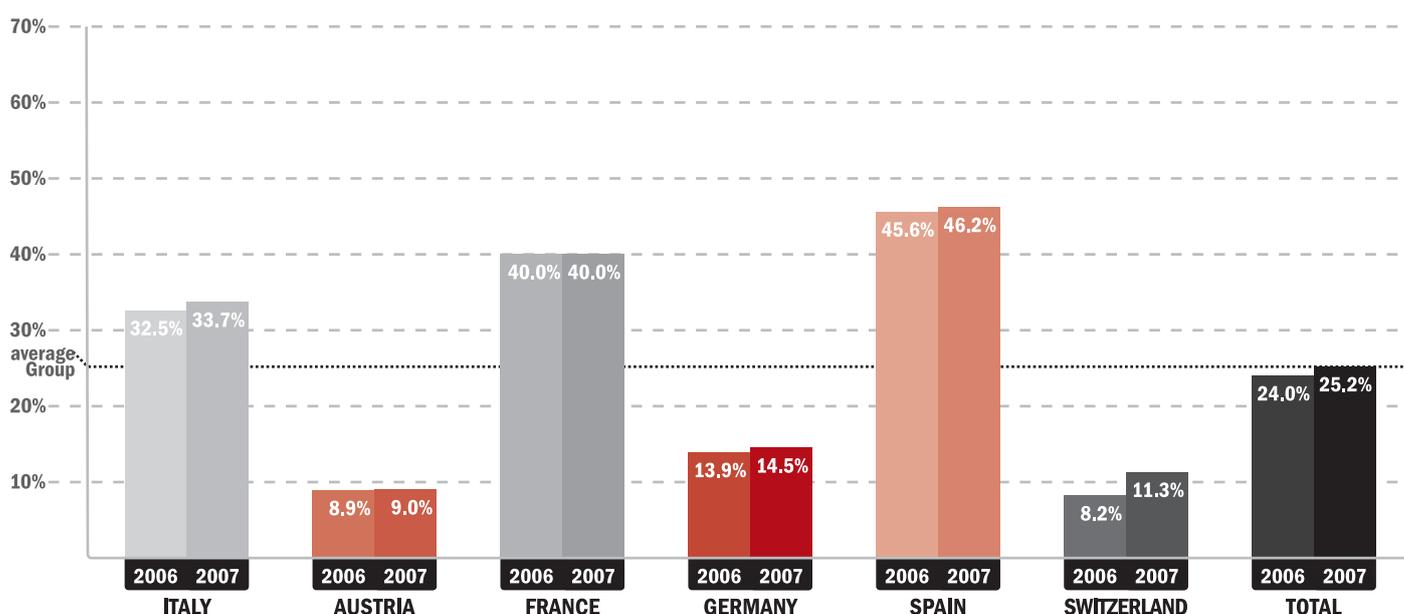
With the diffusion of a growing number of services being provided to the client by phone, especially in the area of claims management and – in direct sales companies – issuance of policies, the number of staff employed at call centres has grown. In 2007, staff at call centres numbered 1,800 (+25% on 2006), equal to about 7% of the employees, which is the category they belong to. Staff employed at call centres represent an important share of the Group's workforce in Spain (about 18%, or 43% of employees), while none is employed in Switzerland.

#### Staff members by type of contract (Sustainability Report area; 2006-2007)

	FULL-TIME PERMANENT STAFF MEMBERS		FULL-TIME TEMPORARY STAFF MEMBERS		PART-TIME PERMANENT STAFF MEMBERS		PART-TIME TEMPORARY STAFF MEMBERS		TOTAL	
	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007
ITALY	13,448	13,973	435	471	931	1,039	81	134	14,895	15,617
AUSTRIA	4,542	4,425	5	0	468	467	4	2	5,019	4,894
FRANCE	6,719	6,370	339	399	698	847	42	4	7,798	7,620
GERMANY	14,843	13,381	189	213	2,069	2,040	63	72	17,164	15,706
SPAIN	1,910	1,894	27	40	82	89	0	6	2,019	2,029
SWITZERLAND	2,632	2,729	46	36	341	380	37	93	3,056	3,238
TOTAL	44,094	42,772	1,041	1,159	4,589	4,862	227	311	49,951	49,104
PERCENTAGE	88.2%	87.1%	2.1%	2.4%	9.2%	9.9%	0.5%	0.6%	100.0%	100.0%

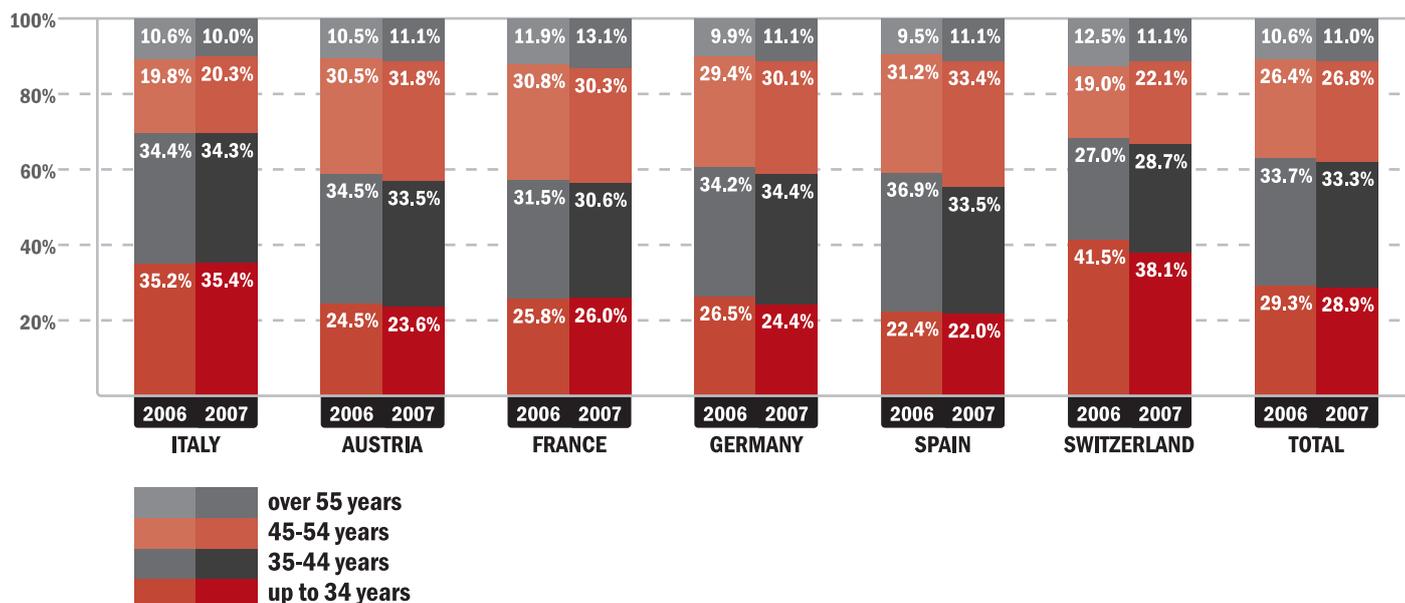
- 97% of the workforce in the Sustainability Report area has a permanent contract, a percentage that gets near 100% in Austria.
- Group companies also employ temporary agency workers, for limited periods of time, offering them temporary contracts or contracts for projects when work is at a peak, for special projects or when staff members are temporarily absent (e.g. maternity or sick leave). In 2007, 992 temporary agency workers were employed, 703 of them in Germany.
- Full-time workers account for almost 90% of the workforce. The incidence of part-time workers, rising in all countries, is especially high in Switzerland (14.6%), Germany (13.4%) and France (11.2%).
- Part-time workers numbered 5,173 in the Sustainability Report area in 2007, equivalent to 10.5% of the workforce, predominantly made up of women (87.5%). The ratio of part-time workers, rising in all countries, is especially high in Switzerland (14.6%), Germany (13.4%) and France (11.2%).

#### Percentage of graduates in staff (Sustainability Report area; 2006-2007)



- In the Sustainability Report area, a fourth of employees have a higher education degree. The percentage is particularly high in Spain (46.2%) and France (40%).
- The number of university-educated employees continues to rise; as company policy in Italy and Austria only graduates are hired.

### Staff members by age bracket (Sustainability Report area; 2006-2007)



- In the Sustainability Report area the composition of the workforce by age bracket has not changed substantially since last year. The most numerous bracket is that of workers between the age of 35 and 44 years old (33.3%) and 62.2% of staff are under 45 years old.
- Switzerland and Italy, where the workforce is expanding, have the highest percentage of young people. In Italy, as a consequence of staff members' retirement in the last few years, almost 70% of workers are under 45 years of age. In Switzerland, a marked generation change is underway, reflected in the fact that approximately 40% of the workforce is under 35 years old.
- The trend over the past year has brought the incidence of the age bracket of people over the age of 54 years old to 11% in all countries, except in Italy (10%) and France (13.1%).

### Percentage by length of service (Sustainability Report area; 2006-2007)

	<2 YEARS		2-10 YEARS		10-20 YEARS		>20 YEARS		AVERAGE LENGTH OF SERVICE	
	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007
ITALY	28.0%	27.2%	31.0%	32.3%	21.6%	21.5%	19.5%	19.1%	10.9	10.8
AUSTRIA	10.0%	9.6%	24.9%	24.0%	32.3%	31.9%	32.9%	34.5%	15.8	15.6
FRANCE	13.6%	15.2%	34.1%	32.2%	23.9%	23.2%	28.4%	29.3%	13.9	14.2
GERMANY	n.a.	11.5%	n.a.	36.2%	n.a.	29.0%	n.a.	23.3%	n.a.	11.4
SPAIN	14.9%	16.2%	23.3%	23.2%	37.6%	33.4%	24.2%	27.2%	15.4	15.2
SWITZERLAND	21.2%	31.9%	53.2%	39.8%	17.9%	16.5%	7.7%	11.7%	8.0	7.0
TOTAL	20.3%	18.4%	31.8%	32.8%	24.6%	25.4%	23.3%	23.4%		

- Loyalty among members of staff in the Sustainability Report area is high: indeed, 48.8% of them have worked with the Group for over ten years. Austrian workers have shown a particular tendency to remain with the company for long periods of time, two thirds being employed for over ten years and a third for over twenty. Seniority is also high in Spain, where over 60% of the workforce has been with the company for more than ten years.
- The lowest levels of seniority are seen in countries where, as mentioned, the workforce is expanding: workers with less than 10 years of service have reached 71.7% in Switzerland and 59.5% in Italy. In Italy, this follows the inclusion in the Sustainability Report area of recently established companies, such as Banca Generali, and the ongoing expansion of the sales force in recent years.

## Equal opportunities

In all countries of the Sustainability Report area, national laws implement the principle of equal opportunity and non-discrimination. In addition, in some countries national contracts for the insurance industry also address the issue in a specific way.

In line with this policy, examples of rules are given in Generali Group company contracts to ensure **equal treatment between men and women** in the process of selection, training, promotion and wages, often anticipating the implementation of European and national legislation. This policy is explicitly laid down in the Generali Group's Ethical Code and European Social Charter, rejecting any form of discrimination to its members of staff, and to all its counterparts.

The table shows some ongoing initiatives being implemented in countries of the Sustainability Report area.

Country	Policies of equal opportunity among men and women
Italy	<p>The National Contract for the insurance sector renewed in September 2007 confirms the role of Italy's Equal Opportunities Mixed Commission whose task is devising and promoting equal opportunity initiatives and advising Company Committees.</p> <p>A Company Equal Opportunities Committee, comprising a representative from each Group company and a delegate from each trade union, was established at the end of 2006 as provided for by the Supplementary Company Agreement. In 2007, the Commission began by addressing certain issues, in particular those pertaining to the problems workers face in combining family and professional life.</p>
France	<p>Since December 2006 a trade union agreement has been in place affecting all Group employees in the country. It describes the fundamental principles of professional equality between men and women, especially on issues like salary, recruitment, mobility, career development and combining family and professional life.</p> <p>The new 2007 agreement maps the plan to implement a global policy on promoting equal opportunities by 2008 to cover all aspects which until now were dealt with individually: disabled people, equality among men and women, young people joining the workforce and so on.</p>
Germany	<p>Each company has appointed an ombudsman to monitor and enact necessary measures in case of violations of equal opportunity legislation (entered into force in August 2006). All members of staff are kept informed by letter, e-mail and articles published on the company Intranet about the legal provisions and the rules of conduct to adopt, and staff receives adequate training on the issue.</p>
Spain	<p>The new company contract contains specific articles to ensure equal opportunities in the selection, training, career development and remuneration process; a dedicated Committee has been constituted to ensure its application.</p>
Switzerland	<p>Equal opportunity and professional equality legislation exists and employee regulations also forbid any type of discrimination. The Human Resources Committee is responsible for ensuring that these regulations are observed, and is responsible for intervening in case of violation, too.</p>

Percentage of women by level (Sustainability Report area; 2006-2007)

	MANAGERS		MIDDLE MANAGERS		EMPLOYEES		SALES FORCE ON PAYROLL		OTHER		TOTAL			
	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007		
ITALY	9.5%	10.1%	19.0%	20.2%	47.8%	49.3%	32.8%	35.0%	22.1%	29.8%	38.1%	39.9%	▲	+1.7%
AUSTRIA	7.5%	2.7%	15.9%	17.2%	55.8%	56.0%	12.8%	13.4%	0.0%	0.0%	35.3%	35.6%	▲	+0.3%
FRANCE	20.3%	22.2%	49.3%	49.8%	70.6%	70.5%	19.8%	20.4%	0.0%	0.0%	47.2%	48.4%	▲	+1.2%
GERMANY	4.9%	7.4%	19.1%	19.1%	53.6%	51.6%	17.6%	17.4%	26.3%	75.2%	41.1%	41.2%	▲	+0.1%
SPAIN	6.3%	6.5%	8.8%	9.0%	47.5%	47.6%	30.6%	30.4%	0.0%	0.0%	33.6%	33.8%	▲	+0.2%
SWITZERLAND	11.7%	11.8%	34.3%	32.7%	54.0%	55.3%	3.8%	3.7%	0.0%	0.0%	41.6%	42.4%	▲	+0.8%
TOTAL	9.7%	10.3%	32.6%	33.3%	53.8%	53.4%	22.6%	24.2%	25.4%	44.8%	40.3%	41.1%	▲	+0.3%

- Women represent over 40% of the Group's workforce, with a slight increase on 2006, which is more accentuated in France and especially in Italy. In Italy, the number of women employees has risen sharply (+545 people, or 9.6%); the number of women has grown at all levels, but especially among those joining the workforce (sales force and employees). The fact that women are particularly numerous among new recruits is confirmed by the sizable rise in the number of women employees in Switzerland, the other country in the Sustainability Report area where the workforce has grown.
- Despite the fact that the number of women has increased on all levels, their presence continues to be concentrated especially among employees, accounting for 53.4% of employees in the Sustainability Report area, and over 70% in France.
- Group-wide, the number of women holding positions of greater responsibility has risen: there were one hundred more women managers and middle managers in 2007 compared to the previous year, boosting also the proportion of women in the bracket. France continues to stand out for a high percentage of women in executive roles; a sizable increase has been observed in Germany, where previously the percentage had been modest.

The workforce in each country is almost entirely made up of local staff, as Generali has always valued the contribution that the local population can offer in terms of market knowledge and business development.

Staff members of all **nationalities** are offered equal opportunities for professional and career growth, and infragroup mobility is promoted and implemented at a national and international level; on average over 90% of managers are local, while the remainder are foreign, but not all are from the Parent Company.

In all countries in the Sustainability Report area, laws are in place to protect equal opportunities for **disabled people** in social as well as professional fields.

Each law sets out different regulations on disabled people joining the workforce. Therefore it is not possible to provide data on equal terms, especially because the definition of disabled people and the percentage of reduced professional capacity to be classified in the category change from country to country.

Group companies refer to current legislation in each country when it comes to recruiting disabled people. In 2007, disabled staff members numbered about 1,300.

Most company premises have been equipped to make it possible to handicapped users to carry out their tasks. They include: accessible bathrooms, sliding doors, lifts and work stations equipped with large computer monitors and special equipment for the deaf and dumb, and the blind. The company premises that do not yet provide accessibility are planning restructuring to eliminate architectural barriers. Some companies also offer special parking spaces, whilst in France the company provides transportation for 6 disabled workers to their place of work.

## Il Pôle d'Insertion des Travailleurs Handicapés (PITH)

In France in 2005, the Group created a special structure called PITH (Pôle d'insertion des travailleurs handicapés) whose function is to facilitate disabled people joining the workforce.

A three-year plan was devised that focuses on three guidelines:

- follow the educational and professional development of disabled staff members, helping them join the workforce in a human and material sense;
- raise awareness among members of staff on the issue of disability;
- be a reference point for companies on disabled people joining the workforce.

In 2007, resources allocated for PITH helped organise sports and cultural activities for disabled staff members and a number of activities to raise awareness on the issue of disabled people. In particular, a theatrical performance was organized, written and acted by 12 Group staff members with the help of 2 professional actors, portraying scenes from company life highlighting some of the difficulties a disabled person encounters in the workplace, in a serious but also witty way.

Lastly, the "CaPITHalisez vos compétences" project was launched, comprising training courses (IT, stress management, consultation on how to write a Curriculum Vitae and so forth) geared for unemployed disabled people in Seine-Saint-Denis and in Paris. The courses were attended by 374 unemployed people, many of whom found a job in local companies at the end of 2007.

## Policies for combining professional-family/personal life

Generally, there is a good degree of **flexibility** in the working week to accommodate staff combining work with family and personal demands, varying in duration on the basis of national contracts applicable in the different countries: ranging from 35 hours in Spain and France to 41 in Switzerland.

Some companies impose no restrictions on what time staff members come to or leave work: in Switzerland and Austria, members of staff may negotiate their working hours with the Head of Department in compliance with the legal limits (in Austria, working hours cannot exceed 10 hours a day). Employees in Italy, on the other hand, are offered a flexible arrival and departure time. In France, employees have several options, involving flexible combinations of workdays and holidays. Any extra hours worked that exceed the legal limit of 35 hours worked in a week can be offset as paid time off. In Germany, flexible working hours are agreed on an as-needed basis to suit the needs of young families.

Europ Assistance companies provide policyholders with service 24 hours a day, 7 days a week. Work hours are therefore divided into shifts lasting about 8 hours a day 5 days of the week. Similarly, some call centres which offer assistance until 10 pm, work on several shifts.

Vertical and horizontal **part-time** work contracts are available in countries/companies of the Social Report area where such types of contracts are permitted and/or present. On the whole, working hours are reduced by 50%, but larger or smaller reductions are often possible, varying between a maximum of 80% (in France) and a minimum of 20% (in Switzerland).

Staff members are often granted a part-time contract for family reasons, such as the need to provide care for close relatives (parents, children, spouse or other household members) who are ill or disabled, or to take care of children younger than 14 years old, or for serious personal reasons. In France, workers over 55 years of age are encouraged to work on a part time basis, to prepare "gently" for retirement. In Germany, a similar option is made available in the contract for older workers. Whether a staff member is granted a part time contract generally depends on whether this is compatible with the company's technical, organizational and production needs. Where it is not possible, employees may however be granted fewer work hours if they are willing to consider equivalent responsibilities or be transferred to a different department within the same company. The option to return to full-time work often remains open, though normally for a period of time limited to a certain number of years, after which the company may still decide to accept the request.

The challenges of combining family and professional life are among the main issues addressed by the Company Equal Opportunities Committee in Italy.

In Switzerland, **in-house nurseries** were opened in Adliswil and Nyon to help staff members with small children combine their work and family commitments. Also in Munich, in Germany, a nursery and Kindergarten are provided for pre-school age children of Generali members of staff. Different levels of financial aid are available for both services according to employee salary.

Employees are permitted **absences** as established by law, by national collective contracts and company fringe benefit contracts. The treatment offered by most Group companies – though differences exist depending on the country – is generally more favourable than the minimum requirements established by law or national collective contracts for certain types of absence, such as marriage, family bereavement, pregnancy, maternity/paternity leave, sickness and children’s birthdays, medical appointments and treatments, study purposes, providing care for disabled family members and donating blood. Where company organisation permits, employees are generally entitled to take days or partial days off that can either be counted as paid time off, or they can make the hours up, helping combine work with personal and family commitments.

Percentage of absence at work (Sustainability Report area; 2006-2007)

	HOLIDAYS		PAID LEAVE		UNPAID LEAVE		ILLNESS AND ACCIDENT		MATERNITY LEAVE		TOTAL	
	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007
ITALY	9.35%	9.57%	0.50%	0.45%	0.34%	0.34%	3.81%	3.82%	1.78%	1.98%	15.79%	16.16%
AUSTRIA	11.32%	11.51%	0.38%	0.40%	0.00%	0.00%	3.46%	3.82%	1.40%	1.88%	16.56%	17.62%
FRANCE	9.75%	10.48%	0.28%	0.33%	0.04%	0.04%	4.21%	4.58%	1.20%	1.47%	15.48%	16.90%
GERMANY	12.01%	11.74%	0.35%	1.41%	0.03%	0.04%	5.26%	5.25%	0.39%	0.55%	18.04%	18.99%
SPAIN	11.20%	11.37%	0.78%	0.60%	0.00%	0.00%	3.83%	3.90%	0.86%	0.72%	16.67%	16.59%
SWITZERLAND	9.13%	9.65%	1.35%	1.34%	0.10%	0.21%	3.20%	3.09%	0.53%	0.34%	14.31%	14.64%
TOTAL	10.69%	10.41%	0.43%	0.78%	0.13%	0.14%	4.36%	4.41%	1.08%	1.32%	16.68%	17.07%

- The absenteeism rate is calculated as the ratio between the number of days of absence (total or by identified cause) and the number of working days on a yearly basis (excluding Saturdays, Sundays and holidays) multiplied by the number of staff at the end of the year.
- On the whole, in 2007, a slight increase in the absenteeism rate was observed in all countries. Germany continued to record the highest rates of absenteeism (19%).
- Absences for all kinds of reasons rose, with the exception of holiday leave, which fell slightly.
- The absenteeism rate for maternity, mirroring the proportion of women in the workforce, is also influenced by different national legislation in different countries, which establish different compulsory maternity leave periods (varying between 14 weeks in Switzerland and Germany and 20 in France and Italy).
- The leading cause of absenteeism is days off for holiday leave. In most countries of the Sustainability Report area, staff members are entitled to 25 paid days off a year, rising to 30 where the working week is 6 days long.

## The workplace

All Group companies have a structure that manages issues relating to **risk prevention** and health and safety in the workplace. Workers are informed of regulations and initiatives relating to health and safety by means of brochures, pamphlets, dedicated display cases, e-learning courses and the Intranet. The corporate Intranet generally provides the conduct standards to be adopted in case of emergency and other information material to promote a culture of prevention, health and safety among all employees. Specific training and refresher courses are also organized for staff members with special tasks in case of medical or fire emergency.

All Group companies have drawn on the advice of ergonomic experts for designing their premises in consideration of the health and safety of their workers, making working conditions more comfortable and increasing efficiency and reliability in the interface between man and machine.

Smoking has been banned in public places in Italy (since 2005), in Spain (since 2006), in Austria and in France (since 2007), in Germany (since 2008), while regulations are in place for the protection of non-smoker employees in

Switzerland. In all countries, Group companies have introduced measures not only to implement current legislation, but also to provide incentives and support to members of staff who want to quit smoking, offering special programmes coordinated by doctors, psychologists and other experts.

### Structures for health and safety

Country	Structures and tasks
Italy	Major Group companies have Workers' Representatives for Safety in the workplace, elected by the workers. The largest Group companies in Rome have an agreement for emergency healthcare management with Medital, of the Europ Assistance Italia Group.
Austria	A structure has been created, including two safety experts and nine doctors. Each year it conducts safety checks at all Group companies. Each company has a safety Committee, which drafts safety protocols, subject to control by the Government Agency. Staff members are given training in particular on fire protection and first aid, to create a rapid response team within the company. An alcohol-prevention programme has been set up for employees.
France	A Health Department was created with an eight-strong team, including two doctors and five nurses. Its purpose is to monitor employee health and implement preventive health policies.
Germany	A Health and Safety Committee comprising experts, the company doctor, workers' representatives and a company representative is in place in compliance with law. The Committee evaluates working conditions and social/health services, it makes sure safety regulations are observed, it supports and motivates workers to adhere to them, and it adopts measures to prevent accidents in the workplace.
Spain	A Group-wide Committee was created to ensure employee health and safety. According to the law, each company appoints a person to coordinate the Medical service, and Health and Safety in the workplace to work in collaboration with workers' representatives. Europ Assistance has signed an agreement with a company specializing in preventing accidents in the workplace.
Switzerland	Companies provide a first aid station and procedures have been put in place in case of accident, in compliance with the national labour law. In Zurich and Geneva offices, moreover, Red Cross units (of 5 people) are available during working hours to handle emergency situations and any other medical needs. A system has been implemented to help members of staff with health problems, drawing also on external consultants. Four people at BSI have been appointed to take care of physical safety, supported by a health intervention team, equipped with radio-paging system, medical supplies and cardiac defibrillator.

In all Group companies of the Sustainability Report area in 2007 **563 accidents occurred** in the workplace, down from 2006 (590). For the most part, they involved injuries occurring as a result of road traffic accidents on the journey to or from work which happened especially to the sales agents in the course of their business.

## Human resources policies

The Group's human resources policies feature:

- attention to staff members and commitment to offering them the opportunity of personal and professional growth, by enhancing their expertise and skills and developing their potential;
- in considering positions of responsibility, the Group is increasingly inclined to trust talented young people who are open to change and who are eager to advance their careers.

Attention and commitment to human capital are outlined in official documents like the Ethical Code (see "Group" chapter) and the **European Social Charter** of the Generali Group, both available on the website [www.generali.com](http://www.generali.com). The European Social Charter, compiled in collaboration with the European Works Council, which will be discussed in more detail later in the chapter, defines the workers' fundamental rights and the development targets set for the issues on the protection of human resources and of the representation of the Group's workers.

Some particular characteristics of the various management systems with regard to human resources are illustrated below.

## Selection and recruitment policies

- The selection process is based on the principles of correctness and impartiality.
- Candidates for vacant positions are primarily sought within the Group itself. Staff members can apply through job-posting, or human resources offices may headhunt the candidates themselves.
- If it is necessary to look outside the Group, applicants who have contacted the company spontaneously by post or through the company website are first considered, as are candidates nominated by universities or post graduate institutes.
- In some countries, employment agencies are contacted and positions are advertised in the press and on insurance and financial websites, especially where management positions or sector experts are concerned.

Suitable candidates have a good university degree and/or consolidated experience in the sector and good knowledge of at least one foreign language. An industry-related master degree is the preferred qualification for top positions. Some Group companies require applicants to complete aptitude and psychological tests to verify their skills and potential.

In 2007, a decision was made to define and homogenise recruitment and hiring policies and criteria across the Italian Group companies in line with Group values, with the intent of increasing the number of potential staff members and thus improve their professional quality and profile.

To pursue this goal:

- the responsibility of searching for and selecting candidates for management positions in Italian companies from the external job market was assigned to the Group's Human Resources Department;
- a training course for recruiters was organized in collaboration with the Generali Group Innovation Academy (GGIA), attended by about forty specialists from all Italian Group Companies;
- the "Selection Network" was established. It is an inter-company work group comprising staff members from various Human Resources areas, with the job of assisting the central department in attaining the abovementioned targets for improvement. Five work groups were set up to work on specific projects, to be completed in the first half of 2008;
- in order to find quality candidates, relations with universities and post-graduate institutions were consolidated at events, presentations and Career Days;
- a database was also created for job applications received on the web, intended to place all potential candidates within reach of all Italian Group companies.

This approach is shared in the major European countries where the Group has operations; in particular in France, where the implementation process was launched.

## Salary and incentive policies

- General policy is to ensure balance of pay levels in relation to positions and responsibility, in accordance with local salary markets.
- Group-wide, salaries for non-management positions are linked to current Collective Bargaining Agreements and company-based agreements in each country. Each company also offers additional incentive programmes – on a meritocratic basis – to enhance staff performance and the achievement of specific goals.
- The salary of company directors and part of the management is calculated using the "Hay method", which attributes a score and makes it possible to elaborate salary policies based on internal equity needs and on comparison with the market as a whole.
- Managers express a periodical evaluation of the results achieved by managerial staff members using the following parameters: work performance (in terms of quality and quantity output, commitment, timekeeping and behaviour); how an individual develops his knowledge and skills; professional development, and how well the employee receives comments and suggestions aimed at identifying his/her professional goals and future training opportunities.
- The Generali Group has adopted an incentive system that assigns personal objectives to managers under the "Balanced Scorecard" method.

Individual remuneration and motivation policies in the Sustainability Report area are listed below.

### Evaluation processes for human resources

Country	Assessment methods
Italy	Management as a whole (managers and middle managers) is involved in a Group-wide expertise development process which, in its initial stages, uses a structured method (assessment centre or 360° multirater feedback) to recognize expertise. The recognition stage marks the start of a broader process that leads to the identification of personal development plans on an individual basis for the people involved (micro tactics, training, coaching, organization opportunities, etc.).
Austria	An evaluation interview is conducted for each staff member focusing on: comments, information on future tasks, defining qualification measures, cooperation between managers and staff members.
France	The national agreement requires every member of staff to be classified in one of the seven salary levels, established by means of annual interviews and on the basis of five criteria: training and experience, problem identification and solving ability, interpersonal skills, autonomy and significance of contribution made).
Germany	The worker evaluation process is ongoing. Managers are evaluated annually on the basis of performance and individual potential for development, whilst executive personnel takes part in an evaluation interview with their superiors focusing on their expertise profile and individual development planning.
Spain	The MBO (Management by Objectives) system is applied for directors and managers, based on the results achieved by the company and personal objectives, while the performance evaluation system is used for other workers.
Switzerland	The basic reference for staff advancement is the "model of expertise", which evaluates the skills needed for the desired profile and those already possessed, aiming at bridging the gap. All staff members undergo annual performance and career development evaluations.

### Stock option

Long-term incentives aimed at managers comprise stock option plans on shares of the Parent Company.

The **2005-2007 stock option** plan divides recipients into three brackets, based on criteria that include different levels of responsibility, contribution to the company's economic results and position in the company.

The Board of Directors has the task of setting performance objectives to be achieved for the person to be granted the shares and of verifying that the objectives are met.

The right may not be exercised in the first three years of each allocation, after which the recipient has three years in which to do so.

In 2007, the Company made the third annual stock grant involving a total of 2,047,000 stock options. For further information on the stock option plan and on management remuneration, see the Generali Group's financial statements 2007 available at [www.generali.com](http://www.generali.com).

In December 2007, the free allocation of shares was made to all employees of Generali Group companies all over the world who worked permanently in Group's company as at 31 December 2006. The initiative is part of the Group's celebrations of its 175th anniversary.

### Benefits

The salary package of the Group companies includes a number of **benefits**; this is believed to be an important factor for encouraging the active participation of employees and other members of staff. Four benefit categories can be identified:

- 1. Supplementary retirement plans** – Each country in the Sustainability Report area has a supplementary retirement scheme for employees.
- 2. Healthcare** – The Group has set up a series of insurance tools to provide its members of staff access to quality healthcare at no or very low cost.

In Italy, the Healthcare Fund bears the cost of a number of insurance benefits for employees who have worked for the Group for a period of at least 12 months. It covers accidents in the workplace; hospital admissions due to illness, accidents, surgery or childbirth; life and permanent disability insurance during the work period; major surgery (reimbursing costs of diagnostic testing, drugs and care pursuant to the surgery). The healthcare coverage of orthodontic care, consultant visits and diagnostic tests, healthcare and outpatient services is particularly significant, and it is extended to employees and their family members. Moreover, for all employees, for whom the Collective Bargaining Agreement for the insurance sector is implemented, the Group takes responsibility for the cost of insurance against the risk of staff members losing their self-sufficiency (coverage extending into retirement), managed by the "Long Term Care Fund", specially set up nationwide.

The Group assumes the cost of additional health coverage for all staff members also in France and Switzerland; in Spain, such coverage is available exclusively to management.

**3. Other benefits for members of staff and their families** – Other benefits, some extended to family members, depend on the company and salary level. In general, employees enjoy discounts and/or more favourable contractual conditions for numerous types of life and non-life policies and bank products; moreover, they can obtain concessional loans and/or mortgage loans from Group or partner companies to buy, renovate or build their own homes or to purchase a vehicle. Depending on the company they work for and the country they live in, employees may also be entitled to benefits such as canteen or luncheon vouchers, free tax assistance, study grants for children and reimbursement for relocation costs (in case of mobility). To improve language skills, many companies offer their employees subsidised language courses.

To foster loyalty among employees, German companies pay out one-off cash sums and award additional paid days off on reaching a certain number of years in the company (25, 40, 50 years), in addition to awarding an extra monthly allowance after 10 years of service. In Italy employees are also rewarded after 20 or more years of service.

**4. Social and cultural activities** – The Group is aware of the recreational, sports and cultural needs of its members of staff. Group companies contribute to supporting sports, social and cultural activities for its staff members. In addition, the Group organizes Christmas parties and similar events at other times of the year and gives gifts.

## The Children's Festival (Italian Group)

This year, the traditional "Children's Festival" – where some Group companies gave gifts to the children of employees – was transformed into a project which not only involved the staff of all Italian Generali Group companies in a joint event, but also offered the opportunity of concretely showing **solidarity for less fortunate children**.

In particular, parents were offered the possibility to choose a gift for their child among 4 gifts of different value, or to turn it down completely, thus giving more money to charity. All members of the Group staff (including non-parents) were invited to participate in a survey to select the Italian and international organisations for less fortunate children to be supported through the initiative.

The parents involved were so generous that 60,000 euros were collected, which were equally divided among the three non-profit organizations that received the most votes:

- **Save the Children**: the largest independent international organisation committed to defending and promoting children's rights. The sum will be used to support "Rewrite the Future", a campaign aimed at guaranteeing access to education for children in poor and conflict-affected countries;
- **A.B.C. Burlo**, a volunteer association working to help children affected by serious malformative diseases requiring complex and multiple surgery. The sum will be used for research into this field;
- **Luchetta D'Angelo Ota Hrovatin Foundation**, which supports child victims of war and will use the money donated by Generali Group to reopen the Qana hospital in Lebanon and to manage a support centre for sick children and their families coming from war-torn countries.

Some countries also support **retired colleagues**:

- in Italy, the Parent Company also supports the Senior Company Staff Group. It groups around 3,700 retirees and widows of former and current employees who have worked for the Company for over 20 years. The Senior Group organises social and cultural activities, along with trips for members and provides assistance to those in need. The annual "Seniors' Party" – a key event – is also attended by the company Top Management;
- in Austria the association "Silberlöwenclub" unites Group retirees and plans cultural and entertainment events.

Cultural initiatives that merit special mention include:

- in Italy, the literary prize "Carlo Ulcigrai" promoted by the Parent Company's recreational group;
- in France – in collaboration with the Université de Tous les Savoirs – the Group has founded a club that gives employees the opportunity to participate at conferences with top speakers from universities, from the fields of economics and social sciences. The initiative "Les pauses sourires" – which was awarded the *Argus d'or* in 2005 – was organized for employees after the opening of new offices in Saint-Denis, in order to nurture a sense of belonging to the Group and promote social cohesion. In 2007, dozens of cultural events were organized at lunch time (historical exhibitions, guided tours, conferences, etc.), attracting 8,000 attendees from Group staff members.

## Labour/management relations

The Generali Group recognizes the rights of its members of staff to trade unions, appointing workers' representatives and exercising their functions with respect for freedom of association.

All staff members are employed with a work contract, and undeclared employment or exploitation are not tolerated in any form. In particular, in the Sustainability Report area, all employees are covered by an industry-wide contract. In Austria, Germany and Switzerland, no direct contact is possible between companies and trade union organisations, therefore negotiations for the Collective Bargaining Agreement (CCNL) are conducted through National Federations of Insurance Companies.

Data on trade union membership ratios cannot be disclosed, as in many countries membership to the trade unions takes place through channels external to the company. The company is not informed and, for privacy reasons or in compliance with the law, as is the case in France, employers are not permitted to ask employees to provide such information.

When there are changes within the organisation, it is Group policy to protect jobs where possible. Company restructuring is managed using tools such as early retirement incentive plans for senior workers, not hiring people to positions when a staff member leaves and relocating employees made redundant to other Group companies. In all Sustainability Report area countries, workers' representatives are informed of changes in the organisation with at least 30 days notice. France is an exception, where at least one week's notice must be given prior to when the meeting is to be held to inform workers' representatives of the situation.

### Main agreements entered into in 2007

Country	Agreements and outline of contents
Italy	<ul style="list-style-type: none"> <li>• agreement to renew the collective bargaining agreement for the insurance industry for non-management (2006-2009) and management (2007-2010)</li> <li>• establishment of a "Joint National Observatory against Mobbing"</li> </ul>
France	<ul style="list-style-type: none"> <li>• agreements concerning, in particular, the duration of work hours and profit-sharing</li> <li>• salary agreement (valid until 2010)</li> <li>• collective agreement to cover employee health costs (Europ Assistance group)</li> </ul>
Germany	<ul style="list-style-type: none"> <li>• renewal of collective bargaining agreement for the insurance sector. Changes include: extension of the agreement for partial retirement, salary increase for trainees and a collective agreement on qualification</li> </ul>
Spain	<ul style="list-style-type: none"> <li>• the collective bargaining agreement was renewed (2007-2010), and was devised to make working conditions and salaries consistent in all Spanish Group companies. Changes include: harmonization of working hours, rules on paternity leave, creation of a relief fund for staff members, creation of a Group-wide Committee to combine work and family and a health and safety Committee</li> </ul>

In 2007, ten years from the constitution of the **European Works Council (EWC)** – an information and consultation body for staff members throughout Europe – the Generali Group signed a new agreement that rekindles dialogue with the objective of improving workers' rights to information and consultation on cross-border transactions. The agreement consolidates the Group's attention to social aspects of interest to workers internationally, extending issues for consideration and providing a framework to involve Top Management. Its main contents include:

- the forecast of an increase in the number of workers' representatives (currently there are 40 delegates from 17 countries in the EU);
- recognising the Restricted Committee (comprising 7 representatives elected internally to the EWC) as a preferred participant in dialogue with the Parent Company, and the option of providing non-binding opinions on the measures decided by the Group.

## China, Colombia and India

In the territory where the Group has operations, China, Colombia and India present the greatest risk for human and workers' rights violations. In these countries, the Group has adopted special policies to protect the basic rights of all its staff members.

### Non discrimination

Recruitment policies in these countries disallow any form of discrimination on the basis of gender, race, nationality, religion, age, disability and sexual orientation. There are no differences in salary between men and women.

### Contracts of employment

None of the three countries have an industry-wide contract; therefore, as far as the Group is concerned,

- in **China**, collective company-based agreements exist for permanent and temporary staff. Salaries - graduated according to the level of employment, and varying according to the tasks - are in line with national average in the insurance industry. Overtime hours are paid, too. The working week is 37.5 hours;
- in **Colombia**, there is no collective company contract: employment contracts are compiled on an individual basis and may be "custom written" to consider special requirements. Salaries - graduated according to the level of employment, and varying according to the tasks - are in line with national average in the insurance industry; the minimum salary is twice the national minimum wage. The working week is 48 hours, distributed over six working days, and may be increased up to a maximum of 58 hours a week, including overtime hours, which are paid;
- in **India**, there is no collective company contract: employment contracts are compiled on an individual basis and are implemented by appointment letters. Salaries - graduated according to the level of employment - vary according to the tasks; the concept of overtime hours for employees does not exist. The working week is 40 hours for Management and 44 hours for employees in the offices.

### Trade Unions

Members of staff in all three countries are entitled to join trade unions, although companies do not release membership rates.

### Health and safety for staff

In the three countries, companies not only fully meet legal requirements on safety (health insurance and work accident insurance are legal requirements only in China and Colombia), but they offer their staff also additional benefits:

- in **China**, where health insurance is mandatory, Group employees have additional healthcare and accident coverage;
- in **Colombia**, where the National Health Service provides health and accident coverage, Generali has signed a health policy to provide its employees with better service;
- in **India**, the absence of any public health coverage, all Generali employees are covered by a life, accident and health policy.

## SALES FORCE

### Agency networks

Agency networks play a primary role in the Group's multi-channel commercial structure. There are over 9,000 in the Sustainability Report area. The networks include:

- **contracting agencies**, managed by independent agents, who have been granted the authority to manage and develop the Group's insurance portfolio in their exclusive, designated area. This type of agency is the most common;
- **company agencies**, where the agent and members of staff are employees of the Group companies. This organisation is typical of the Austrian companies of the Group and is also adopted by Alleanza Assicurazioni in Italy, Volksfürsorge in Germany and Generali Iard in France. Assicurazioni Generali, alongside an extensive network of contracting agencies, has five company agencies – the so-called "gerenze" – in major Italian cities which focus their attention on the corporate market.

#### Agencies by premium bracket (Sustainability Report area; 2006-2007)

	<1 MILLION PER YEAR		1-2 MILLIONS PER YEAR		2-4 MILLIONS PER YEAR		4-6 MILLIONS PER YEAR		>6 MILLIONS PER YEAR		TOTAL	
	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007
ITALY	487	530	269	273	555	533	448	409	639	721	2,398	2,466
AUSTRIA	3	4	0	0	15	15	24	23	84	82	126	124
FRANCE	488	426	282	287	112	121	15	16	9	14	906	864
GERMANY	3,836	3,761	209	232	39	40	2	2	3	3	4,089	4,038
SPAIN	1,207	1,287	87	109	29	28	15	14	63	66	1,401	1,504
SWITZERLAND	0	0	0	0	0	0	8	6	54	54	62	60
<b>TOTAL</b>	<b>6,021</b>	<b>6,008</b>	<b>847</b>	<b>901</b>	<b>750</b>	<b>737</b>	<b>512</b>	<b>470</b>	<b>852</b>	<b>940</b>	<b>8,982</b>	<b>9,056</b>

- The number of agencies increased by 74 units overall in the Sustainability Report area in 2007 against the previous year. This includes an additional 104 agencies in Spain and 68 more in Italy, while the number fell in other countries, especially in France (-42 agencies).
- In 2007, two thirds of agencies generated yearly revenues lower than one million euro. These small-sized agencies are particularly numerous in Germany and in Spain (85.6%), where the agency network is in the process of becoming stronger and new units are opening.
- On the contrary, there is a high predominance of agencies within the premium bracket of over six million euros per year in Austria (66.1%). This is the predominant category in Switzerland (90%), where none of the agencies have annual revenues lower than four million euros.

#### Agents by seniority of service (Sustainability Report area; 2006-2007)

	<2 YEARS		2-10 YEARS		10-20 YEARS		>20 YEARS		TOTAL	
	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007
ITALY	16.1%	12.8%	37.6%	39.9%	28.5%	29.4%	17.8%	17.9%	3,552	3,601
AUSTRIA	42.6%	39.0%	48.6%	51.0%	4.2%	4.8%	4.6%	5.2%	216	210
FRANCE	9.4%	13.5%	42.5%	42.4%	28.1%	26.9%	20.0%	17.2%	1,112	1,061
GERMANY	32.1%	31.0%	39.6%	40.4%	16.8%	17.3%	11.5%	11.3%	4,089	4,038
SPAIN	33.2%	40.1%	42.2%	38.4%	16.9%	15.5%	7.7%	6.0%	9,567	7,749
SWITZERLAND	25.2%	40.1%	45.1%	50.3%	20.3%	6.4%	9.4%	3.1%	556	574
<b>TOTAL</b>	<b>28.3%</b>	<b>30.6%</b>	<b>41.0%</b>	<b>40.0%</b>	<b>19.6%</b>	<b>19.1%</b>	<b>11.1%</b>	<b>10.3%</b>	<b>19,092</b>	<b>17,233</b>

- For the Generali Group, agents are the main points of reference in the agency network. In 2007, the overall number of agents fell by 1,859 units, or 9.7%. This reduction is to a large extent due to the introduction of a new law on insurance brokerage in Spain, which sets out the requirements for exercising the activity. For the Group this meant a 1,818 fall in the number of brokers (-19%) who did not meet the minimum legal requirements.

- The distribution of agents by seniority of service varies significantly in the different countries of the Sustainability Report area. In Italy and in France, Generali can rely on a very loyal network with great experience, over 44% of agents having worked with the Group for over ten years and another 40% for more than 2 years. In Austria, Spain and Switzerland, about 40% of agents are new to Generali. In Austria, this can be attributed to the recent decision to draw on the services of agents in addition to employed sellers and brokers. In Spain and Switzerland, on the other hand, the network is being expanded by newly recruited brokers.

As at 31 December 2007, the sales force in the Group's agency network in the Sustainability Report area numbered **161,737 people**, comprising:

- **17,233 agents**, the vast majority of whom – as mentioned – are free agents, have their own staff and define the latter's tasks and salary;
- **104,954 sub-agents**, appointed by agents to manage the business – at their own risk and expense – in some zones within the area assigned to them. This category includes about 93,200 part-time agents appointed by the Group in Germany, where they are especially numerous;
- **24,472 self-employed agency co-operators**, a special type of agent in Italy who generally find new clients on behalf of the agent and, in the case of those collaborating with Alleanza Assicurazioni (11,610), collect premiums at the clients';
- **15,078-strong sales force on payroll** who works on the territory mainly in the retail segment, supported by an agency appointed by the Head Office or company agents.

In all countries, each individual company has a specific managerial structure that defines business strategies for the coordination of the sales and agency network. Control, technical and administrative support for networks are often provided through a complex macroarea structure, each led by an area manager. Moreover Assicurazioni Generali (in Italy) and Generali Vie (in France) subdivide sales areas into inspection zones which are entrusted to a Management Inspector. The latter is responsible for directly managing agencies and employed sellers in the relevant area.

The Group often **recruits agents** from the Company's ranks, from among the employed sales force or sales inspectors. New agents are typically selected from among the sellers who prove they have adequate sales and organizational skills after a training period. In other cases, agents and sales employees are recruited through a careful selection process from candidates proposed by the agents themselves or by specialist companies, or who have spontaneously sent in an application or responded to a job advertisement.

In Italy, in 2007, the **legal and regulatory framework** for the distribution of insurance products experienced a fundamental change associated with the introduction of the Italian Legislative Decree no. 7/2007 (the so-called Bersani-bis Decree), which changed the competitive and institutional context of the market, abolishing exclusivity for non-life insurance policies, effectively paving the way for agents to working for more than one company. A substantial change in the relationships between companies, sales channels and clients followed, and the effects will be increasingly evident in upcoming years.

Another important change is the introduction of the ISVAP Regulation no. 5/2006, which, to implement a European regulation:

- fixes new requirements for insurance brokers, linked closely to the principles of professionalism, honour and solvency;
- establishes the Single Register of Insurance and Reinsurance Brokers (R.U.I.);
- establishes rules of conduct for brokers towards the client and, in particular, the obligation to acquire information to evaluate the policyholder's needs and propose the best conditions possible (the so called adequacy principle).

The new legal and regulatory framework accelerated the changes already underway in the policies for the management of sales channels and relations with the client, for some years now the subject of attention and investment by the Group. In particular, the new agreement supports recruitment, hiring, training and education activity for new staff members working for contracting agencies to the benefit of relations with the networks in compliance with means and methods more suited to the new regulations. The Group has made additional investments in IT systems to create a more efficient management of the information the RUI needs for brokers and the pre-contractual information to provide to the client. The Company has extended preparation work for sellers to the benefit of the client through training aiming at developing the requirements needed for membership to the RUI. Structures appointed to control and monitor the sales channels have been strengthened with the objective of faster, more effective supervision and intervention activity.

Also in Spain, as mentioned, European regulations on insurance brokers were introduced with major repercussions for the local distribution network. As outlined in the paragraph on training, over the year the Group has made a large investment in training its sellers suitably to meet the new requirements for entering and working in the profession.

## Sales ethics

The Group's focus on the principles of correctness and honesty, professionalism and transparency towards the client is echoed in the regulations for the distribution networks which, in addition to making sure legislation on insurance brokerage is observed, in particular the principle of adequacy, are based on the principles of the Ethical Code. These recommendations are reiterated to individual agents if complaints are received from clients.

In particular, measures to reward efforts by the sales force to achieve customer satisfaction, and thereby loyalty, are increasingly frequent in the network remuneration mechanisms.

In Italy, regulations for incentive campaigns for agencies and sales force on payroll by the parent Company explicitly exclude from the campaign those who violate the abovementioned conduct standards. INA ASSITALIA introduced some quality parameters linked to expiring life policies and to limit compensation redemption in its method for the calculation of *rappel* adopted in 2007 Genertel also uses an incentive system focusing on portfolio renewal indicators. In Austria, the commissions system is based on the period the portfolio policy is maintained.

In Switzerland, contracts for the sales force link the variable remuneration components to certain key indicators aiming at client loyalty, such as cross-selling, reinvestment of sums payable on life insurance policies and so on, with the aim of ensuring that sellers are interested in maintaining long-term relations with clients.

## Other insurance company sales networks

Group companies use other channels in addition to Agencies to sell their products, in particular, a network of:

- **financial advisers (over 50,000 in 2007)**, asset management experts generally operating within organised networks distributed in the territory, and often belonging to captive companies, i.e. companies owned by the company or bank whose products they sell. Financial advisers channel asset management in the life line of business, their targets being primarily individuals with medium-high income. Financial advisers are particularly important in Germany, where the Group draws on the DVAG network and other minor networks, grouping almost 37,352 advisers. In France, approximately 1,700 independent financial advisers sell Generali products. In Italy, La Venezia Assicurazioni uses 1,534 Banca Generali financial advisers. Alleanza Assicurazioni, Assicurazioni Generali and INA ASSITALIA insurance agencies draw on the services on 2,652 financial advisers from Simgenia, a company of the Banca Generali Group. They are also Group companies' agents;
- **brokers (over 31,000 in 2007)**, independent brokers who adjust insurance contracts to the client's needs and have considerable contractual power with insurance companies. This channel is especially common in Germany, where 15,000 brokers distribute Group products;
- **bank counters (5,625 in 2007)**, where insurance products are offered to some of the biggest banks, ensuring distribution networks in the territory.

In Italy, the most extensive network belongs to Banca Intesa 3,826 bank counters, Generali's partner in the subsidiary Intesa Vita (1,653 counters). Important sales agreements have also been signed with Global Assicurazioni, the Cassa di Risparmio di Ravenna, the Cassa di Risparmio di Saluzzo and Hypo Alpe Adria (with 556 counters in all), who sell policies on behalf of La Venezia Assicurazioni. There is also an agreement with the Banca Popolare di Vicenza Group, the Cassa di Risparmio di Ravenna Group, the Cassa di Risparmio di Fano and Global Assicurazioni (for a total of 680 counters) to sell Genertel products. In **Germany**, the Group's main banking partner is Commerzbank, which sells Volksfürsorge products through its branches. In addition, the Group has signed numerous distribution deals with regional banks in the south-west of the country. In **Spain**, the bancassurance company Cajamar Vida, a joint subsidiary of Generali España and the Cajamar credit institute, draws on a network of over 770 counters of the partner bank as a sales channel. In **France**, there is a number of distribution agreements in place with major banks endorsed by Generali.

Some companies in all countries sell their products through their **Internet site** and **call centre**. In particular, Genertel in Italy and Cosmos in Germany use only Internet and call centres as sales channel; in France, Generali sells approximately 18% of its business through the Internet. These sales channels are highly significant also for Europ Assistance companies which also make use of specific sales channels appropriate to the type of products they offer such as travel agencies, car dealers and car-hire firms.

## Bank sales networks

The Group heads some major banks directly.

**Banca Generali** is one of the leading providers of integrated financial, banking and insurance products in Italy. It has 36 branches, 124 offices of financial advisers and 31 private banking offices grouping a total of 1,534 operators, joined by 2,652 Simgenia financial advisers, who are also agents of Group companies. Banca Generali primarily uses the Internet and call centres as platforms through which clients can get information and conduct their business.

**Deutsche Badenia Bausparkasse**, set up in 1931, is the fourth private-sector building society in Germany. Its products are sold by 172 financial advisers and at counters of major German banks such as Deutsche Vermögensberatung and Commerzbank.

**BSI**, incepted in 1873 in Lugano as Banca della Svizzera Italiana, is the leading bank in the Canton Ticino. Over the years, it has specialised in asset management and services for individual customers and external investors. Today it has a network of branches, representatives and subsidiaries in major financial centres in Europe, South America and the Far East.

# EMPLOYEES AND SALES FORCE

## Training

### The Generali Group's vision and the Generali Group Innovation Academy

The Generali Group's strategic objectives recognize Human Capital, a fundamental component for its Intangible Value, of determinant importance in the creation of value for stakeholders. Where Human Resources are concerned, this vision translates into general objectives such as:

- improving value proposition and the image of the Generali Group as one of the best employers in the world;
- creating a culture of people value, where staff knowledge and skills are recognized and valued as assets of strategic importance for producing competitiveness and innovation within the Group;
- increasing the quality of the interrelations between Group employees as a prerequisite for exchanging and sharing knowledge.

The Generali Group Innovation Academy is the Corporate University of the Generali Group, created in 2004 to provide better support for attaining these objectives.

Generali Group Innovation Academy manages training for all Generali Group companies in Italy, organises international training initiatives for employees Group-wide and provides support for the activities of similar training centres in nine countries in Europe, Israel and China, both directly and through two training and development committees.

Generali Group Innovation Academy initiatives are organized according to a Training and Development Framework, which aims at orienting and planning training investment according to the Group's objectives and strategies.

## Activities carried out by the Generali Group Innovation Academy in 2007

### Strategic alignment

Strategic alignment initiatives involve participants from the entire Group in a broader vision and a better understanding of global issues, their interrelations and local implications.

**"Generali Executive Forum"** – Comprises a series of meetings between senior executives and top managers in the Group worldwide. Participants discuss current trends to compare and react flexibly to change by means of strategic conversation. Each event is constructed around an important strategic theme for handling market challenges and future global contexts.

In 2007, the Generali Executive Forum held five meetings, attended by 97 executives from major European Group companies.

**"Ulysses Programme"** – For senior and middle managers of the Group worldwide, the programme examines various contexts and markets to deal with global competition, in line with the metaphor and model of a learning journey. The learning journey offers the chance to benchmark and exchange ideas with experts and specialists in different fields from different parts of the world, trying to transform training into experience with immediate effects. A group of 25 people participate in 5 modules offered over the period of 14 months in various parts of the world.

In March 2007, participants at the first Ulysses Programme presented the results of their work to the Managing Directors of the Generali Group, proposing a series of initiatives to guarantee Group sustainability.

**"Alumni workshop"** – Two one day-long workshops were organised for senior managers, who in 1998 began to participate in training initiatives at Group level worldwide and who currently are not involved in international training activity. The objective of these meetings is to reinforce the network of senior managers on a global level and exchange ideas on themes of strategic importance for the Generali Group's business future.

**"Being a Leader"** – In light of ever greater complexity, uncertainty and instability, where information is abundant and the pace of business continues to get faster, the Generali Group in Italy has decided to invest in a programme for the diffusion and support of inspiration leadership. The "Being a Leader" project involved the entire management population of the Group in Italy, and was integrated with another project, the "360° Multirater Feedback project", for the

purpose of providing participants with an instrument that enables them to support actions to improve their leadership skills.

To capitalise on the path of the management and support change in the entire organisation adequately, in the second half of 2006, a three-day “Being a Leader” version was launched for all Group middle managers in Italy, taking up the entire year 2007 to be concluded in 2008. The importance of the direct involvement and individual responsibility was reflected in the choice of using 28 trained and certified Generali Group employees as facilitators, and providing them with continuous support throughout the process. In 2007, therefore, 1,342 people were involved in this programme for a total of 28,704 hours.

**“Miglioriamoci”** – In 2007 it was decided to directly involve employees in the “Miglioriamoci” initiative, which emphasises the messages distributed during the “Being a Leader” campaign for managers and middle managers. The “Miglioriamoci” initiative aims at devising a common approach giving the Generali Group’s staff members the tools to face today’s competition challenges flexibly, valuing the culture of working together, by creating teams, managing oneself, making the most of one’s time, sharing knowledge and identifying useful instruments for the daily workload. “Miglioriamoci” is a three-day course for all Group employees in Italy, and attendance is voluntary.

**“Welcome Programme”** – 2007 saw the continuation of this initiative which aims at helping introduce newly hired employees to the company, providing them with an overview of the Generali Group – with particular attention to aspects such as historical evolution, mission and values, social commitment and ethical principles, objectives and strategies, the model of organisation and corporate governance, as well as initiatives for enhancing the human capital – and a clear assessment of major business and service aspects.

### **Development of managerial skills**

The Group has a model of seven managerial competences (business sense, strategy implementation, technical authority, decision-making responsibility, organisational integration, development of the individual and team leadership) aimed at guaranteeing greater alignment between people and a common standard for evaluating and developing each role. Generali Group Innovation Academy proposes a catalogue with a series of initiatives which, together with self-advancement tools such as literature, films and micro tactics, support the definition of individual development plans. The modules feature a practical approach and emphasis on tools that can be easily transferred within the work setting. A Learning Map has been created to support each manager in constructing a personal development plan, it is available on the Italian HR portal, and it guides them to choose from among the initiatives.

### **Development of professional families**

The “Development of Professional Families” project continued in 2007 for Group companies in Italy. The project aims at:

- identifying the different professional families present within the Generali Group, defining a unique repertoire of technical skills for each of them as a reference to pinpoint training and development needs;
- creating a training structure involving:
  - an introductory programme to help everyone new enter into a professional family;
  - a system of courses aiming at technical-professional specialisation;
  - a series of events (workshop, forum and convention) to keep participants abreast of emerging issues also through a comparison with different sectors, markets and companies;
- facilitated sharing of knowledge, experience and ideas, even beyond training, between people from different companies and departments for the creation and interiorization of a common professional identity.

### **Development of core competencies and skills**

The rapid changes of recent years dictate that all Generali Group staff members are continuously updated about basic knowledge in fields such as IT, languages and regulations. IT training programmes for end users and language courses continued in 2007, in Italy and abroad. A large-scale e-learning project was set up on regulations, such as the organizational, management and control model pursuant to the Italian Legislative Decree no. 231/01 and safety in the workplace (Italian Legislative Decree no. 626/1991).

## Other activities carried out by Italian Group companies

In addition to the Group's training activities, a series of initiatives aimed at the specific and technical needs of Group companies in Italy has been devised.

Following data that came to light in the "Ascoltiamoci" survey, specific training needs for **Alleanza Assicurazioni** have been identified. The survey revealed indicators for designing technical/transverse and IT training, which for the first time involved the entire company population.

**Assicurazioni Generali** has paid particular attention to the sales network: development initiatives for the structure of network governance aiming at enhancing and being aware of new roles among the people concerned through teams and teamwork.

At **Banca Generali**, a course on "Staff management and development" was offered to all managers in light of data that emerged from the employee satisfaction survey. Moreover, staff members are given training on better management in advancement interviews.

**Generali Investments Italy** backed the completion of the Chartered Financial Analysts Programme. It also organized 2 events (GIANTS 2 and GIANTS 3), involving the 90 group managers with the aim of aligning to company strategy and international collaboration.

**Generali Properties** launched a team building activity for the managers who report directly to the General Manager with the aim of strengthening the managerial capacity of individuals, for greater integration among the different company departments.

**Genertel** held a series of courses for professionals in the sales, claims and back office contact centre on managing time and priorities, effective management of client relations and sales techniques for household insurance policies. Moreover, it developed a path for employees aiming at extending knowledge of company values and spreading managerial skills.

**Generali Business Solutions – GBS** has organised a number of courses for the liquidation network, with the aim of constructing a shared work method and develop managerial and negotiation skills. All call centre operators were involved in a learning path targeted at the client's satisfaction and technical training on the novelties introduced once Direct Reimbursement for motor claims was implemented.

**Intesa Vita** implemented training initiatives on the financial statements (local and IAS).

At **Toro Assicurazioni**, the initiatives launched in 2007 were developed to support the integration underway between the Toro Group and Generali Group. In particular, methodological support was given to employees who spread the new Direct Reimbursement procedure to the agency network and training was provided on safety in the workplace (Italian Legislative Decree 626/94 as amended).

## Other activities by Group companies outside Italy

In **Austria**, Group companies concentrated on a programme for people with high potential focusing on leadership and personal development; remote learning projects on topical issues with a new flexible and accessible format; and commercial training courses on products and on responsibility and empowerment, as the Group relies heavily on the personal strengths and self-confidence of staff members.

In **France**, training was provided to the sales force and sales managers for the objective of boosting productivity. A process of skill consolidation was also implemented in the sales network focusing on individual life insurance policies and complementary coverage. Administrative staff were given tutoring and assistance for implementing organizational changes and internal mobility.

In **Germany**, AMB Generali Management Academy provides cutting-edge leadership skills to Group management. In 2007, workshops, training courses and development programmes on issues such as effective change management, strategy ideation, improving performance and strengthening responsible leadership were attended by over 250 managers.

Officially certified tutors provided sales training in **Spain** in line with the new brokerage laws. A Sales Training Model was created, defining ways to boost sales, develop sales instruments and systematically organise the workload. A Training Model was created to standardize training across the Spanish Group.

In **Switzerland**, training involved: life products, non-life products, sales, non-life IT systems, managerial skills and personal development. **BSI**, on the other hand, focused on a model of company know-how and implementing a pilot profiling & appraisal project for the Swiss Private Banking sector, as well as intensifying personalised training.

## Generali Group's quantitative data for 2007 and relevant international benchmark

The Generali Group has adopted some of the American Society of Training and Development's (ASTD) performance indicators used worldwide to evaluate investment in training and development since 2005. The Group collected this data (including training for the sales force) for 2006 to be comparable with the ASTD benchmark.

### Training activity indicators (Sustainability Report area; 2007)

	AVERAGE ANNUAL EXPENDITURE PER EMPLOYEE*	HOURS OF FORMAL LEARNING RECEIVED PER EMPLOYEE	AVERAGE PERCENTAGE OF PAYROLL INVESTED IN LEARNING	AVERAGE COST PER LEARNING HOUR RECEIVED*
	2007	2007	2007	2007
ITALY**	348.1	35.7	1.2%	9.8
AUSTRIA	1,112.6	41.6	1.7%	26.8
FRANCE	1,099.1	35.6	2.5%	30.9
GERMANY	1,325.8	42.4	2.3%	31.3
SPAIN	110.8	17.2	0.9%	6.4
SWITZERLAND	934.0	7.0	1.6%	133.1

\* VALUES IN EUROS

[\*\*] EXCLUDING THE TRAINING OF INA ASSITALIA'S SALES FORCE

- France and Germany invest greater sums in training in proportion to salaries than other countries. The average annual expenditure per employee is highest in Germany, due to the highest average cost per learning hour and the greatest number of training hours per employee in the Sustainability Report area.
- Austria also has a very high average annual expenditure per employee, due to one the highest number of training hours per employee.
- Switzerland makes a mid-level investment in training, in the face of a very high average cost per learning hour compared to other countries and a minimal number of learning hours per capita, in part to contain spending.
- Spain and Italy spend among the lowest sums on training investment, partly because of the high incidence – especially in Italy – of training of the sales force, at a lower cost thanks to the use of internal teachers.
- In general, the heterogeneous nature of the data on indicator values in different countries is partly due to:
  - different conditions with regard to training and consultancy services on each market;
  - different business-related priorities, leading to variable balances between the need for professional and managerial training and, consequently, a different relationship between internal teachers and external facilitators.

### Comparison with ASTD benchmark (Sustainability Report area; 2007)

	GENERALI GROUP	ASTD BENCHMARK
	2007	2007
AVERAGE ANNUAL EXPENDITURE PER EMPLOYEE [EUROS]	717.7	867.5
HOURS OF FORMAL LEARNING RECEIVED PER EMPLOYEE	34.1	40.7
AVERAGE PERCENTAGE OF PAYROLL INVESTED IN LEARNING	1.8%	2.2%
AVERAGE COST PER LEARNING HOUR RECEIVED [EUROS]	21.0	35.7

Comparison with the benchmark indicates lower Group figures for all indicators. In particular, Group investments in training equals 60% of the benchmark, with an average annual cost per employee of 73.3%. The number of training hours per capita amounts to 77%, against an average hourly cost of 69.3%.

## Disputes

Labour disputes (Sustainability Report area; 2006-2007)

	NUMBER OF DISPUTES		VALUE OF DISPUTES*	
	2006	2007	2006	2007
ITALY	233	195	17,386	16,266
AUSTRIA	1	5	5	n.a.
FRANCE	61	225	5,620	8,837
GERMANY	305	338	1,231	2,075
SPAIN	10	11	41	149
SWITZERLAND	12	6	1,025	420
<b>TOTAL</b>	<b>622</b>	<b>780</b>	<b>25,308</b>	<b>27,747</b>

\*VALUES IN THOUSANDS OF EUROS

- In 2007, the number of labour disputes – including cases initiated by employees and former employees – grew quite significantly on the whole (+25.4%). Practically all disputes (over 97%) were concentrated in Germany, France and Italy.
- The trend in France triggered the increase in the number of disputes, with disputes against the Company rising following the introduction of a new pay system for sales force on payroll. The new system, approved by the largest trade unions, was not accepted by 239 employees among the sales force on payroll, 15% of the total. For these employees, a plan to protect their jobs was introduced in compliance with the law, offering them relocation as an alternative to leaving the company; the increase in disputes was fuelled by employees among the sales force on payroll who did not deem the proposal satisfactory.
- In Germany, labour disputes increased slightly from already high levels. The grounds for the cases initiated for the most part involved damages sought by workers following organisational changes within the Group, resulting in numerous terminations of employment, despite the fact that the company resorted to tools such as early retirement plans and part-time contracts for staff members nearing the age of retirement.
- In Italy, the most commonly cited grounds for legal action included de-skilling, claims to superior responsibilities and pay issues generally, disputes on the legitimacy of individual termination, and appeals against disciplinary measures.
- The value of the disputes, listed here as the value sought by claims, has also grown (+9.6%). In particular, the sums claimed in France and in Germany rose significantly (+57.2% and +68.6% respectively), whilst they fell in Italy, though remaining very high in value (58.6% of the total).

## Dialogue with members of staff

In all Sustainability Report countries, surveys on employee satisfaction and numerous other forms of dialogue between sales staff and agents are organised. The two tables below summarize the main activities involving employees and the sales force respectively in 2007 in the different countries.

### Surveys and other forms of dialogue with employees

Target	Frequency/ Type of initiative	Results [+] = positive; [-] = critical point	Actions
<b>Italy</b> Generali Group Employees	Biennial  Satisfaction survey  Focus: the Workplace	[+] identification of areas for improvement in managing and developing human resources that have an impact on business results  [-] communication between company departments [-] performance evaluation criteria	<ul style="list-style-type: none"> <li>• new training activity</li> <li>• improving efficiency in internal communication</li> <li>• job-posting initiative</li> </ul>
	As needed  "Light Assessment"  Focus: concepts and methods to prepare individual development plans	[+] extension to all personnel of the concepts and methods for preparing individual development plans for basic know-how within the Group	
<b>Italy</b> Europ Assistance Employees	March - June 2007  Integration of Europ Assistance values into personal career development	[+] development of social values in Europ Assistance Italia [+] improvement in relations between colleagues in different services areas [-] need to organise external events for broader involvement	<ul style="list-style-type: none"> <li>• definition of a new external intervention plan</li> </ul>
	Ongoing  Spread, share and strengthen company values through the platform of values	[+] involvement of the majority of staff members [+] development of a new internal communication tool [-] need to develop a culture of Europ Assistance covering all areas	<ul style="list-style-type: none"> <li>• start up of a project to integrate the platform of company values on a more informed Intranet</li> </ul>
<b>Austria</b> Administrative employees and sales force on payroll	Biennial  Satisfaction survey  Focus: performance management, pay systems, health and safety, etc.	[+] identification of areas for improvement [+] satisfaction level [+] information/communication to employees on the results	<ul style="list-style-type: none"> <li>• results analysis and discussion</li> <li>• activities and projects for the improvement of the selected areas</li> </ul>



Target	Frequency/ Type of initiative	Results [+] = positive; [-] = critical point	Actions
<b>France</b> Employees of the Generali Group	Annual  New Ambition programme: meetings for managers, middle managers and forum for staff  Focus: company's vision and operating method	[+] mobility and acknowledgement [+] priority of clients' service [+] better comprehension of roles and competence [+] communication between company departments [+] performance evaluation criteria	• participation by all staff members at the forum to define their plan of action for 2008
	Annual  Intranet survey: "Customer Mirror"  Focus: difference in the opinions of clients and evaluation of Generali personnel on services and products offered	[+] difference in the opinions of clients and evaluation of Generali personnel on services and products offered of less than 2 per cent [-] personnel judges too severely	
Managers of the Generali Group	Annual  4 or 5 meetings for managers  Focus: Group policies to strengthen managerial development	[+] development of a shared Group culture [+] better definition of objectives	• interventions to strengthen management and boost manager development (e.g. delegating efficiently, conflict resolution methods between staff etc.)
<b>Germany</b> Employees of the Generali Group	Annual  Satisfaction surveys  Focus: involvement, commitment, development opportunities, client orientation, leadership etc.	[+] availability of quantitative data enabling a comparison of similar Group departments [-] information/communication [-] development opportunities [-] processes and work orders [-] differences between Group companies in relations between management/staff members	• results analysis and discussion, identifying measures to adopt at different levels, discussed from the standpoint of service and of the Group and brought to the attention of the executive committee
Employees at Central Krankenvers.	One-time event  "Advertisement Central"  Focus: launch of an advertising campaign	[+]: information to employees on the advertising campaign	• conferences with the director of marketing and advertising presentation



Target	Frequency/ Type of initiative	Results [+] = positive; [-] = critical point	Actions
<b>Switzerland</b> Generali Group administrative employees	Annual  Satisfaction surveys  Focus: leadership, cooperation with superiors, cooperation etc.	[+] high response rate (85%) [+] comprehension of employees' needs [+] satisfaction, teamwork, leadership [-] involvement of workers in the decision-making process [-] opportunities for development	<ul style="list-style-type: none"> <li>• communication and discussion of the results in all departments and at all managerial levels</li> <li>• conversion of business departments and specific measures to reinforce weak points</li> </ul>
Employees of the global <b>Europ Assistance Group</b>	Annual  Survey on group image and instruments of communication  Focus: company identity, website, Intranet	[+] a lot of information on workers' opinions on the issues put forward	<ul style="list-style-type: none"> <li>• plans of action take workers' opinions into consideration</li> </ul>

### Surveys and forms of dialogue with the sales force

Target	Frequency/ Type of initiative	Results [+] = positive; [-] = critical point	Actions
<b>Italy</b> Agents of Assicurazioni Generali	November 2007  Survey on satisfaction within the sales force by using an online questionnaire  Focus: commercial and technical assistance supports provided by the company, products	[+] positive degree of satisfaction on the whole [-] need to improve commercial and communication supports (in particular on Intranet)	<ul style="list-style-type: none"> <li>• analysis of the possibilities of fine-tuning communication towards the sales force</li> </ul>
<b>Italy</b> Agents, subagents and area managers of Assicurazioni Generali	September 2007  Focus group on the proposals of the new product dedicated to senior citizens	[+] positive verdict [+] suggestions for the content of product and service	
<b>Italy</b> Agents and sales force of Assicurazioni Generali	September 2007  Making Tomorrow: meeting in Trieste to mark the company's 175th anniversary	[+] more opportunities for the sales force to meet	
<b>Italy</b> Toro Group Agents	Annual  Convention  Focus: guidelines on the development and strategic positioning of Toro in Generali Group	[+] information and involvement of the sales force	



Target	Frequency/ Type of initiative	Results [+] = positive; [-] = critical point	Actions
<b>Germany</b> Administrative and commercial employees at Central Krankenversicherung	One-time event "Central von morgen" Presentation of the new Sales Service Centre and commercial partners	[+] involvement of all workers on commercial aspects	
<b>France</b> Generali Group Agents	A number of times per year Meetings for agents and advisers Focus: illustration of strategic sales policies and product launches	[+] information and involvement of the sales force	
<b>Spain</b> Vitalicio Seguros agents	Four-monthly Meetings and road shows Focus: presentation and launch of new products, commercial policy guidelines	[+] loyalty and improvement in knowledge of new products	
<b>Switzerland</b> Generali Group Agents	Four-monthly Workshop Focus: motivation and promotion of an atmosphere encouraging dialogue	[+] reinforcement of motivation and establishing dialogue with the networks	

The major activities outlined above in short underline that:

- surveys on satisfaction are becoming a widespread practice within the Group. They are conducted for the purpose of identifying areas for improvement in management practices and areas of development for human resources influencing business results;
- links between agents and sales force on payroll to review budgets, annual business reports and to solve recurrent operational problems are common. The results of the surveys conducted reveal that there is a high level of satisfaction among the sales force when it comes to Group companies;
- all countries hold a variety of events for presenting top products, commercial initiatives and marketing schemes. Management meets with agents on an annual basis to review the previous year's business and establish new objectives. Furthermore, these annual meetings provide an opportunity for the company's Top Management to award the best agents/sellers, thus fostering team spirit and a sense of belonging.

## Objectives for 2008 and beyond

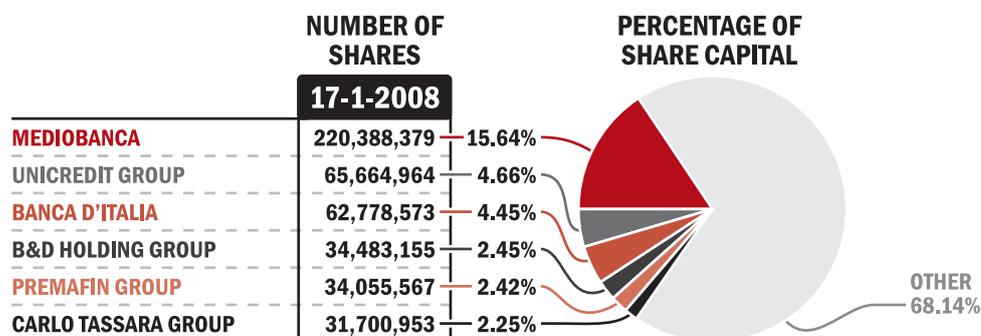
- Within the framework of the Group's salary policy harmonisation process, developing the total reward concept (including total remuneration, variable aspects, as well as benefits and career prospects) for managers and middle managers in major EU countries.
- Improving infra-Group mobility as a lever for professional development and growth.
- Guaranteeing the most profitable relocation of resources made available in regard to the benefits generated by Group projects.
- Extending leadership training programmes to all employees, including also special sessions for part-time workers in light of equal opportunity and diversity management.
- Creating training and self-advancement initiatives that define a model of fundamental skills for employees in non-managerial roles.
- Intensifying learning opportunities for the sales force, increasingly resorting to remote training.
- Improving the Group's standing based on ASTD benchmark, with particular regard for "Number of learning hours per employee" and "Average cost per learning hour". Increasing investments in training to 2% of salaries.
- Developing and standardizing Group-wide surveys on employee satisfaction.
- Introducing new instruments to help staff members combine family and professional life (e.g. new in-house nurseries).

# SHAREHOLDERS

## Description

At the end of the 2007 financial year, Assicurazioni Generali S.p.A. had a share capital of 1,409,506,052 euros, divided into an equal number of shares with a nominal value of 1 euro. At that date the Company had 237,429 shareholders.

### Main shareholders (Assicurazioni Generali; 2007)

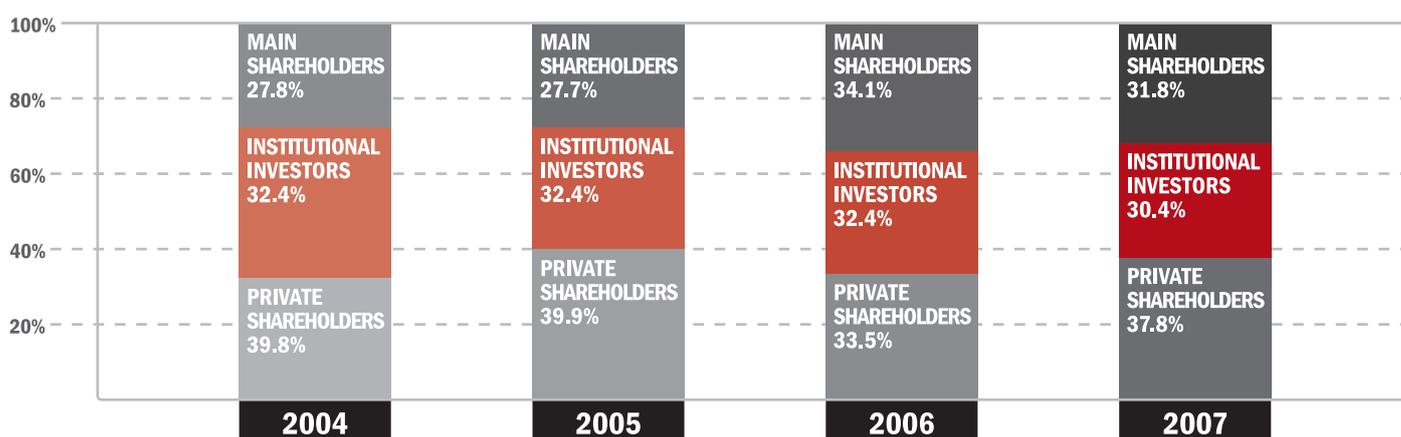


- The main shareholders (those who, directly and/or indirectly, including through third parties, trustees and/or subsidiary companies, hold an amount of shares exceeding 2%) together own 31.8% of the share capital.

For further information, see the latest version of the Company's Corporate Governance report, available on the [www.generali.com](http://www.generali.com) website.

With a view to gaining a better understanding of the results achieved, a period of four years (instead of two) is considered in the rest of this chapter.

### Shareholders by type (Assicurazioni Generali; 2004-2005-2006-2007)



- Compared to 2006, there was a decrease in the share held by major shareholders and institutional investors; on the contrary, the proportion of private shareholders has increased sizably. The withdrawal by the main shareholders of the Intesa San Paolo Group influenced the changes.

## Policies for value generation

The Group is committed to implementing an industrial policy that guarantees its shareholders an adequate financial return. The Company views the pursuit of the objectives outlined in the Business Plan as the key to increasing company value and, consequently, achieving greater market credibility, as shown in the following table:

### Economic-financial performance (Consolidation area; 2004-2005-2006-2007)

	2004	2005	2006	2007	AVERAGE CHANGE 2007/04	CHANGE 2007/06
NET PROFIT (IN MILLION EURO)	1,665.8	1,918.6	2,404.8	2,915.6	+20.5%	+21.2%
SHARE CAPITAL AND RESERVES (IN MILLION EURO)*	11,385.0	13,947.2	15,206.5	14,789.6	+9.1%	-2.7%
PRICE OF GENERALI SHARES (IN EURO)**	22.70	26.83	30.25	30.87	+10.8%	+2.0%
STOCK MARKET CAPITALISATION (IN MILLION EURO)	31,874	37,629	42,608	43,512	+10.9%	+2.1%

[\*] THEY ALSO INCLUDE THE NET PROFIT

[\*\*] ADJUSTMENT TO ACCOUNT FOR THE FREE INCREASES OF CAPITAL

### Generali share performance (Assicurazioni Generali; 2004-2005-2006-2007)



## Dividend policy (Assicurazioni Generali; 2004-2005-2006-2007)

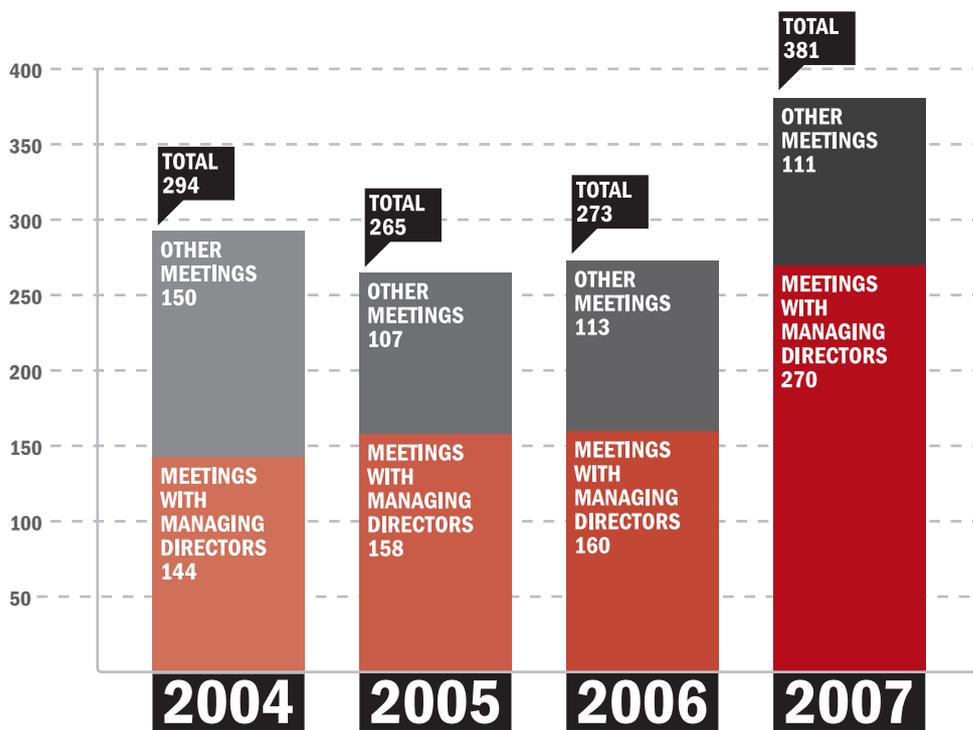
	2004	2005	2006	2007
<b>DIVIDENDS (IN MILLION EURO)</b>	548.5	689.0	955.0	1,220.0
<b>DIVIDEND PER SHARE (IN EURO)</b>	0.43	0.54	0.75	0.90
<b>DIVIDEND YIELD</b>	1.7%	1.8%	2.5%	2.9%
<b>PAY OUT RATIO</b>	32.9%	35.9%	39.9%	41.8%

- The upward trend of rates of return on share capital continued in 2007. The following rose significantly:
  - the dividend per share (+38.9% in 2006 and +20% in 2007);
  - the dividend yield, i.e. the ratio between the last dividend per share and the last share price;
  - the pay out ratio, i.e. the ratio between the total dividend paid out by the Parent Company to shareholders and the consolidated result of the period.

## Dialogue with the investors

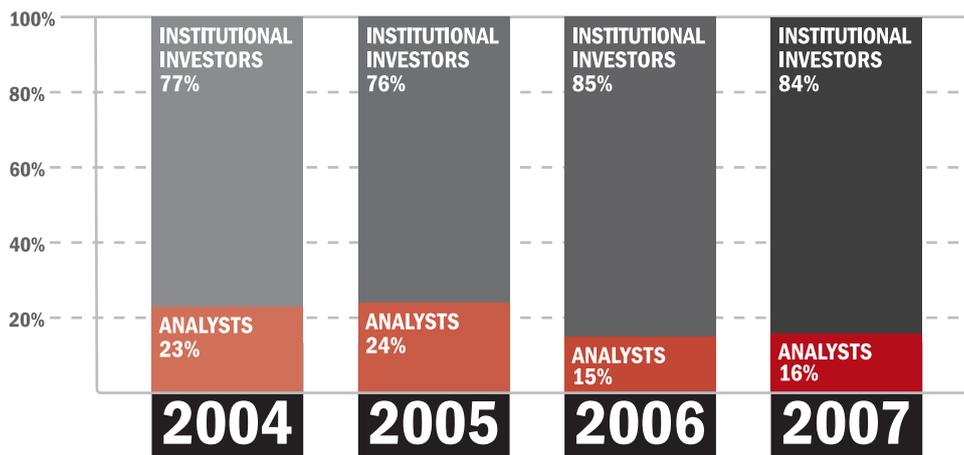
The Generali Group organises presentations on the occasion of the publication of ordinary financial statements and in case of extraordinary situations and operations to ensure the utmost transparency for institutional investors and shareholders. Moreover, the Investor Relations Office maintains relations with the financial community by organising road shows, individual interviews with analysts and investors, as well as participating at industry-specific conferences organised by the major international stock exchanges.

## Meetings with investors (Assicurazioni Generali; 2004-2005-2006-2007)



- The growing importance of the role played by investor relations for listed companies has led to greater involvement of the company's Top Management. In the past three years, the Managing Directors have almost doubled their commitment to the number of contacts with the financial community. In 2007, in particular, they participated at important institutional meetings, including the presentation of annual results for 2006 to analysts, held in London, and the presentation of the updated Business Plan 2007 – 2009 to the financial community.
- In the three year period, the number of other meetings fell considerably to about 110 a year.

## Meetings by type (Assicurazioni Generali; 2004-2005-2006-2007)



- In the past year, the distribution of meetings by type of interlocutor remained unchanged from 2006.
- A number of the meetings with institutional investors regarded ethical funds, testimony to Generali's commitment to socially-responsible and environmentally-friendly growth.

## Objectives for 2008 and beyond

- Organise individual meetings between Investor Relations and investors, paying particular attention to ethical issues, e.g. ethical funds.
- Enter in an ethical index such as FTSE4Good.







chapter 4

## Competitive stakeholders

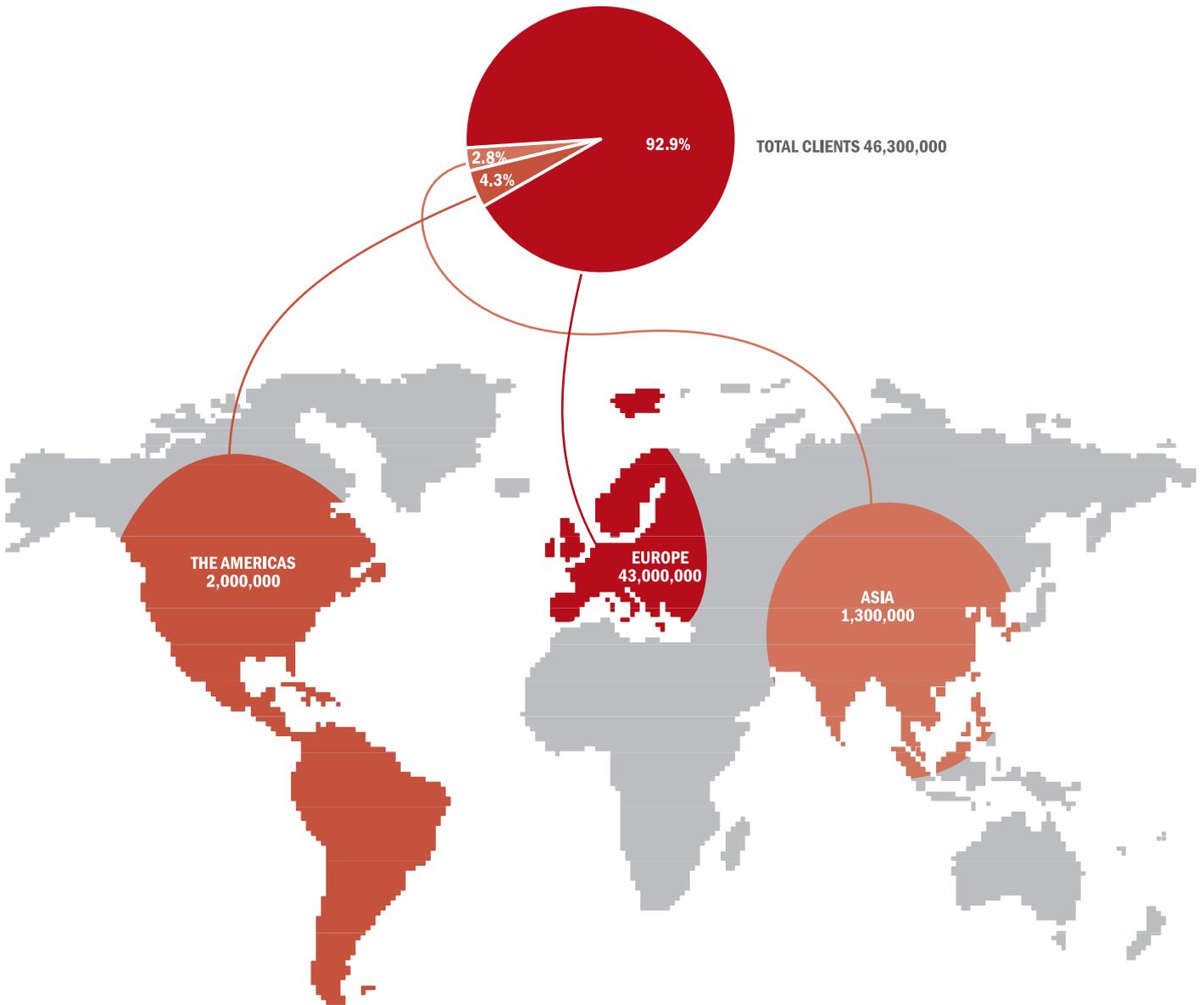
Archaeological finds showcased at the "Radici del presente" (Roots of the present) exhibition organised by Assicurazioni Generali to mark its 175<sup>th</sup> anniversary.

# CLIENTS

The Group considers clients to be the most important asset, and it is approval from this stakeholder that allows it to consolidate and increase its market standings over time. Therefore, maximizing **customer satisfaction** is one of the Group's top priorities, and it pursues it through increasingly high standards in the quality of services it provides and relations built on fairness, honesty, professionalism and transparency.

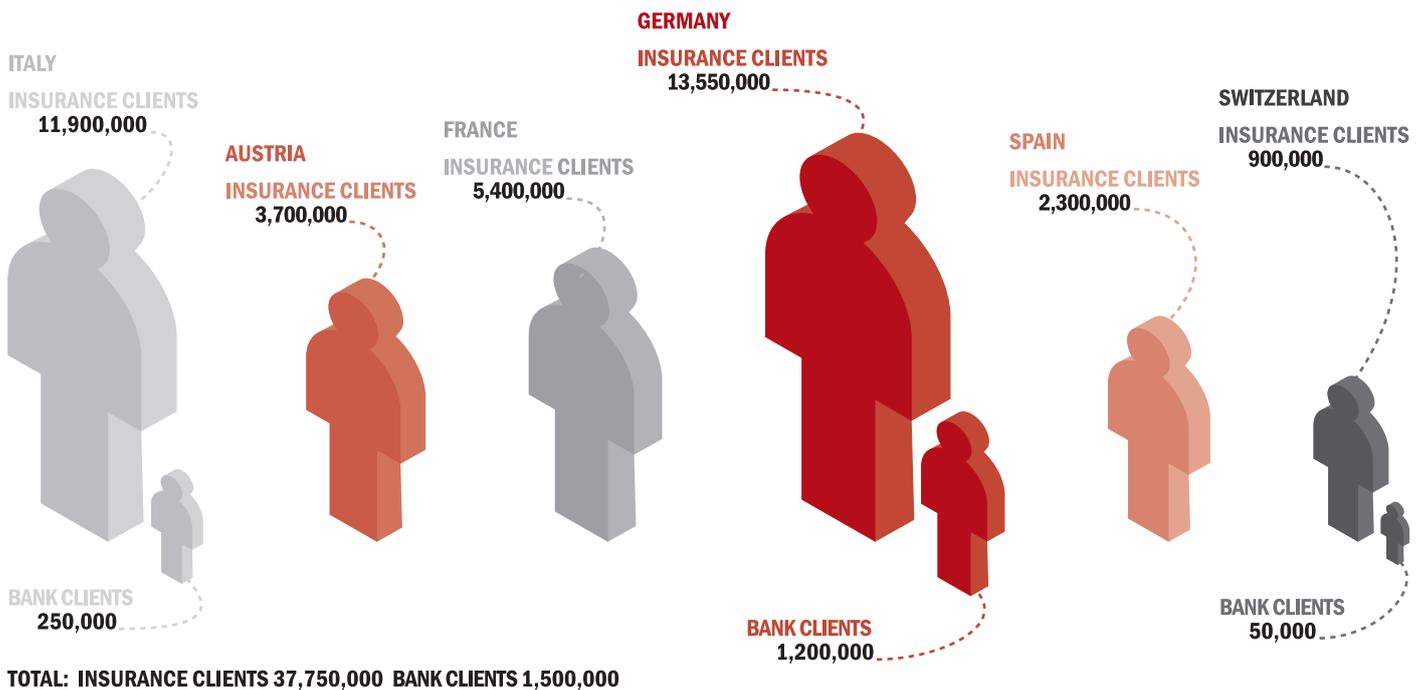
## Description

Group's clients (Generali Group; 2007)



- The number of the Group's insurance clients is estimated to be 46.3 million in 2007, the clear majority of whom are European. Over the years, the Group has refined computer-based procedures in order to monitor ongoing advancement, eliminating clients holding more than one policy in different lines of business being counted twice.

## Clients (Sustainability Report area; 2007)



- The overall number of clients in the Sustainability Report area is estimated to be about 39 million: 37.7 million insurance clients and 1.5 million bank clients.
- Only **4%** of Generali Group clients are medium and large enterprises, as a consequence of the choice of the Group to focus its insurance business on individuals and small and medium enterprises.
- Compared to data published in 2006 (36.8 million) there was an increase that was affected by the inclusion of the Toro group in the considered area. With perimeters remaining equal, the number of clients remains stable.
- France posted the most growth in the number of insurance clients in the Sustainability Report area (+4.3%), whilst Italy recorded the largest fall (-3.6%).
- In Austria, the 3,700,000 clients reported include 1,900,000 people holding generally very short-term travel insurance policies issued by Europäische Reiseversicherung.
- In 2007, the number of bank clients on the whole fell, primarily because of the fall in the number of Badenia clients (-5.4%).

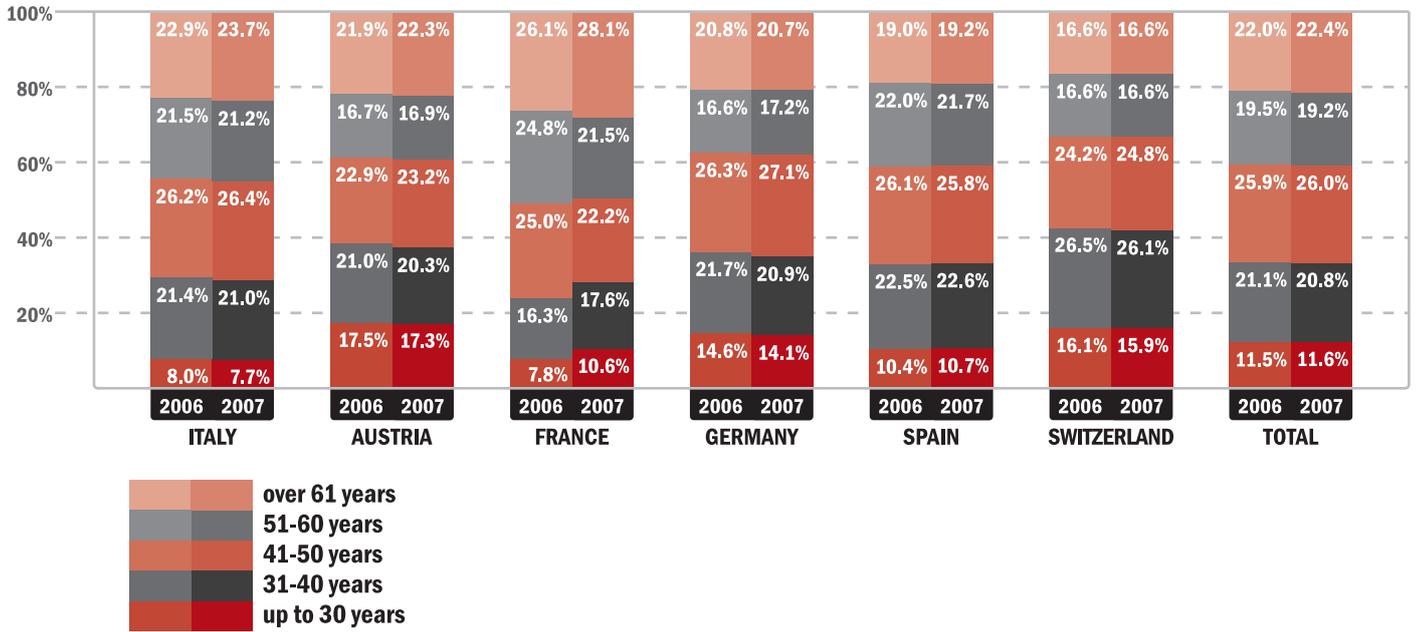
## Number of clients by line of business (Sustainability Report area; 2006-2007)

	LIFE		HEALTH		MOTOR		OTHER NON-LIFE LINES	
	2006	2007	2006	2007	2006	2007	2006	2007
ITALY	5,148,493	4,572,537	309,026	288,899	4,497,983	4,439,401	3,796,408	3,262,837
AUSTRIA	554,989	539,798	402,968	406,169	961,506	962,826	2,381,843	2,470,568
FRANCE	1,656,953	1,547,289	459,693	478,361	1,442,397	1,542,024	2,278,549	2,465,945
GERMANY	6,825,087	7,410,164	1,190,686	1,258,976	1,964,544	1,862,182	6,355,316	5,999,643
SPAIN	568,340	588,232	57,576	61,238	766,780	802,083	1,108,343	1,133,473
SWITZERLAND	384,852	402,347	71,553	70,577	289,768	289,734	407,099	417,098
<b>TOTAL</b>	<b>15,138,714</b>	<b>15,060,367</b>	<b>2,491,502</b>	<b>2,564,220</b>	<b>9,922,978</b>	<b>9,898,250</b>	<b>16,327,558</b>	<b>15,749,564</b>

- The sum of clients divided by line of business is higher than the overall number of clients, as some clients hold more than one policy with the Group in different lines of business.
- Overall, there was a slight fall (-0.5%) in the number of clients with life policies, a segment that fell in Italy, Austria and France, and was positive in Spain, Switzerland and especially Germany.
- In the non-life lines of business, the number of Group clients continues to increase in the health line of business

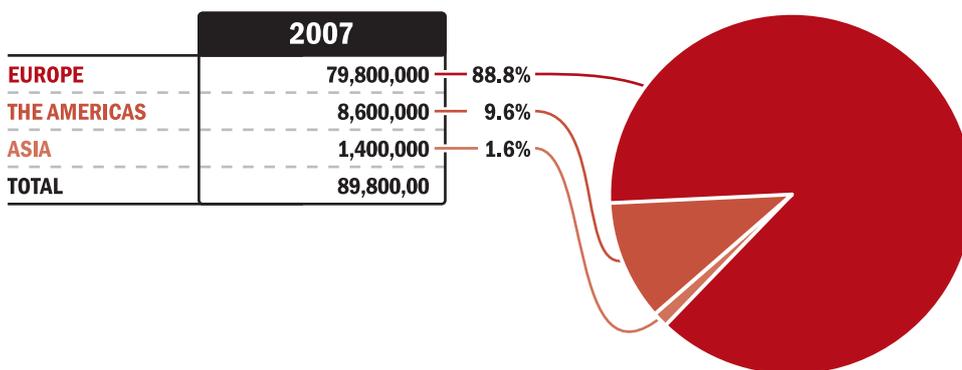
(+2.9%), remaining for basically stable in the motor line (-0.2%) and falling in other non-life lines of business (-3.5%). The latter segment, which includes numerous lines, is affected more than other segments by the elimination of clients holding more than one policy being counted twice thanks to the improvement of the IT systems.

**Percentage of clients by age bracket (Sustainability Report area; 2006-2007)**



- Group clients are divided into various age brackets. The middle age bracket (clients between 41 and 50 years of age, totalling 26%) is the largest, as this is the age when people generally have a certain amount of assets and savings at their disposal and, therefore, a greater need for protection; consequently, they are inclined to seek insurance. The youngest age bracket, under 30, is the group owning fewer insurance policies in virtually all countries (on average 11.6%).
- Switzerland has the youngest clients (more than 40% of clients are under 40), while in France half are over 50 and 28% over 60.

**Group policies (Generali Group; 2007)**



- At the end of 2007, the Group portfolio contained 89.8 million policies, 88.8% of which were in Europe.

## Policies by line of business (Sustainability Report area; 2006-2007)

	LIFE		HEALTH		MOTOR		OTHER NON-LIFE LINES		TOTAL	
	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007
ITALY	10,064,107	10,085,437	346,482	334,105	6,597,689	6,771,772	5,264,666	5,164,725	22,272,944	22,356,039
AUSTRIA	770,364	772,463	694,961	717,442	2,403,701	2,404,627	3,314,513	3,372,767	7,183,539	7,267,299
FRANCE	2,125,597	1,877,959	519,732	600,154	1,712,862	1,831,874	2,511,291	2,718,909	6,869,482	7,028,896
GERMANY	12,369,986	12,505,948	1,190,686	1,258,976	4,830,266	4,900,779	12,296,714	12,475,902	30,687,652	31,141,605
SPAIN	595,495	621,768	66,938	74,081	1,109,624	1,178,859	1,433,529	1,490,638	3,205,586	3,365,346
SWITZERLAND	441,847	462,763	74,352	73,151	336,023	337,083	427,593	436,947	1,279,815	1,309,944
<b>TOTAL</b>	<b>26,367,396</b>	<b>26,326,338</b>	<b>2,893,151</b>	<b>3,057,909</b>	<b>16,990,165</b>	<b>17,424,994</b>	<b>25,248,306</b>	<b>25,659,888</b>	<b>71,499,018</b>	<b>72,469,129</b>
<b>INCIDENCE%</b>	<b>36.9%</b>	<b>36.3%</b>	<b>4.0%</b>	<b>4.2%</b>	<b>23.8%</b>	<b>24.1%</b>	<b>35.3%</b>	<b>35.4%</b>	<b>100.0%</b>	<b>100.0%</b>

- A comparison of the number of policies with the number of clients shows that clients normally hold more than one contract with Group companies. Customers with more than one policy are particularly numerous in the life and motor lines of business, where each client has on average 1.75 policies.
- The breakdown of the insured portfolio in each country – namely the ratio between the number of policies underwritten in the various lines of business in a country and the total number of policies underwritten in the same country – presents significant differences. There is a general predominance of non-life contracts (considered as the sum of motor, health and other non-life lines of business), but Italy and Germany post an important number of life policies (40-45%). On the other hand, motor insurance policies and other lines of business make up over 80% of contracts in Austria and Spain.
- Overall, the number of policies increased by 1.4%, with growth in all countries and lines of business, with the exception of the life segment in France – where the fall was attributable to major volatility on financial markets and the level of short-term interest rates boosting cash investments to the detriment of life products – and the health segment in Switzerland and Italy. In the latter the number of contracts fell also in other lines of non-life business.
- Collective policies represent only 5% of the total in countries in the Sustainability Report area, as a result of expansion strategies, especially in the individual risk segment.

## Product and service policies

### Insurance business

The Generali Group aims at being a global operator, offering a comprehensive and flexible product range to satisfy the needs of all client segments, not only in terms of insurance coverage generally, but also of retirement savings and asset management.

By their very nature, insurance products have social value since they provide the answer to client needs, with particular attention to how needs evolve (for example the consequences of aging population or the progressive reduction of public services available to individuals). Moreover, a service approach is becoming established as part and parcel of the insurance product which – particularly with regard to personal protection – increasingly matches compensation with some tangible services specifically designed to provide help in moments of difficulty.

This Report provides condensed information about products with particular social or environmental value.

**Life products** - In developing individual and collective life products, great importance is attached to those with high security content, prepared to enable policyholders to draw on the tax incentives available to them in the country where they reside; thus they can be integrated to the maximum possible extent with state-provided pensions, which have been cut drastically virtually everywhere.

Several Group companies offer the so-called Dread Disease insurance, normally combined with life policies in case of death, but which may also be offered independently. The policy offers guarantees, involving the payment of a lump sum or life annuities upon the occurrence of one of the illnesses listed in the policy. The financial support helps the insured party face the needs for greater care and the possible inability to continue working, with a consequent reduction in income.

In contrast, Long Term Care policies involve the payment of a lump sum or life annuities to cover the costs of assistance, upon the occurrence of the latter's non-self-sufficiency in performing daily activities (eating, washing, getting dressed and undressed, moving around, personal hygiene) due even to old age. Other products exist that are aimed at enhancing prevention and the adoption of a healthy lifestyle. For example, virtually all Group companies offer life policies with reduced premiums for non-smokers, or the application of additional premiums for smokers.

Among the products launched in 2007, in France a life coverage that can be subscribed online with lower commissions merits special mention. The policyholder is encouraged to donate through this contract to selected associations involved in high social value activities such as social assistance, medical research, the fight against AIDS and others.

In Italy and in Austria, companies pay great attention to **children and youth**, and offer savings programmes to accompany children for the duration of their school careers. These include two INA ASSITALIA and Toro Assicurazioni policies to encourage educational commitment which offer a bonus to the insured capital if high school or university are finished with top marks or honours.

**Non-life lines of business** – Non-life products are evolving to become increasingly structured and flexible, with a single contract covering all specific client protection needs. These are the so-called multi-risk policies, with which a service approach is becoming established as part and parcel of the insurance product, by matching compensation with some tangible services specifically designed to provide help in moments of difficulty.

In France, a cutting edge household policy including numerous fire and theft provisions has been launched. Generali gives policyholders two smoke detectors to prevent fires on signing the policy. Moreover, the basic product can be extended to provide coverage for babysitters, workers and domestic help and a series of guarantees for children and young people. This extension provides coverage for children against accidents on the journey to and from school, during school and sports activities, holiday and work experience in companies. The policy provides for individual home schooling for children who are absent from school due to health or accident to avoid them falling behind the rest of the class.

In Italy there is a policy worth mentioning since it is matched with an accumulation plan which provides compensation in case of loss of a year of school and home visits by a doctor or paediatrician in case of illness or accident.

The **health and accident** sector includes many products offering – for example – a lifetime annuity following a severe disability, or coverage for organ transplants, treatment of cancer, highly-specialised diagnostic and therapeutic services, hospitalisation expenses (diagnosis, specialist visits, etc.), and basic and/or post-hospitalization home assistance. Some packages of products and services offer financial support as well as home care – including telemedicine services – thus integrating the coverage provided by the national health service and enabling the policyholder to find the best possible treatment options at world level and obtain a number of medical opinions.

In Italy, Assicurazioni Generali offers a policy deriving from the collaboration with the Italian cancer society, the Lega Italiana per la Lotta contro i Tumori (L.I.L.T.). This product not only provides protection and security against the risk of accident and illness, but it also promotes and enhances concepts such as prevention and leading a healthy lifestyle. Indeed, it offers non-smokers a special rate.

An agreement was also entered in Italy with O.N.D.A. (National Observatory on Women's Health) with the aim of supporting and developing a programme of prevention and early diagnosis of women's diseases. Pursuant to this agreement INA ASSITALIA has undertaken to include in its "Salute sicura" (Safe health) policy a prevention programme that includes a series of check-ups (the first of which is free) for the entire duration of the policy. Similarly, Assicurazioni Generali has created, within the "Da donna" (As woman) product aimed at women clients, a health prevention package which offers a complete check-up to the policyholder.

In Austria, Generali provides special support for policyholders who have been involved in serious or disabling accidents, such as providing the services of a specialist to help the policyholder return to the workplace or mediation to find a more appropriate type of work if the situation demands.

The increase in life expectancy has prompted lines of products to be developed for the protection of the **over-50s and over-55s**. The Group is especially active in this segment in which many people have specific needs, offering

life insurance coverage and/or health and accident products with special features. In particular, Volksfürsorge and Generali in Germany and Assicurazioni Generali in Italy have developed “packages” of guarantees aimed at providing policyholders affected by an accident not only home health care, but also a variety of services, such as cleaning home and clothes, buying groceries, transportation to doctor’s appointments and public offices, etc.

## Risk prevention

All Group companies are committed in their own way to providing information and raising awareness among clients and public in general on the importance of risk prevention. As for health, premiums are particularly favourable for policyholders who have adopted a healthy lifestyle and have check-ups for early diagnosis of certain diseases. The table below shows some of the major initiatives to provide information and raise awareness carried out by Group companies.

### Some initiatives to provide information and raise awareness

Country and company	Type of initiative	Main objectives
<b>Italy</b> Genertel	Focus on observing safety measures in contractual conditions for motor policy holders	Promote safe driving
<b>Italy</b> INA ASSITALIA	Brochures on display in all company agencies	Promote a prevention and early diagnosis programme in particular for women’s diseases combined with the “Salute sicura” policy (see above)
<b>Italy</b> Toro Group	“CARD Guidatore designato” (Designated Driver CARD) distributed by agencies	Support the campaign promoted by the Chairman of the Council of Ministers aiming at raising awareness among users on the risk of drunk driving.
<b>Austria</b> Generali	Pamphlets with advice for the prevention of housebreaking	Reduce risk
	Possibility to attend safe driving courses	Promote safe driving
<b>France</b> Generali	Compilation of an informative guide	Prevention of accidents in the home and raising awareness about proper ecological behaviour
	Creation of the <a href="http://www.agirpourmasante.com">www.agirpourmasante.com</a> website	Disease prevention, inform people on opportunities to quit smoking and control stress
<b>France</b> Europ Assistance	Advice on safety with reference to preliminary information contained in contracts (especially with regard to travel assistance) on the <a href="http://www.europ-assistance.fr">www.europ-assistance.fr</a> website	Risk prevention
	Special extranet for people living abroad, proposed as an option on Pass Expatriation and Pass Mission travel policies	Information on international risks (health, political and social)
<b>Germany</b> Central Krankenversicherung	CentralMed health service	Direct provision of information and advice for a healthy lifestyle (healthy diet, regular physical exercise, vaccinations, etc.)
<b>Switzerland</b> Generali	Brochures of the Swiss Council for the Prevention of Accidents distributed in the agencies	Risk prevention
	Subsidies for mandatory driving lessons offered to young drivers with their motor policy	Promote safe driving

## Banking

Banks included in the Sustainability Report area operate in very different ways and this diversity is reflected in the products and services they offer. Commercial strategies however are continually adapting to changing market orientation, with growing segmentation enabling them to provide the best response for the various client categories. There is an important focus on training sales staff – considered savings professionals – to maintain high standards in consultation and keep in line with market evolution.

The main client segments and the services offered in countries in the Sustainability Report area, where the Group has operations in the banking sector, are described below.

Country and company	Main client segments	Services provided
<b>Italy</b> Banca Generali	It focuses on integrated management of medium-long term investments by clients, where the ability to provide financial consultation services is the crucial key to success. The target clients are: private, affluent and Generali Group clients.	Phone or Internet banking is available to carry out any banking and investment transaction: from simple requests for account balances, to making a bank transfer or managing shares and bonds. Financial advisers and private bankers are considered the most appropriate sources for providing consultation on an ongoing basis.
<b>Germany</b> Badenia	There are three different segments divided by age and need: people who are buying or building their own home; owners who are near the end of their home purchase mortgage; home owners who want to maintain or increase the value of their property. The latter segment is growing in significance because of the growing importance attributed to renewable energy sources and new energy certification requirements for buildings introduced by laws.	It has operations nationwide and works with major distribution partners including Deutsche Vermögensberatung (DVAG) and Commerzbank.
<b>Switzerland</b> BSI	Specialising in wealth management through sophisticated tools, has developed a range of products which, following the trend of market demand, is oriented to absolute return financial products – i.e. products which in the medium-long term aim at generating a certain return and not a return expressed in relation to the benchmark – that draw increasingly on structured products.	The company works in direct contact with the client; custom solutions are created according to the assets being managed.

Among the products offered by Banca Generali, two have a significant social content: “Friendly” and “Advantage” current accounts dedicated to members of the Italian Multiple Sclerosis Association (AISM), which participated in defining them. The products combine concessional economic conditions and particularly simple management methods; they are highly accessible, safe and tailored to the client’s needs.

## Management of non-life claims

In the non-life lines of business, the quality of the service to clients is measured mainly upon settlement of damage claims. In all countries except France, the Group is equipped with common facilities to optimise the procedures for the management of claims and to ease settlement. For example, in Italy Generali Business Solutions and in Germany AMB Generali Schadenmanagement manage and settle claims.

It is the job of the extensive network of call centres to collect notifications of claims and provide information and assistance on claims relating to both clients and injured third parties on the telephone. As an idea of the dimensions of this activity, almost 3 million accidents were reported to call centres in countries in the Sustainability Report area in 2007, 1.3 million of which occurred in Spain, where Banco Vitalicio’s claim service is active 24 hours a day, 365 days a year.

## Non-life claims (Sustainability Report area; 2006-2007)

	CLAIMS REPORTED		CLAIMS SETTLED		SUMS PAID*	
	2006	2007	2006	2007	2006	2007
ITALY	2,143,005	2,140,499	1,814,147	1,821,547	4,434,743	4,683,787
AUSTRIA	812,496	825,552	854,465	867,584	851,606	871,391
FRANCE	1,312,685	1,272,435	1,262,632	1,130,556	1,718,991	1,514,897
GERMANY	3,147,193	3,426,268	2,623,935	2,861,932	2,225,354	2,420,767
SPAIN	1,275,313	1,350,005	1,281,341	1,348,046	745,753	827,248
SWITZERLAND	155,686	159,476	155,466	157,503	243,364	248,193
<b>TOTAL</b>	<b>8,846,378</b>	<b>9,174,235</b>	<b>7,991,986</b>	<b>8,187,168</b>	<b>10,219,811</b>	<b>10,566,283</b>

\*VALUES IN THOUSANDS OF EUROS

- The number of overall claims notified in 2007 exceeded 9 million (+3.7% on 2006). Their distribution among different countries was basically in line with the division of insured risks, the highest share being reported in Germany, where the largest number of non-life policies was held.
- In 2007, nearly 8.2 million claims were settled by payment, total payouts amounting to more than 10 billion euro. Some of the payouts concerned claims notified in the current year, while the remainder concerned claims notified in previous years.
- In Italy, from 1st February 2007, legislation on new procedures for damages "Sistema Indennizzo Diretto" (Direct Reimbursement System) came into force, bringing radical changes to settlement of claims in the motor line of business, regulating that policyholders receive the reimbursement for damages suffered from his or her own insurance company.

## Speed of settling motor claims (Sustainability Report area; 2006-2007)

	2006	2007
ITALY	59.5%	63.8%
AUSTRIA	35.6%	33.2%
FRANCE	72.7%	71.5%
GERMANY	66.6%	64.6%
SPAIN	64.4%	64.3%
SWITZERLAND	67.4%	65.7%

- One of the elements that has the greatest influence on client/injured party satisfaction in the case of claim settlement is the rapidity with which compensation is received. The table indicates the percentage of claims notified and not withdrawn in the year, settled in the same year. The percentage posted in the current year is an indicator of the speed with which claims are managed until the reimbursement to the insured/injured party is settled.
- In most countries, the settlement speed has fallen; it remains constant in Spain, whilst Italy has achieved a substantial improvement, where the process is now more than 4 percent faster. The attention the Group pays to activities associated with claim settlement is also reflected in the purchase, at the end of November 2007, of Centro Studi Auto Riparazioni (CESTAR), a unique insurance research centre in Italy specializing in vehicle repair. In particular, following the introduction of direct compensation, the Centre's work will be aimed at guaranteeing a better Generali Group's development strategy in the country, through closer monitoring of the vehicle repair stage, enabling the provision of excellent client services and limiting claims costs.
- Despite the slowdown in settlements, France still has the fastest settlement rates.
- It is worth noting that accurate evaluation of how efficient a company's settlement procedure is in a given country would require information – currently not available – on the characteristics of insured risks for the various lines of business in the different countries and the consequent nature of the damages is needed, which may entail long technical assessment procedures to quantify the damage incurred.

## Services for policyholders in the life line of business

The life line of business is notable in size for Group companies, measured in terms of sums paid to policyholders (or their beneficiaries) upon maturity or following a claim (death, permanent disability and so forth).

### Number of settled life policies (Sustainability Report area; 2006 -2007)

	CLAIMS		EXPIRING POLICIES	
	2006	2007	2006	2007
ITALY	26,398	19,503	352,001	313,705
AUSTRIA	2,602	2,463	25,404	27,313
FRANCE	12,070	n.a.	40,857	n.a.
GERMANY	77,145	73,834	327,587	335,119
SPAIN	4,197	4,492	12,180	17,146
SWITZERLAND	2,792	2,937	7,749	7,336
<b>TOTAL</b>	<b>125,204</b>	<b>103,229</b>	<b>765,778</b>	<b>700,619</b>

- In 2007, payouts were made for 803,848 policies in the life lines of business, posting a 4.1% decrease on equivalent terms (without considering France, for which 2007 data were not available), attributable to a fall in the number of claims and expiring policies.

### Amount of payments on life policies (Sustainability Report area; 2006-2007)

	CLAIMS*		EXPIRING POLICIES*	
	2006	2007	2006	2007
ITALY	531,625	610,987	5,791,594	5,647,538
AUSTRIA	32,739	29,629	468,288	502,423
FRANCE	1,220,848	1,223,886	835,007	783,786
GERMANY	518,594	505,024	3,335,517	3,397,216
SPAIN	67,809	79,495	714,915	753,670
SWITZERLAND	53,869	53,918	188,953	200,673
<b>TOTAL</b>	<b>2,425,484</b>	<b>2,502,939</b>	<b>11,334,275</b>	<b>11,285,307</b>

\*VALUES IN THOUSANDS OF EUROS

- In the life line of business, the payments to policyholders/beneficiaries exceeded 13.7 billion euro; the majority of payments – in the form of lump-sums or annuities – involved 11.3 billion euro overall in settlements on savings policies reaching maturity. Payments for claims, relating to death or permanent disability due to illness, totalled 2.5 billion euro.

## Complaints and disputes

### Insurance business

Each Group company manages complaints by applying their own internal procedures in accordance with current legislation in the countries where they operate.

Country	National provisions and/or supervisory authority	Group policy
<b>Italy</b>	Complaints are handled according to provisions set out by ISVAP (the insurance industry supervisory authority) in circular 518/D. This made it compulsory for all insurance companies to set up an electronic record to file complaints and relevant requests for information. It is also required to periodically involve company bodies in complaints management.	The Internal Audit Department is in charge of electronic record management and relations with the supervisory authority. It compiles a quarterly report for the Top Management. Each company has appointed an organizational team responsible for managing filing, analysis and handling of complaints.
<b>Austria</b>	No specific legal requirements are in place.	Since 2001, complaints received by the Group companies have been reported to the holding and registered in its computer filing system. An annual report is submitted to the Top Management including the number and reason for the complaints.
<b>France</b>	National legislation requires an adequate complaint management process, but it does not set out any obligations for reporting activities or the compulsory creation/maintenance of specific registers.	Each company has an organizational team responsible for managing filing, analysis and handling of complaints. An annual report is submitted to the Top Management, including the number of complaints received and their outcome. The objective in 2008 is to implement a project to standardize and consolidate handling and reporting of complaints.
<b>Germany</b>	Complaint management is regulated by circular 1/2006 issued by the supervisory body, which states that when a company does not respond to a client's complaint, the supervisory body intervenes directly.	Each individual company takes care of handling complaints, preparing a periodic report for the Top Management, containing the number of complaints received and their outcome.
<b>Spain</b>	Spanish legislation (RD 303/2004 and Orden ECO 734/2004) requires companies to compile a register to file complaints received and create an organizational team to handle complaints.	An organizational team (customer service) is responsible for managing filing, analysis and handling of complaints. Group companies draft frequent internal reports, with a view informing the Top Management and taking any necessary corrective actions as promptly as possible.
<b>Switzerland</b>	No specific legal requirements are in place.	The Swiss Group companies spontaneously adhere to the provisions laid down by the private insurance Ombudsman Foundation established thirty years ago by the Swiss Insurance Association. Each company submits annual reports to the Group complaint manager.

## Insurance complaints (Sustainability Report area; 2006-2007)

	RECEIVED		ACCEPTED		REJECTED		OUTSTANDING		ACCEPTED/RECEIVED incidence %	
	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007
ITALY	14,037	18,207	5,030	7,626	8,063	9,024	944	1,557	35.8%	41.9%
AUSTRIA	578	605	445	432	132	170	1	3	77.0%	71.4%
FRANCE	4,110	3,870	2,593	2,448	1,405	1,386	112	36	63.1%	63.3%
GERMANY	29,316	39,590	14,876	20,016	14,181	19,301	259	273	50.7%	50.6%
SPAIN	2,041	2,202	225	154	1,731	1,968	85	80	11.0%	7.0%
SWITZERLAND	18	25	10	16	8	9	0	0	55.6%	64.0%
<b>TOTAL</b>	<b>50,100</b>	<b>64,499</b>	<b>23,179</b>	<b>30,692</b>	<b>25,520</b>	<b>31,858</b>	<b>1,401</b>	<b>1,949</b>	<b>46.3%</b>	<b>47.6%</b>

- In 2007, the insurance companies included in this Report received – according to the various national systems (traditional letter, fax or e-mail or through their agency networks) – a small number of complaints (on average 9 complaints out of 10,000 policies). The figure drops to 4 out of 10,000 if only accepted complaints are considered, i.e. those recognised on further investigation as being founded. In Italy, since 2004, it is compulsory to include in the pre-contract explanatory notes for all insurance products indications on the means available for presenting complaints, providing the contact information of the relevant office.
- In about 90% of the cases it is the policyholder/insured person who makes a complaint and only 10% of complaints are made by an injured party/beneficiary.
- The increase in the number of complaints in Italy is closely linked to new provisions in the area of motor third party liability.
- Only partial information on the average number of days for response is available. The average response time in countries for which data is available varies between 4 days in Austria and 31 days in Italy, where ISVAP requires complaints to be processed within 45 days of receipt.

## Complaints by area (Sustainability Report area; 2006-2007)

	ADMINISTRATIVE AREA		UNDERWRITING AREA		SETTLEMENT AREA	
	2006	2007	2006	2007	2006	2007
ITALY	25.7%	20.1%	27.4%	24.5%	46.9%	55.4%
AUSTRIA	26.3%	27.1%	67.3%	67.3%	6.4%	5.6%
FRANCE	15.4%	24.4%	26.0%	22.7%	58.7%	52.9%
GERMANY	66.5%	71.0%	18.4%	16.6%	15.0%	12.4%
SPAIN	0.0%	0.0%	25.6%	28.5%	74.4%	71.5%
SWITZERLAND	33.3%	32.0%	33.3%	32.0%	33.3%	36.0%
<b>TOTAL</b>	<b>47.7%</b>	<b>51.0%</b>	<b>22.4%</b>	<b>20.0%</b>	<b>29.9%</b>	<b>29.0%</b>

- In Italy, France and Spain most complaints are made with regard to settlements, and most of these concern the time it takes for claims to be settled, the sum of damages and outstanding assessments. In Austria, on the other hand, the majority of complaints are linked to underwriting, as in most cases they relate to contractual aspects. In Germany, administration receives the most criticism; complaints mainly refer to questions on organizational management, with particular reference to time frames and procedures. In Switzerland, lastly, complaints are distributed fairly evenly between the different areas.

## Complaints by line of business (Sustainability Report area; 2006-2007)

	COMPLAINTS: LIFE POLICIES		COMPLAINTS: HEALTH POLICIES		COMPLAINTS: MOTOR POLICIES		COMPLAINTS: OTHER NON-LIFE LINES	
	2006	2007	2006	2007	2006	2007	2006	2007
ITALY	41.4%	40.5%	7.4%	5.3%	39.4%	44.5%	11.9%	9.6%
AUSTRIA	13.1%	10.4%	15.6%	19.2%	71.3%	70.4%	0.0%	0.0%
FRANCE	21.8%	24.0%	1.4%	2.4%	13.6%	10.0%	63.1%	63.7%
GERMANY	61.1%	52.7%	7.4%	4.5%	14.4%	22.2%	17.1%	20.5%
SPAIN	8.3%	13.0%	8.8%	2.7%	24.0%	21.8%	58.9%	62.4%
SWITZERLAND	33.3%	16.0%	16.7%	12.0%	27.8%	16.0%	22.2%	56.0%
TOTAL	49.5%	45.7%	7.0%	4.7%	22.5%	28.3%	21.0%	21.3%

- Overall, in the Sustainability Report area the majority of complaints relate to life policies, especially due to the high number those made in Italy and Germany. In Germany, this is due to a decision by the Federal Supreme Court of October 2005 ruling that some clauses in life policies were not transparent, therefore they were invalid. The court ordered the company to replace the invalid clauses with a minimum return calculated according to a formula defined by the Court itself. The decision gave rise to numerous complaints from policyholders wanting the interest on their policies underwritten between 1994 and 2001 to be recalculated. Complaints about motor policies are particularly numerous in Italy and Austria, due to the importance of such policies in the insured portfolio and the frequency of claims.

As at 31st December 2007 in the Sustainability Report Area, the Group was involved in **128,565 disputes** still pending generated by its insurance activities. The number of disputes includes both cases in which Generali Group companies are the defendants and are therefore called upon to account for their actions, as well as cases when Group companies initiate the proceedings, acting as the plaintiff and seeking sums from their policyholders.

Most disputes where Group companies are the defendants regard non-life lines of business, in particular, motor and general third party liability policies.

## Insurance disputes (Sustainability Report area; 2006-2007)

	MOTOR: NUMBER		MOTOR: VALUE*		GENERAL TPL: NUMBER		GENERAL TPL: VALUE*	
	2006	2007	2006	2007	2006	2007	2006	2007
ITALY	34,404	33,871	843,308	899,361	13,289	13,109	1,403,367	1,548,996
AUSTRIA	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
FRANCE	1,278	1,130	35,767	43,309	2,774	2,493	130,163	127,249
GERMANY	7,650	7,168	42,696	41,766	1,666	1,386	44,420	29,985
SPAIN	5,787	6,599	132,837	143,491	4,824	4,906	47,968	48,547
SWITZERLAND	69	66	7,455	12,687	49	28	13,668	15,708
TOTAL	49,188	48,834	1,062,063	1,140,614	22,602	21,922	1,639,586	1,770,485

\*VALUES IN THOUSANDS OF EUROS

- The number of disputes pending has fallen in the motor and general TPL lines of business.
- In the motor line, disputes are concentrated in Italy: despite a downturn since 2006, approximately 70% of the total number of cases pending overall are concentrated in Italy alone; this situation is mainly attributable to the lack of legal mechanisms for evaluating personal injuries, which are generally present in other countries, and to the extended timeframes of the Italian justice system.
- Disputes mainly regard settlements (questions on the sum of compensation) and underwriting issues (contractual disputes about inexact or reserved statements when the contract was underwritten, invalidity of contract, etc.).
- As for the value of the disputes, hereby given as the sum requested in the claim, there was a rise in the motor segment (+7.4%) as well as in the general TPL sector (+8%). The rise in the value of motor disputes was particularly marked in Switzerland following a dispute about a particularly large claim.

In 2007, neither the EU nor the national **antitrust authorities** took any measures against the Group companies.

Only in Italy did the insurance supervisory authorities issue fines, amounting to 3.9 million euro. The fines were mainly attributable to defaults in claims settlement, especially in motor liability and late notifications.

## Banking

Group banks are organised differently as far as the **complaint** management process is concerned, due in part to legislation in the different countries.

In Italy, Banca Generali – which for years has had a special Internal Control complaint management and control unit – is regulated by the Regulation for complaint management issued in October 2007 by the Banca d'Italia and Consob, which introduces the obligation to follow particular procedures for handling complaints.

Badenia has also set up a special complaints unit which, like Banca Generali, is part of its Internal Control department.

In Switzerland, BSI applies internal procedures for complaint management: all complaints must be communicated to the Complaints Office, headed by the bank's Legal Department, which then proceeds with the necessary administration. In all three countries, these departments not only handle complaints, they also make assessments to identify improvements that could be made to departments and procedures. Every six months or once a year, depending on the country, a detailed report on complaints and the subsequent actions taken is compiled by Group companies, and then submitted to the Top Management.

### Bank complaints (Sustainability Report area; 2007)

	RECEIVED	ACCEPTED
	2007	2007
ITALY	628	248
GERMANY	13,191	4,692
SWITZERLAND	37	26
<b>TOTAL</b>	<b>13,856</b>	<b>4,966</b>

- In 2007, 13,856 complaints overall were made to banks, down sharply (-16.9%) from the 16,674 in 2006.
- The most frequent reasons for client complaints include errors or presumed errors in bank transactions in applying prices and rates or delays in executing orders. Issues involving fraudulent use and malfunctioning credit and ATM cards also account for a certain proportion of the complaints.

### Bank disputes (Sustainability Report area; 2006-2007)

	NUMBER OF DISPUTES		VALUE OF DISPUTES*	
	2006	2007	2006	2007
ITALY	9	9	70	221
GERMANY	1,857	1,577	244,431	207,576
SWITZERLAND	35	29	65,232	73,536
<b>TOTAL</b>	<b>1,901</b>	<b>1,615</b>	<b>309,733</b>	<b>281,333</b>

\*VALUES IN THOUSANDS OF EUROS

- At the end of 2007, the Group was involved in **2,484** pending **disputes** generated by its banking business; cases in which Group companies acted as defendant fell by 15% to 1,615 in 2007. Their overall value fell by 9.2% as a whole, calculated as the sum of compensation demanded.
- The main grounds cited for disputes include alleged mismanagement of how bank products and/or investments are handled, presumed irregularities by financial advisers or, lastly, operating errors such as failure to execute transactions, or incomplete or late execution of the same.
- Although decreasing, the number of complaints made to Badenia remains high in number and value. The grounds for the cases brought against the German bank for the most part are damages for property losses incurred by investors who hold the bank responsible for the negative performance of some property investments in the early '90s, for which they had not adequately evaluated the risks.

## Dialogue with the clients

The Group pays great attention to the quality of the services it provides to its client.

The Group has been regularly conducting several types of surveys to check the level of satisfaction in relation to Generali products and services, the perception of the brand, as well as to get to know client/consumer expectations and the reasons behind their decisions. The purpose of the research is to improve customer service in terms of range of products, internal organization processes and communication. In many cases, objectives include evaluating the level of company performance in relation to competitors.

### A. Surveys to assess customer satisfaction

The table shows some current customer satisfaction initiatives being implemented in countries in the Sustainability Report area.

Country and company	Issues, Type of initiative, Frequency	Target	Results [+] = positive; [-] = critical point	Actions
<b>Italy</b> Assicurazioni Generali, INA ASSITALIA, Toro, Alleanza, Fata, Genertel	Survey on: "Customer satisfaction in all stages of relations with the Company"  Two stages: • stage one, qualitative: workshop with Company management, 12 focus groups with members of the sales force and 140 personal interviews to client • stage two, quantitative: 12,000 telephone interviews (Europ Assistance Group company)  Annual (1st edition)	Clients of Italian Group companies (representative sample by geographic area and product)	[+] global indicators of relationships  [+] satisfaction drivers in the macro areas surveyed  [+] elements of brand perception in terms of simplicity, transparency, reliability, innovation, ethics  [+] Comparability of results: for all results it is possible to compare Group companies and major Italian competitors; for global indicators of relationship a comparison with the European insurance market is also possible	• place the strengths and weaknesses found in the various companies during the survey at the basis of future company strategies, where both new products and customer services are concerned
<b>Italy</b> Group	Measure customer satisfaction for the services provided by the insurance company, especially in the claims settlement stage, in terms of Net Promoter Score (NPS), an index of the propensity of clients to recommend their company to others  Telephone interviews (external company)  Annual	6,000 motor TPL clients of Group companies	[+] the NPS index provides a useful guideline on increasing performance, making investments and assigning responsibility  [-] limited significance of data having been available for just one year	• integrate the survey with the customer satisfaction survey (see above)



Country and company	Issues, Type of initiative, Frequency	Target	Results [+] = positive; [-] = critical point	Actions
<b>Italy</b> GBS	Evaluation of claims settlement service provided  Telephone interviews (external company)  Monthly	Clients who have received payouts	[+] highlights and monitors client satisfaction during each stages of the settlement process  [-] some stages where service remains unsatisfactory	<ul style="list-style-type: none"> <li>• identify priority intervention areas</li> <li>• distribute the results to the competent departments and companies to evaluate the actions to be taken</li> </ul>
<b>Italy</b> Europ Assistance	Satisfaction for services received  Telephone interviews (Group company)  Weekly interviews, results analysed quarterly	Customers (samples)	[+] degree of satisfaction greater than 85%	
<b>Italy</b> La Venezia	Evaluation of after-sale assistance through a special toll-free number and e-mail box to assess hourly coverage, waiting time, efficiency and courteous response  Telephone surveys on line  Every six months	Clients	[+] high degree of customer satisfaction  [-] waiting time deemed too long	<ul style="list-style-type: none"> <li>• share the objectives and targets of the service</li> <li>• demonstrate greater sensitivity to client needs</li> </ul>
<b>Austria</b>	Various surveys conducted by the Marketing Department: <ul style="list-style-type: none"> <li>• customer satisfaction for: the products sold, the quality of services provided; the performance of competitors</li> <li>• telephone interviews or paper questionnaires</li> </ul> Every two years	Clients	[+] high degree of satisfaction on the whole	<ul style="list-style-type: none"> <li>• try to understand what the client expects from the service provided</li> </ul>
	Satisfaction for the energy consultation provided to policyholders with household policies  Twice a year	Clients insured for household risks	[+] service highly appreciated  [-] very long time elapses between the initial contact and the report	<ul style="list-style-type: none"> <li>• improve the services provided to satisfy client's wants and needs</li> <li>• reduce response times</li> </ul>
	Satisfaction for assistance services  Ongoing	Clients who have used one of the assistance services available	[+] very high degree of satisfaction	<ul style="list-style-type: none"> <li>• try to continue to improve the service</li> </ul>



Country and company	Issues, Type of initiative, Frequency	Target	Results [+] = positive; [-] = critical point	Actions
<b>France</b>	<p>"Clients' Barometer" Survey on 5 issues regarding relations with the company and the sales force, products, claims settlements</p> <p>Telephone interviews (external company)</p> <p>Annual</p>	Sample of 2,150 final clients, divided into the different sales channels (clients of agents, brokers, sales consultants, other networks etc.)	<p>[+] degree of overall appreciation (7.7 out of 10)</p> <p>[+] reception, relations, professionalism</p> <p>[+] wide offer and product quality</p> <p>[+] management of practices</p>	<p>Improve relations in terms of:</p> <ul style="list-style-type: none"> <li>• frequency of contacts</li> <li>• product innovation</li> <li>• communication</li> </ul>
<b>France</b> Europ Assistance	<p>Interview on the degree of customer satisfaction</p> <p>Annual</p>	Sample of 4,000 final clients	[+] satisfaction for assistance received	<ul style="list-style-type: none"> <li>• discussion of results with relevant intermediaries to define improvement strategies together</li> </ul>
<b>Germany</b> Aachen-Münchener, Advocard, Badenia, Central, Cosmos, Generali, Volksfürsorge	<p>Customer satisfaction, Net Promoter Score (NPS) and strengths and weaknesses</p> <p>Telephone interviews</p> <p>Annual</p>	Group clients	<p>[+] overall degree of satisfaction</p> <p>[+] capability for market comparison</p> <p>[-] global improvement inferior to market</p>	<ul style="list-style-type: none"> <li>• adoption of some specific measures;</li> <li>• optimisation of the study in 2008</li> </ul>
<b>Spain</b>	<p>Customer satisfaction for the claim management service</p> <p>Telephone interviews</p> <p>Frequency: annual (comparison with benchmark); quarterly (internal evolution)</p>	Group clients insured for motor or household risks	<p>[+] comparison with market benchmark</p> <p>[+] monitoring internal evolution</p>	<ul style="list-style-type: none"> <li>• the Marketing Department and the management of Handling Centre meet on a quarterly basis to evaluate the results and identify measures to improve the quality of the service offered.</li> </ul>
<b>Spain</b> Europ Assistance España	<p>Degree of satisfaction for the quality of services received (as part of ISO 9001 certification)</p> <p>Paper questionnaires</p> <p>Weekly, although the results are analysed quarterly</p>	Motor, medical expenses, legal advice insurance policyholders	[+] degree of satisfaction greater than 84%	<ul style="list-style-type: none"> <li>• certification requires that certain performance standards are upheld and the certified company must adopt appropriate measures to meet standards when they fall short. The main areas of intervention are training and reorganisation on the front line.</li> </ul>



Country and company	Issues, Type of initiative, Frequency	Target	Results [+] = positive; [-] = critical point	Actions
Switzerland	Report on non-life products with the aim of improving products, services, communication and consequently corporate image  Client interviews (external company)  Annual	Sample of clients	[+] good	<ul style="list-style-type: none"> <li>• launch of the new "Garantie 7" product, which ensures settlement of claims within 7 days</li> </ul>
Switzerland BSI	Customer satisfaction for: quality of reception, comprehension of client's needs, the quality of the product range, overall judgement  Paper questionnaires  Annual	Representative sample of BSI Switzerland and BSI Munich clients	[+] very positive overall results  [-] need for on line access  [-] need for a broader range of products not linked to the benchmark	<ul style="list-style-type: none"> <li>• launch of the e-banking project</li> <li>• launch of a new absolute performance product</li> </ul>

## B. Surveys on brand perception

Surveys on brand perception, image and advertising are conducted in all countries. This is normally done on an annual or half yearly basis, though in some cases more **frequently** (quarterly in Austria and monthly in Germany). They are normally **conducted by** telephone interviews, generally by external companies; personal interviews are only conducted in Austria, whilst paper questionnaires are used in Germany.

Consumers make up the **target** for the surveys. Representative samples of the population are chosen on the basis of certain parameters which in general revolve around age and at times some more specific parameters (sex, profession, region, etc.); in some cases the sales force is also included.

Two of the brand perception surveys conducted by Group companies in 2007 presenting significant aspects are reported here.

In Italy, Assicurazioni Generali has conducted research on the consumer's perception in light of advertising and brand, in terms of innovation, prestige, customer attention and propensity to obtain insurance. In collaboration with an external company, 6,900 telephone interviews were made distributed uniformly during the course of the year: 150 a week, totalling 600 interviews a month from January to December 2007. People interviewed were men and women clients of banks/BancoPosta or policyholders between the ages of 25 and 64 years old. Their answers enabled an evaluation of indexes pertaining to image and brand value, in addition to providing indications of the effectiveness of Company advertising.

In Germany, Badenia repeated the survey on brand performance in the purchasing process and on the brand core. It has been doing it since 2005 on an annual basis with the objective of verifying its standing compared to competitors and the consolidation of the perception of problems and market drivers.

The survey was conducted using paper questionnaires, targeting final clients and the sales force. Analysis of the results placed the company's standing beneath the market average both in terms of satisfaction among customers and sales representatives, and of brand. As a consequence, the company devised a highly articulated plan of action, acting on several aspects (involvement of employees, customer service and services for the sales force, communication, telephone marketing, review of the website and so on) to gradual increase satisfaction among customers and the sales force, bringing it to market level by 2011. Brand development based on customer satisfaction has been integrated with the company's objectives and in the objectives of the company departments involved.

## C. Other surveys

In general, a trend has emerged in all Group companies indicating surveys are increasingly directed at specifically **understanding needs, wants, and the behaviour of clients/consumers** for the purpose of developing and improving products and services.

The table shows a brief description of the most significant surveys conducted in 2007.

Country and company	Issues, Type of initiative, Frequency	Target	Results [+] = positive; [-] = critical point	Actions
Italy France Germany Group	Needs of senior citizens  Focus groups and ethnographic interviews  One time (see text below)	Consumers	[+] new products and communication concepts  [+] target segmentation  [-] interaction between company and client	<ul style="list-style-type: none"> <li>organization of a workshop to concretize new concepts</li> </ul>
Italy Generali, Genertel and INA ASSITALIA	Drivers' perception of motor TPL policies with franchise as an element of product flexibility  Survey in 2 stages: <ul style="list-style-type: none"> <li>qualitative (focus group)</li> <li>quantitative (telephone interviews or online questionnaires)</li> </ul> One time (April – August 2007)	Drivers 18-74 years old, who are car owners, motor TPL policyholders, Internet users	[+] the franchise was chosen by more mature and sensible people  [+] the appeal of the discount was very strong if the franchise was proposed by a direct sales company  [-] scarce knowledge of the issue, strong resistances	<ul style="list-style-type: none"> <li>Genertel has issued a new product with franchise on the market</li> </ul>
Italy Generali	Multiclient survey on consumption among immigrants (2nd year)  Survey in 2 stages: <ul style="list-style-type: none"> <li>qualitative (6 focus groups to understand the approach of various ethnic groups to the system of goods and services offered in Italy; 10 ethnographic observations in sales outlets, to understand the behaviour and purchase style of immigrants)</li> <li>extensive (1,000 personal interviews)</li> </ul> June - November 2007	About 1,150 people belonging to the most common ethnic groups in Italy (Rumanians, Moroccans, Albanians, Ukrainians, Philippines, Chinese and South Americans) aged between 25 and 45 years old	In progress	



Country and company	Issues, Type of initiative, Frequency	Target	Results [+] = positive; [-] = critical point	Actions
<b>Austria</b> Generali	Various studies and analyses of prospects on the behaviour of Austrians: "Fears", "How to plan to spend your money" (annual), opinions on the health services, or on life insurance issues (frequently) and so on	Consumers	[-] problems associated with health, health expenses, in part in light of the reduced services provided by the State	<ul style="list-style-type: none"> <li>• launch of new products, advertising campaigns, leaflets, etc.</li> </ul>
<b>France</b> Generali	Observatory on the "current and potential client", aiming at favouring customer relations and adapt marketing policies in light of results. 20 annual meetings involving three consumer or client groups each month, focusing on various issues, in particular expectations of insurance and perception of Generali products	Clients and consumers	[+] the client expects recognition for loyalty (e.g. a free gift), consideration for his or her observations, and to receive personalized attention (mailing)	<ul style="list-style-type: none"> <li>• client relations are favoured and coherent marketing is developed</li> <li>• a review of marketing policy is being planned and a customer satisfaction survey will be conducted by targeting people who have been clients for 2 years or more</li> </ul>
	Surveys to "Identify client type"  Annual	Clients (sample)	[+] Three main types of clients have been identified: <ul style="list-style-type: none"> <li>• "fragile clients" who present a high risk of terminating their contracts</li> <li>• "contributing clients" who take products into high consideration</li> <li>• "clients with potential" who may broaden the range of products they purchase</li> </ul>	<ul style="list-style-type: none"> <li>• more information and development of loyalty for the 1st type; get ready and respond to the demands of the 2nd type; be proactive for the 3rd type</li> <li>• each year every adviser has to visit 200 consumers considered to be sensitive</li> </ul>
<b>Germany</b> Aachener-Münchener, Cosmos, Generali, Volksfürsorge	Drivers' needs and behaviour  Focus group  One time	Consumers	[+] new concept of products and communication  [-] complex settlement procedures instead of assistance, lack of transparency in rates, discounts	<ul style="list-style-type: none"> <li>• organization of a workshop to concretize new concepts</li> </ul>
<b>Germany</b> Central	Consumers' needs and expectations; impact of the health service reform in Germany  Focus groups and in-depth interviews  One time	Consumers	[+] relevance of brand awareness, importance of flexible and modular insurance solutions  [-] complex and cumbersome products, the reform causes lack of confidence and negative feelings	<ul style="list-style-type: none"> <li>• the results will be used to develop, test and enhance products and communication strategies</li> </ul>



Country and company	Issues, Type of initiative, Frequency	Target	Results [+] = positive; [-] = critical point	Actions
Switzerland BSI	Development of new products and services for specific targets: <ul style="list-style-type: none"> <li>• 1st stage: interviews and questionnaires</li> <li>• 2nd stage: workshop with the area manager to improve solutions offered to clients</li> </ul>	Clients	[-] gap between the products/services offered to clients and the various pricing methods geared at increasing the number of clients	<ul style="list-style-type: none"> <li>• development of solutions tailored to the clients' specific needs</li> </ul>

An international project was undertaken in 2007, involving Italian, French and German Group companies focusing on “**The new senior citizen**: expressed and unrealised needs for this segment in terms of savings, financial guarantees, assistance and health protection”. The initial survey stages were conducted by major Group companies, whilst the stages pertaining to the promotional campaign and product testing were conducted by Assicurazioni Generali. Research was conducted by an external company and coordinated by the Group’s Strategic Marketing department involving a sample of people between the ages of 55 and 69 years of age and Assicurazioni Generali clients between the ages of 50 and 65 years old. The sales force was also involved.

The survey involved 6 stages, and the use of a variety of tools:

- focus groups in the initial stages: exploration of perceptions and needs of senior citizens, including product proposals evaluation and optimization; gathering suggestions and new ideas from the network and understanding the perception of marketing proposals;
- online surveys for choosing the product name;
- personal interviews to 400 target clients and consumers for tests on the perception of the final product, propensity to purchase and elasticity in price compared to product content.

The results formed the foundation for developing the final product aiming at interpreting and responding to the needs of this “new” segment of the population. The launch of the product is scheduled for 2008.

All Group companies also consider their Internet websites to be a source of information on the aspects customers are most interested in. They can then fine tune these areas to direct communication with the client according to the needs that emerge.

## Collaboration with other associations in the interest of consumers

In **Italy**, the Generali Group continues to be committed to collaboration with ANIA aimed at making improvements based on information for consumer, on transparency and insurance quality. The latest initiatives include:

- adherence to the conciliation procedure for controversy arising from motor TPL claims;
- participation in conceiving and implementing the Blue Form marketing campaign on the new direct reimbursement system for motor TPL claims, which came into force by law starting from February 1st, 2007;
- participation in conceiving, creating and distributing the brochure on supplementary retirement plans.

Assicurazioni Generali is also a member of the Foundation for Road Safety, part of ANIA, a voluntary group of insurance companies.

Moreover since 2007, D.A.S., a company of the Toro group has chaired the Italian Committee for legal protection insurance, an association of companies specializing in this insurance line, with the aim of promoting every initiative to spread knowledge and encourage the advancement of legal protection.

In **France**, as part of collaboration with the national industry association (FFSA), Generali France was one of the founding companies of the Association of health prevention insurers (APS). It publishes, among other things, illustrated guides focusing on the main health-related issues (illness, vaccination, diet, allergies and so on) and the prevention of accidents in the home. These guides, free to the public, are distributed through insurance companies, schools, pharmacies and doctors’ offices and can be downloaded from the [www.ffsa.fr](http://www.ffsa.fr) website and Generali’s [www.agirpourmasante.com](http://www.agirpourmasante.com) website.

In **Germany**, an agreement between the company Advocard and the Auto Club Europa (ACE) is in place, making the legal motor protection provided by Advocard available to ACE members under particularly favourable conditions.

In **Spain**, the Group collaborates with the national industry association (UNESPA) by supporting also road safety campaigns and participating in research programmes for vehicle safety promoted by the Zaragoza Centre, the UNESPA's research institute for vehicle safety and repair.

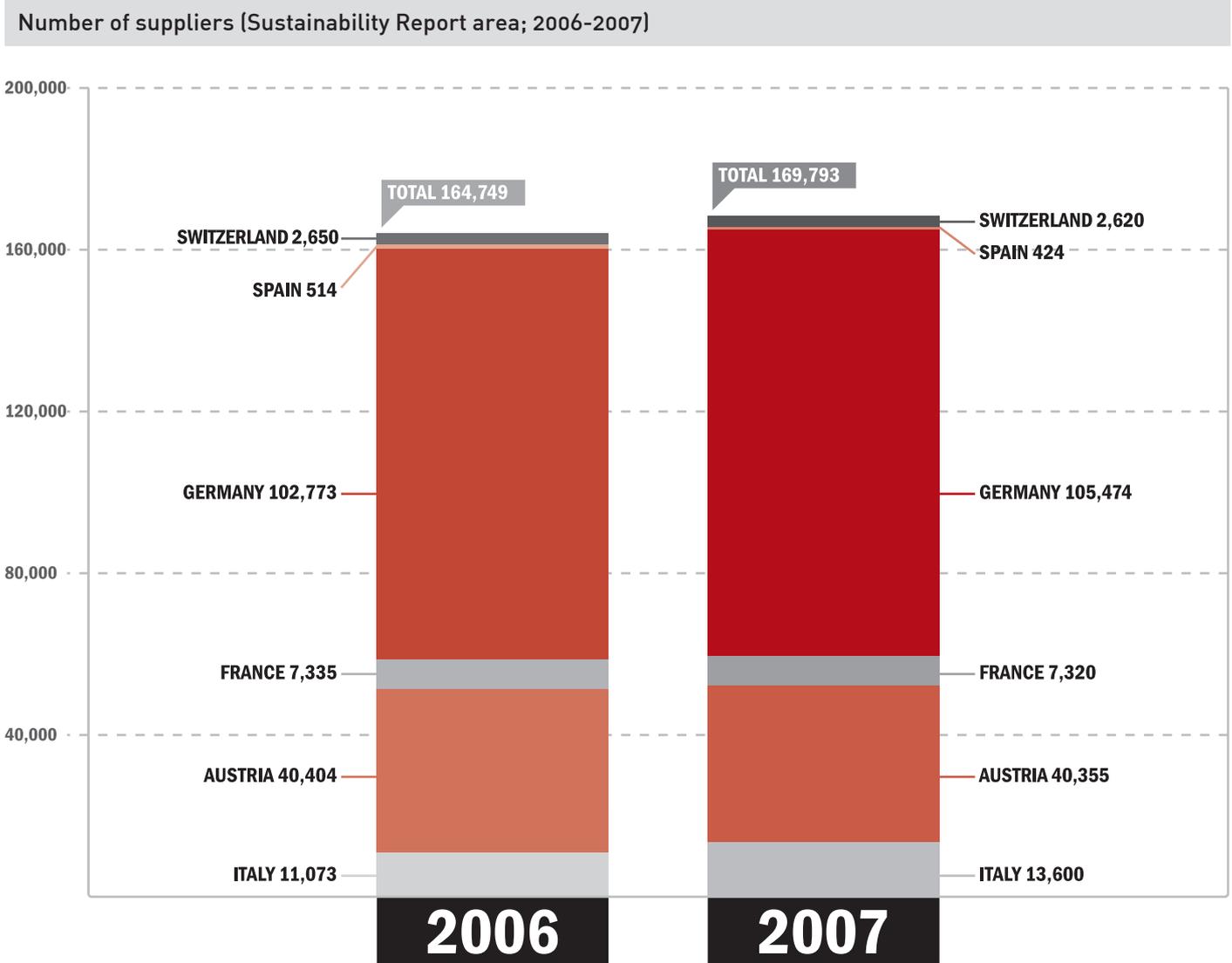
## Objectives for 2008 and beyond

- Extend the use of surveys to customers and the sales force to identify needs and expectations of clients with the purpose of improving/designing products and services tailored to the customer.
- Introduce the new "Third Age" product in Italy, France and Germany.
- Improve the service provided by trying to solve critical points associated with claim settlement emerging from complaints/reports received.

# SUPPLIERS

The Group deems the development of lasting and mutually satisfactory relations with qualified suppliers a strategic objective and an opportunity for competitive success.

## Description



- In countries in the Sustainability Report area, the Generali Group has relations with about 170,000 suppliers. Compared to 2006, this reflects an increase of 3.1%, due to expansion in Germany and Italy. In Italy, in particular the entry of the Toro group (whose 2006 data are not available) in the Sustainability Report area affected the number of suppliers.
- The high number of overall suppliers is to a large extent due to the presence in the area of some companies of the Europ Assistance group: in Austria and Germany alone these companies have more than 100,000 suppliers (car repairers, body shops, doctors, blacksmiths, plumbers, electricians, etc.), amounting to over 60% of the total.
- There is a majority of suppliers of services and, of these, suppliers of services related to core business (surveys, professional consultancies, training, vehicle repair, healthcare services, typography, translations, etc.), whilst those providing a variety of services in support of company business (cleaning, maintenance, transport, etc.) number much fewer.
- Group companies have a preference for national suppliers, who in the Sustainability Report area range between 80% and 100% of the total; in line with Group policy, companies which can provide goods/services nationwide are preferred.

## Purchase policies

The Generali model, applied in almost all countries, sets out that all purchase processes (from supplier sourcing to stipulating contracts) are concentrated in one common services company. Highly specialized services (e.g. marketing, claim settlement, training, various consultancy services) and urgent matters are an exception, and they are managed by each company individually.

In the IT sector, the Corporate Centre recently set up the “Group Ict Procurement” (GIP) department, whose job is to manage commercial relations with global suppliers of IT goods and services on a Group level, exploiting economies of scale.

Logics differing from the model described above are adopted:

- in Germany, where relations with suppliers for strategic purchases (associated with headquarter management, travel, marketing and sales) and – through a specific unit – IT services and materials are managed by the Group’s Purchase Department, whereas each company deals directly with operational purchases;
- in Switzerland, where all purchases are made by individual companies.

Since 2005, the Italian Group has had a specific **Ethical Code for Relations with Suppliers**, based on principles contained in the Generali Group’s Ethical Code, making reference to the “Guidelines for a System based on Sustainability and Integrity in Relations with Suppliers” drawn up by the Procurement Executive Circle, a community comprising procurement executives from the major companies operating in Italy.

The primary general criteria of the Code are set out below:

- relations are based on the **principles** of legality, transparency, fairness and loyalty in all stages of the procurement process;
- **loyal and sustainable competition** is promoted, ensuring that anyone meeting the necessary objective requirements can take part in the selection process. As a general rule, estimates are requested from three different suppliers for each order;
- to avoid any kind of **conflict of interest**, the roles of the person who places the order and the person who signs the contract, i.e. the Group Purchase Department, are kept separate;
- the reasons for the final choice are recorded and all the **documents** are then acquired by scanning and remain available for subsequent checks;
- in particular, great attention is paid to avoid creating or maintaining **dominant positions** or situations of economic dependence of suppliers on Generali: to this end, generally Group companies do not issue orders for amounts exceeding 30% of the supplier’s overall revenues;
- **exceptions** to the Ethical Code for Relations with Suppliers are allowed, where documented and justified, based on clear and transparent grounds, only in specific cases of exceptional and urgent nature.

Group-wide, it is deemed to be of vital importance to adhere to the agreed terms of payment: virtually 100% of contracts were paid on time, the only cases of late payment being those cases involving disputes.

To ensure the **integrity of the supply chain**, the Group implements suitable operative mechanisms to prevent the violation, by its suppliers and their supply chains, of the Company’s ethical principles.

For more information, see the “Sustainability” section at [www.generali.com](http://www.generali.com).

The Ethical Code for Relations with Suppliers has been sent to all Group companies worldwide.

The Austrian Group published its own Code for Relations with Suppliers, available at [www.generali.at](http://www.generali.at), corresponding to the principles laid out in the equivalent Code adopted in Italy, and expanding on some aspects to adjust it to local purchase procedure. Other countries have not formally adopted the Ethical Code for Relations with Suppliers, but they operate with methods that are substantially in line with the principles set out in the Code: systems implemented include measures to guarantee transparency in purchase processes, avoid conflicts of interest (the roles of parties involved in the decision-making process are kept separate), and ensure compliance with regulations concerning environmental issues and human and workers’ rights. In particular, in selecting partners for contracts, clear, firm and non-discriminating procedures are used based on objective criteria associated with competitiveness and the quality of products and services provided. Where contracts entail large orders and long-term relations, potential suppliers are invited to submit bids.

Although suppliers are not currently required to be certified to environmental standards (ISO 14001) nor social standards (SA 8000) – not very widespread in some of the countries in question – in all countries in the Sustainability Report area procedures and practices intended to ensure supplier behaviour are used in coherence with the Group’s ethical principles.

Country	Sustainability Policy
Italy	Preference is given to suppliers with suitable references or to those known to the company for a long time. Suppliers of services such as reception duties, cleaning and surveillance staffs are monitored, especially those employed by cooperatives, due to greater risks for infringements of workers’ rights. A copy of the personnel book is also required in order to check that staff are employed legally and the contract specifically prohibits subcontracting of the work.
Austria	Companies who have a written policy in compliance with labour legislation are preferred. Suppliers are also required by contract to notify Group companies if sub-contractors are involved in supplying the order, and random checks may be conducted to make certain that the subcontractors comply with human and labour rights legislation.
France	New suppliers are required to follow an entrance procedure, which also includes filling in a questionnaire, which comprises a statement certifying that environmental and workers’ rights legislation is observed, which must be signed by the new supplier. All contracts contain clauses regarding respect of human rights, social certification (the supplier must demonstrate to be in order with social security contributions), and reference is made to ISO 14001 for aspects relating to environmental legislation. The Group does not work with any companies which cannot prove they meet the abovementioned requirements and contracts contain clauses that establish sanctioning procedures in the case of violation. Almost all major suppliers are certified to ISO 14001 standard.
Germany	Group companies prefer suppliers who have suitable references or who have been known to them for many years, partly because certification is not yet very widespread, especially among small and medium enterprises.
Spain	Suppliers who place importance on environmental issues are preferred.
Switzerland	Contracts for major headquarter management services are awarded on the basis of professional bids submitted. Quality controls are conducted on supplies on a quarterly basis. Moreover, random checks are also conducted under the contract to ascertain whether labour legislation and basic social rights are respected, and termination clauses are in place in case of default.

## Evaluation and dialogue with suppliers

The Group has placed great attention on the quality of services, and has put in place numerous systems for **supplier evaluation** and ongoing **monitoring**. Virtually all companies review the trend of collaboration with major suppliers, checking operations to verify the quality of goods and services and price suitability.

In Austria, the supplier monitoring system involves computer-based procedures. Performances are checked against benchmarks for the various sectors on a regular basis, and measured against certain indicators identified by the local Purchase Department in order to optimize costs and nurture relations with top suppliers.

In France, Generali involves those suppliers who have promoted concrete environmental innovation inviting them to speak at the environmental week organized by the company each year in Saint-Denis.

## Objectives for 2008 and beyond

- Improve and implement supplier monitoring procedures, where not yet present.
- Develop stakeholder engagement initiatives with major suppliers.

# ISSUING COMPANIES

## Investment policy

The Generali Group is aware of the significant role it can play indirectly in its capacity as institutional investor in protecting the environment, human rights and in social issues in general, by influencing the behaviour of issuing companies.

The Group's investment criteria focus on the following principles:

- **safety and reliability:** the Group has always rejected speculation and avoided the use of high-risk investments of any kind, including those posing environmental and social risk;
- **ethics:** sharing the same objectives and the sustainability concept applied to investments, in October 2006, the Group decided to apply the ethical guidelines adopted by Norwegian Government Pension Fund-Global. By doing so, it excluded any possibility of investing in financial instruments issued by companies presenting serious violations of human rights, harm to the environment and episodes of corruption.

### Norwegian Government Pension Fund-Global

Norwegian Government Pension Fund-Global manages income from Norway petroleum, ranking among the top funds in terms of assets on a global scale, exceeding 250 billion euro at the end of 2007.

#### Investment criteria

**Objective:** generate high long-term financial income, by promoting ethical development based on the Global Compact principles and the OECD Guidelines for Corporate Governance and Multinational Enterprises.

**Ethical guidelines:** investments in financial instruments issued by the following are not permitted:

- companies which – directly or through their subsidiaries – produce weapons that, if normally used, may violate fundamental humanitarian principles;
- companies presenting an unacceptable risk of contributing to: serious or systematic violations of human rights; serious violations of individuals' rights in situations of war or conflict; severe environmental damages; episodes of gross corruption; serious violations of basic ethical standards.

#### Evaluation procedures

The Ethical Committee, an advisory body to the Norwegian Minister of Finance (responsible for the Fund):

- constantly monitors the companies the Fund invests in;
- reports any violations to relevant companies, demanding justification;
- if an answer is not forthcoming or is deemed insufficient, it recommend the exclusion of the company from the investment universe to the Minister.

The Norwegian Minister of Finance acts freely and his/her decisions to exclude companies from investment are made public at press conferences.

If the situation that resulted in such exclusion ceases, the company may be reconsidered for investment following the procedures in place.

For further information on the process and criteria for exclusion, as well as a list of the companies currently excluded from the Fund, go to [www.regjeringen.no.en](http://www.regjeringen.no.en).

The **Generali Group's ethical guidelines** prevent, therefore, any new investment in financial instruments of companies excluded from the investment universe by Norwegian Government Pension Fund-Global. For those investments in portfolio that fall short of the above-mentioned criteria – especially following the exclusion of new companies – a period of time is established for liquidating the positions after a public announcement of the exclusion by Norway Minister of Finance. This period must grant sufficient time to leave any investments without causing negative repercussions on the relevant portfolios.

The guidelines are applicable to all direct investments in portfolios where the investment risk is borne by the Group.

To monitor to what extent the ethical investment guidelines are adhered to in all countries, a quarterly report is sent to the Financial Risk Control Department at the Corporate Centre. If a violation occurs, a verification process is activated and disinvestment plans are shared to prompt the violator to respect the guidelines in a timely fashion.

At the end of 2007, approximately 22 million euro remained in unethical investments compared to 35 million on December 31st 2006. The residual position is attributable mainly to exposure of the company Vedanta Resources PLC, excluded from the investments in November 2007.

## Objectives for 2008 and beyond

- Continually apply and monitor adherence to the Group's ethical principles.





chapter 5

## **Social-environmental stakeholders**

Archaeological finds showcased at the "Radici del presente" (Roots of the present) exhibition organised by Assicurazioni Generali to mark its 175<sup>th</sup> anniversary.

# COMMUNITY

## Relations with the community

Generali Group companies have always cultivated relations with the local and national communities within which they operate, contributing to various types of social, cultural, environmental and sports initiatives.

The Group has given priority to a number of areas of intervention, which are:

- scientific research, especially in the medical field;
- initiatives to alleviate hardship and suffering;
- high-profile cultural and artistic events;
- educational projects and projects to raise social awareness;
- initiatives associated with environmental protection;
- sports activities.

Particular attention has been paid to initiatives for children and young people.

In these areas of intervention, Group funds are awarded following an assessment of the social value of the initiative and the trustworthiness of the promoters. Checks are made at a later date to ensure that the funds actually arrive at the designated destination and long-term sponsorship may be available for those who demonstrate good use of the financial resources allocated.

Within the framework of this common approach, however, individual Group companies can make autonomous decisions: some choose to channel resources allocated for the community into one or a handful of far-reaching initiatives, while others share the funds among several different projects. Some companies involve their own members of staff in the decision-making process for allocating resources, which in 2007 included the following initiatives:

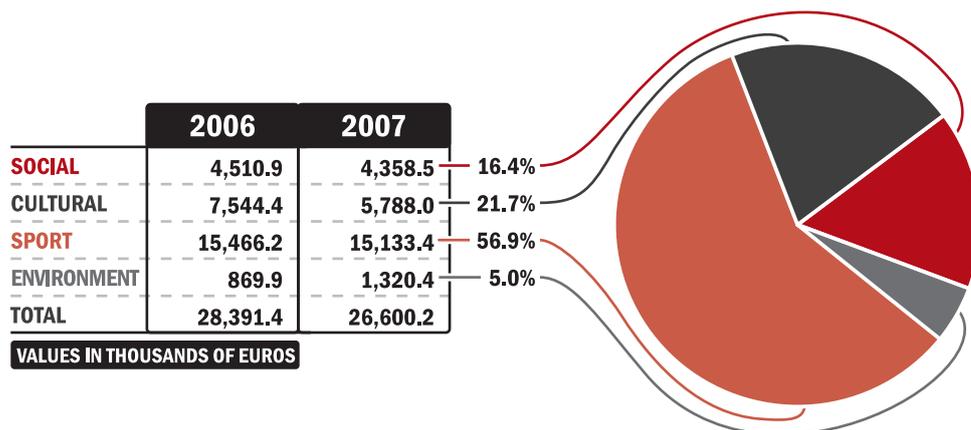
Country	Description of the initiative
Italy	During the “ <b>Children’s Festival</b> ”, group employees decided to donate a portion of the sum set aside by the company for their own children to non-profit organisations committed to helping the children (see the “Members of Staff” chapter). During the event “ <b>Babbo Natale per un giorno</b> ” (Father Christmas for a day) and during the Christmas party, some Europ Assistance employees volunteered to collect money in support of initiatives promoted by the Aiutare i Bambini (Help the Children) association (see below).
Austria	Each Regional Management office “ <b>adopts</b> ” a <b>SOS-Kinderdorf</b> (children’s shelter) providing direct aid, in some cases involving the direct, personal involvement of some employees.
Czech Republic	The sales force auctioned nostalgic advertising posters from the insurance Company’s archives during its annual congress. The proceeds from the <b>charity auction</b> were donated to the <b>nursery school in the city of Stankov</b> .
Netherlands	Employees <b>collected money</b> , which was donated to a nursing <b>home for the elderly</b> .
USA	For years, the employees of Generali USA Life Reassurance Company have been <b>raising funds</b> for <b>United Way</b> , an organisation that takes care of poor children and their families, helping them to develop to their full potential in a healthy, warm and stimulating environment. In addition to the sum raised by members of staff, the company also contributes to the organization.

## 2007 highlights

This chapter provides information on Group company initiatives that benefit local communities in all the countries around the world where Generali operates.

In 2007, the Generali Group allocated 26.6 million euros to community initiatives, down 6.3% on the previous year. The reduction is attributable to the fact that some major cultural and sports events sponsored by the Group in 2006 were discontinued. Allocation of funds was divided into the following areas of intervention:

Distribution of funds to community by area  
(Consolidation area; 2006 -2007)



- Funds allocated for cultural (-23.3%), social (-3.4%) and sports (-2.2%) initiatives fell in value; however, these areas continue to receive the largest fraction of the funds allocated for the community.
- On the other hand, the sums allocated for environmental projects have risen significantly (+51.8%), although this field continues to receive the smallest share of community funds.

Following on from last year, the model created by the London Benchmarking Group (LBG) was applied to Group interventions to measure and communicate programmes benefiting the community, a model currently used worldwide by hundreds of companies of all sizes in all sectors.

### The LBG model

The starting point for the LBG model is the company's motivation for deciding to support an initiative in favour of the community. Three main reasons have been identified:

- a sense of moral and social responsibility;
- the belief that companies have a long-term interest in promoting the development of a healthy society;
- the knowledge that being involved in the community may result in direct benefits for company business.

Community initiatives are divided into three categories based on these reasons:

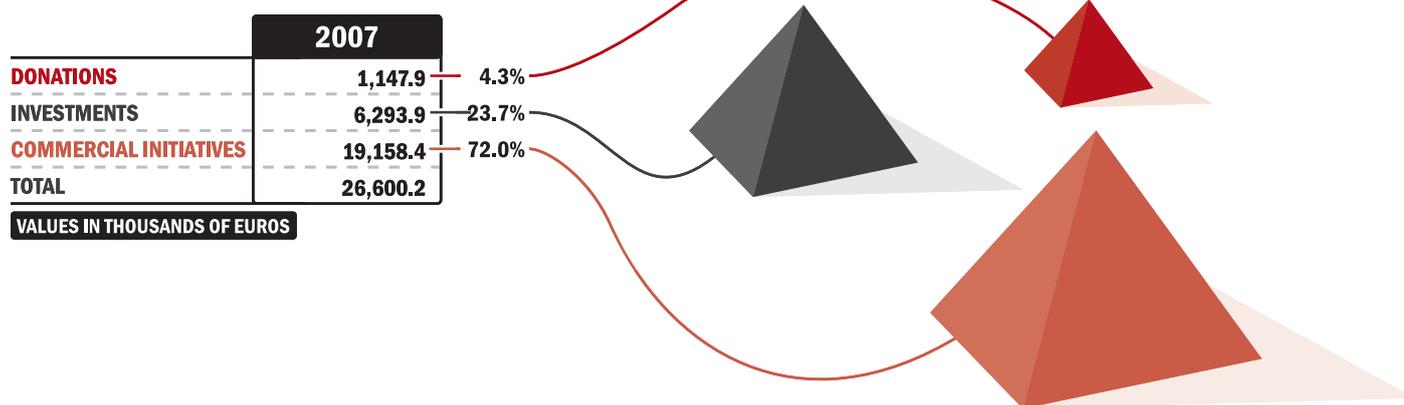
- **donations:** sporadic donations (not given on a regular basis) to support a wide variety of "good causes" in response to the needs and requests of voluntary organizations or local institutions, which increasingly establish partnerships between the company, its staff, clients and suppliers;
- **investments in the community:** long-term sponsorships aimed at a limited number of strategic aims, chosen by the company to protect its long-term interests and build on its reputation;
- **commercial initiatives:** activities benefiting the community and aimed directly at the company's success (e.g. to promote the brand or a particular product), promoted generally by the Commercial Department in collaboration with non-profit organizations or local institutions.

Investments include – in addition to initiatives that may increase sales in the medium-long term – those initiatives that aim to improve technical performance, such as – for example – those whose purpose is to encourage children and adults to adhere to road safety regulations.

In order to classify certain cultural and sports activities as investments rather than as advertising initiatives, the role of the brand in the event sponsored is taken into account. This factor is indeed fundamental as an indicator related to expectations for increasing business and/or corporate reputation improvement, and in what time frame. As an example, explicit sponsorships of professional or high-profile sports events are considered as advertising initiatives. Here, the connection with the Generali brand is clear and evident. On the other hand, sponsoring youth teams and sports and leisure events for children is mainly considered as an investment, even when – as is often the case – this consists of supplying promotional material (caps, bags, uniforms, etc.). Similarly, sponsorship of cultural events such as high-profile concerts, exhibitions and theatre shows is considered as a commercial initiative, whereas sponsorship of theatres, museums and cultural associations is considered as an investment for the cultural growth of the territory and the population.

All philanthropic and environmental initiatives implemented by the bodies and associations Group companies have chosen to support on an ongoing basis were classified as investment entries, considered to be strategic to reputation in the communities where they are focused.

### Allocation to the community by type (Consolidation area; 2007)



- The great majority of initiatives allocating funds to the community aimed in particular at improving image and strengthening company brands, due to the high cost of this type of initiatives. Nonetheless, in 2007, the sums destined to commercial initiatives fell by 9.6% against the previous year, when sponsorship of some key cultural and sports initiatives, such as the Italian tour of the prestigious New York Philharmonic orchestra, and national teams and other leading athletes participating in the World Football Championships in Germany and the Winter Olympics in Turin, resulted in peak disbursements.
- The overall sum of donations and investments, however, grew by 3.3%. Investments in particular rose, due to gradual consolidation of the vast majority of Group companies' collaboration with bodies and associations. Funds destined to the community within the framework of policies aimed at enhancing the Company's involvement in the community have therefore increased, whilst commercial sponsorships, following a strictly business-related logic, show an irregular trend.

The primary initiatives that the Generali Group supported in 2007 are outlined below. Prevalence is the criterion adopted in order for initiatives to be reported, organised into areas and then into sub-areas for those initiatives that fall under more than one area or sub-area.

Only a limited number of initiatives can be described in detail. They are selected on the basis of relevance – not limited to economic relevance – of the Group companies' commitment and to new initiatives. However, it should be emphasized that the number of initiatives described is limited by editorial demands, and is in no way intended to underscore or diminish the importance of any initiative. See the "Sustainability" section at [www.generali.com](http://www.generali.com) for further information on the matter.

## Social area

### 1. Aid

**Primary needs among the poor, homeless, social outcasts and people suffering** – The Group continued to provide extensive support in this field, consolidating its relations with some voluntary associations it had been supporting for some years.

In addition to a number of broad-ranging projects, the Group supports smaller initiatives organized by numerous aid associations.

Country	Description of the initiative
Italy	<b>Community of Sant'Egidio:</b> participation in the DREAM programme (Drug Resource Enhancement against AIDS and Malnutrition) in the Democratic Republic of the Congo, which creates, supports and develops a network of health centres (equipment, supply and administration of antiretroviral drugs and other items needed by the sick). <b>Victims of the ThyssenKrupp</b> steel works in Turin: donation to the families of the deceased workers.
Austria Switzerland Hungary	<b>SOS-Kinderdörfer:</b> international non-governmental organisation which helps orphans and the children of disadvantaged families. In 2007, a charity concert was held, and proceeds from the event were added to the sum donated by the Group. In Austria, as already mentioned, initiatives directly involve employees.
Austria Slovenia	<b>Klinik-Clowns and Red Noses:</b> donations to these voluntary associations, who visit hospitals to entertain and cheer up children with long-term illnesses.
Spain	<b>"Pinta una sonrisa"</b> (Paint a Smile Foundation): a project to brighten up the "La Paz" hospital in Madrid, for children afflicted with cancer, with colourful paintings on the walls to make their hospital stay less traumatic.
Switzerland	<b>Samaritan Federation of Switzerland:</b> a voluntary association that provides emergency and social/health services and training in the field of accident prevention and first aid;
China	<b>Project Hope:</b> a welfare programme that aims to mobilize financial resources within the country and abroad to provide and improve education for poorer regions. The funds were allocated to the construction of a primary school in a rural area of the Guangdong province.
Panama	<b>"Escuelas-Rancho por escuelas dignas"</b> (Country Schools for Suitable Schools): a government programme to construct dignified schools in rural areas where schools are often built by parents using waste and makeshift materials. Generali became an "outstanding benefactor" for its participation in this programme.

**Integration and equal opportunity** – The Group is to a large extent committed to supporting associations that provide **rehabilitation** for people in difficulty and help them with their **reintegration** with society, helping some find work. Similarly, it supports numerous programmes offering equal advancement and enhancement opportunities in society for disadvantaged people, in particular through education.

Country	Description of the initiative
Italy	<p><b>Mus-e Association:</b> support for the programme that uses music, song, theatre, dance, plastic and figurative arts and mime to integrate immigrant children in schools: collective disciplines that promote communication and sharing of experiences using different forms of verbal language.</p> <p><b>“Asphi”</b> (introduction and development of projects to reduce handicaps through IT): a non-profit organization that promotes the integration of people with disabilities in schools, at work and in companies by using technology.</p> <p><b>San Patignano Community:</b> sponsorship for the food and wine event “Squisito! Cuochi, prodotti, ricette, vini. Itinerario nel Buonpaese”, (Delicious! Cooks, products, recipes, wines. Good Italian food itinerary), now in its fourth year, organised entirely by youths who live in the community for the recovery of drug addicts.</p>
Austria	<p><b>Club Mobil:</b> support for the organization of safe driving courses for people with disabilities.</p>
Brazil	<p><b>Casa do Menor São Miguel Arcanjo:</b> cash, insurance coverage and books were donated to this organization that works in the communities of Rio de Janeiro and Fortaleza, rescuing children from the street and at-risk teenagers, promoting social and professional education.</p>
Czech Republic	<p><b>Equal opportunities conference</b> for people with disabilities, with different sexual orientation and of other nationalities.</p>
Ecuador	<p><b>FASINARM</b> : private, non-profit organisation that recovers and educates children and young people with mental disabilities in preparation for joining the workforce, especially those in economically disadvantaged situations.</p>
Israel	<p><b>Tlalim:</b> an award-winning initiative providing educational support to ill children who are absent from school for periods of over three weeks drawing on different types of assistance (home schooling, e-learning courses, call centres and closed circuit television broadcasts) to help them keep in touch with teachers and classes.</p> <p><b>Elem, Gag Ve Gam and Musot:</b> organisations that provide help to at-risk teenagers, giving support especially to programmes targeted at young immigrants from Ethiopia and the former Soviet Union. The <b>Gag Ve Gam</b> programme, in particular, assists children who have left their home (either voluntarily or forcefully), often abandoning the conventional school system, allowing them to join the Tlalim virtual school.</p> <p><b>Wheel House:</b> association that supports children and young people with serious psychiatric and physical disabilities with the aim of integrating them in the community as active members of their society.</p> <p><b>Aditim:</b> programme aiming to reduce the differences in Israeli society offering talented teenagers from needy families the chance to attain a university degree.</p>

**Prevention** – The Group also supports several health and social initiatives aimed at prevention.

Country	Description of the initiative
Italy	<p><b>“ONDA”</b> (National Observatory on Women’s Health): an association for raising awareness in the public and, in particular, women, of the importance of prevention and care for the major illnesses afflicting women.</p> <p><b>“Aiutare i bambini” (Help the Children) Foundation:</b> support in three different projects:</p> <ul style="list-style-type: none"> <li>• the Santa Macrina Centre in Bucharest, committed to preventing and reducing the root causes of homelessness among children; a shelter was built and fitted, which also serves as a meeting place, and a health programme was launched;</li> <li>• “Cuore di bimbi” (children’s heart), which helps African children afflicted with heart problems to receive operations in Italy;</li> <li>• “Un nido per ogni bambino” (a nest for every child), which, in light of a shortfall of facilities for pre-school children in Italy, aims to build new nurseries giving priority to children of low-income and single-parent families and single mothers.</li> </ul>
Germany	<p><b>Hänsel &amp; Gretel Foundation:</b> supports families, teachers, the police force, judges and doctors involved with child victims of violence and abuse. It has also done significant work to raise public awareness of prevention and bring the problems associated with protection of children to the attention of the authorities.</p>
Czech Republic	<p><b>Bambiriada:</b> an association that depends on the Ministry of Education and organises annual parties in a number of locations in the countryside for children, with the aim of preventing use of alcohol, tobacco and drugs by showing them activities and how they can enjoy leisure time outside the city.</p>
Portugal	<p><b>Quality of Life Forum:</b> an event held in Porto, alongside a musical programme, with the objective of raising awareness in society, and in particular among young people, to improve their quality of life through contact with music and avoiding use of tobacco, alcohol and drugs.</p>

## 2. Raising social awareness

The Group plays a vital role in raising awareness of insurance-related topics, especially with regard to road traffic.

Country	Description of the initiative
France	<p><b>“Le permis piéton pour les enfants”</b> (pedestrian safety scheme for children): an initiative in collaboration with the National Police force and Sécurité routière, a company specialising in road safety. The purpose of the campaign in 2007 was to raise awareness among 550,000 8-9 year old school children about the risks they are exposed to on their walk to school.</p>
Argentina	<p><b>Alerta Vial:</b> educational programme aiming to reduce road accidents. In 2007, 500 students between the ages of 15 and 17 at the state school in Buenos Aires attended road safety courses.</p>
Czech Republic	<p><b>UAMK</b> (Czech Republic automobile club): collaboration on a campaign to raise awareness of safe driving and using safety belts through accident simulation.</p>
Hungary Slovakia	<p><b>Apple and Lemon:</b> annual road safety educational campaign for adults and children organised in collaboration with the national police force. During the event, children award drivers who maintain a safe approach to driving with an apple and punish those who break the rules with a lemon.</p>
Portugal	<p><b>“Stress dell’automobilista”</b> (the car driver’s stress): book by Andrea Costanzo, whose translation into Portuguese and publication were sponsored for the purpose of raising awareness among policyholders to drive safely and properly.</p>

The Group's commitment extends to activities to raise public awareness of problems such as war, violence, marginalization and social responsibility.

Country	Description of the initiative
Italy	<p><b>Luchetta Ota D'Angelo Hrovatin Foundation:</b> assists children in war-torn countries who need medical care unavailable to them in their own country. In particular, it provides accommodation for them in homes managed by volunteers. The Group supports the organisation of an award for journalists who have made a significant contribution to raising awareness of the importance of solidarity and peace and protecting children from any form of violence.</p> <p><b>Fanomezantsoa Association:</b> donation to build a shelter home at Ambositra in Madagascar for children of people serving prison sentences, who are homeless, do not go to school and are outcasts.</p> <p><b>Diocese of Arua:</b> support for the project which, in Uganda, aims to reintegrate young former fighters between the ages of 13 and 30 into the country's social and economic life by making, processing and selling agricultural products.</p>
Guatemala	<p><b>"CENTRARSE"</b> (Guatemalan Business Council for Sustainable Development): a non-profit association aiming to bring about a change in the behaviour of companies operating in the country to implement practices of social responsibility.</p>
Serbia	<p><b>UNICEF Serbia:</b> support for <b>"Skola bez nasilja"</b> (School without violence), an educational programme for children, teachers, parents and the entire local community, to reduce and prevent violence among school children, promoting friendship, tolerance and reducing conflicts.</p>

### 3. Scientific research

The Group makes its commitment to scientific research a priority. The Group sponsors numerous and diverse initiatives, especially in the medical field that is more directly connected to the insurance business. Its commitment focuses on illnesses that are currently among the most frequent causes of death, and which seriously affect quality of life and self-sufficiency.

Country	Description of the initiative
Italy	<p><b>"AIMS"</b> (Italian Multiple Sclerosis Association): support for the organisation of a charity show called "L'amore è..." (Love is...) with the participation of artists of national and international acclaim, proceeds from which were donated to the Association funding scientific research and assistance to members afflicted with the illness and their families.</p> <p><b>"IEO"</b> (European Institute of Oncology): Leading international centre of oncology conceived by Umberto Veronesi. The Institute is renowned for the quality of its research, the results of which are immediately transferred to patients.</p> <p><b>Sant'Anna School of Advanced Studies (Pisa):</b> support in organising the Conference of the International Society for Gerontechnology held every three years, involving leading academics in the field of gerontology and technology applied to biological research.</p> <p><b>Italian Cancer Society in Aviano (Pordenone):</b> is the leading study and research association in the field of oncology in Italy, promoting advances in oncology related to experimentation, clinical and social services. The Group supported the organisation of the National Congress.</p>
Switzerland	<p><b>Tecnopolo Ticino Foundation:</b> provides financial backing, organisational support and skills to promote the establishment of companies active in the field of biotechnology and new technology in the Canton Ticino.</p>
Portugal	<p><b>"APFADA"</b> (Portuguese association of families and friends of Alzheimer patients): provides treatment for Alzheimer patients and researches effective cures. The Group sponsored the 17th European Conference on Alzheimer's in Estoril.</p>

## 4. Training/Education

The Group has undertaken numerous initiatives in this field, which bear witness to its commitment in the countries and communities in which it operates. The Group pays special attention to training in the economic, financial and insurance sector.

Country	Description of the initiative
Italy	<b>Nobels Colloquia:</b> support for the annual event that gathers some of the brightest economists, including several past Nobel prize winners, held for the first time in Trieste.
Switzerland	<b>Swiss Financial Institute:</b> financial backing to expand and promote research and education on financial matters in Switzerland.
Netherlands	<b>ISI-Project:</b> an important project launched in 2004 by a consortium of 15 operators – including brokerage associations, insurers, technological partners and scientific institutions – to identify trends that influence distribution through a number of channels, for the purpose of developing and stimulating innovation in the Netherlands among insurance brokers.
Rumania	<b>Bucharest academy of economic studies:</b> support in organising the 9th National Meeting of the Rumanian Probability and Statistics Society.

In addition to the donations to all types and levels of schools, at times involving significant donations of useful items such as new computers or computers no longer used by the companies, Group companies maintain gainful relations with **universities** and **post-university schools**. They do so by taking part in several exchange projects: internships, lectures by Group employees, provisions of grants, etc., through which the companies on the one hand demonstrate their interest in training highly specialized potential employees while, on the other hand, contributing directly to training activities. In particular, collaboration and financial backing was provided for the:

- Master's Degree in Insurance & Risk Management (MIRM) organised by the Trieste School of Management (MIB Consortium), whose cooperation with the Generali Group dates back to the former's inception;
- Master REM (Real Estate Management) at the Politecnico di Milano and the MGS Master's Degree (Integrated Management of Real Property) at the Università La Sapienza in Rome;
- University of Aachen (RWTH), the largest German university, supported by the Group since its inception;
- Universidad Complutense in Madrid, in support of its summer courses;
- Hradec Kralove University and Ostrava Technical University in the Czech Republic;
- Arison School of Business in Herzliya (Israel), sponsoring the implementation of an insurance and finance postgraduate scheme aimed at the creation of an academic centre in Migdal's name.

The Group provides grants to support the work of the **United World College of the Adriatic in Duino**, Trieste, an international institute that offers students from around the world the chance to learn about and interact with the community they live in.

The Group has demonstrated great openness and willingness to support various types of initiatives promoted by the authorities as well as public and private institutions in Italy and abroad who are committed to promoting industry and the Italian culture, such as Embassies, Chambers of Commerce and so forth. In France, the Group has also sponsored the **Forum pour la Gestion des Villes** for a number of years, an association that promotes collaboration between public administrations and private firms in managing the city. Generali Hungary sponsors an initiative to support autonomous management in small towns and villages, in collaboration with the municipal authorities, involving projects to improve the material and social well-being of the people living there. In Hamburg, the Group sponsors the **Alster navigation company**, which manages historic and tourism river-going vessels.

## Cultural area

The Group has always shown special dedication to cultural and artistic affairs, with a view to spreading knowledge and healthy recreation that can provoke thought and raise the spirit. The Group supports numerous events and a broad array of activities. These include original initiatives such as sponsorship in Poland of the **Expedition in the footsteps of Benedict the Pole** (Benedykt Polak), an event that set out in September 2007 from Krakow on its way to Mongolia following the path taken by Benedict the Pole, a travelling Franciscan monk who reached the grand court of Genghis Khan 25 years before Marco Polo.

### 1. Music, dance, theatre, cinema and literature

The Group increased its commitment to support high-profile events, artists and major institutions, especially leading theatres, that find themselves increasingly in need of funding from private institutions in order to continue their work. Group sponsorship is also mindful of initiatives for young artists, playing an important role on a local scale, where it supports a range of projects promoted by local associations and bodies.

Country	Description of the initiative
Italy	<p><b>Verdi Theatre</b> (Trieste); <b>La Fenice Theatre</b> (Venice); <b>La Scala</b> (Milan); <b>Accademia di Santa Cecilia</b> (Rome).</p> <p><b>“Sotto le Stelle del Jazz”</b> (under the stars of jazz): a concert offered by Assicurazioni Generali to the city of Trieste to mark the 175th anniversary of the Company’s inception.</p> <p><b>Associazione Lingotto musica</b> (Turin): promotes classical music by organising concerts with musicians, directors and orchestras of international stature, including in 2007 the Wiener Philharmoniker and the Mahler Chamber Orchestra.</p>
Austria	<p><b>Burgtheater</b> in Vienna.</p> <p><b>Linzer Klangwolke</b>: an important music festival held every year in autumn in Linz.</p> <p><b>Salzburger Jazz-Herbst</b>: famous jazz music festival attracting the participation of international artists.</p>
France	<p><b>Saint-Denis Music Festival</b>: music event held every year for the entire month of June in Saint-Denis.</p> <p><b>Festival Pablo Casals</b> of chamber music, held in the city of Prades.</p>
Germany	<p><b>Aachener Kultursommer</b>: an annual event organized every summer with musical, theatrical and dance performances in the piazzas, museums and churches of Aachen.</p> <p><b>Hamburg Thalia Theatre</b>: a theatre in Hamburg specialising in children’s productions; in 2007 the Group contributed to setting up the show “Oliver Twist”.</p> <p><b>LitKöln</b>: international literature festival held each year in Cologne, where readings, presentations and meetings with authors are spread over 10 days and 10 nights.</p> <p><b>Max Ophüls Preis</b>: cinema festival dedicated to new talents in Germany, Austria and Switzerland.</p>
Switzerland	<p><b>Orpheum Foundation</b>: offers young solo instrumentalists the opportunity to perform concerts.</p> <p><b>Country Festival</b>: western music festival held in Zurich.</p> <p><b>Martha Argerich Project</b>: a musical event involving a series of concerts featuring numerous established or young instrumentalists playing alongside the famous Argentinean pianist, including the winners of grants offered by BSI to students at the Lugano Conservatory.</p> <p><b>BSI Winter festival</b>: an event that includes three concerts showcasing chamber music, attracting eminent international artists to St. Moritz.</p>
Belgium	<p><b>Tour of Sites</b>: support for a number of major musical events.</p>
Bulgaria	<p><b>Raina Kabaivanska</b>: sponsorship of a Master Class led by the famous opera singer at the New Bulgarian University.</p>
Czech Republic	<p><b>Prague Theatre</b>.</p> <p><b>Pavel Šporci</b>: sponsorship of the famous violinist’s tour.</p>
Slovenia	<p><b>Ljubljana Theatre</b>.</p> <p><b>Ptuj Carnival</b>: sponsorship of the traditional masked parade.</p>

## 2. Exhibitions and restoration

The Group's patronage of the arts is also targeted at organising and sponsoring permanent and temporary exhibitions relating to the most diverse artistic forms, as well as financing restoration projects of works of art.

Country	Description of the initiative
Italy	<p>The Villa Manin <b>Centre for Contemporary Art</b>: features an annual programme alternating thematic exhibitions with artists from all over the world, collaboration with major international museums, sculpture projects in the park surrounding the villa, shows dedicated to local artists and other events. In 2007, the shows "Arte Contemporanea dal Bosforo" (Contemporary Art from the Bosphorus) and "Hiroshi Sugimoto" were organised thanks to the Group's contribution.</p> <p><b>"Luce di Pietra"</b> (Light of Stone): in collaboration with the Civita Association, an original event was organized shining the spotlight on contemporary Italian and French artistic expression, flooding numerous monuments in Rome with light.</p> <p><b>"Nostoi – Capolavori ritrovati"</b> (Nostoi – Recovered Masterpieces): displays ancient masterpieces, found in covert excavations in Italy and exported illegally. The exhibition takes its name from the Greek word identifying the long, gruelling journeys of Greek heroes returning to their homeland after the Trojan War described in epic poems.</p> <p><b>"Rosso Pompeiano – La decorazione pittorica nelle collezioni del Museo di Napoli e a Pompei"</b> (Pompeian Red – Paintings from collections of the Naples museum and Pompei) (Rome, December 2007– June 2008): show of paintings from the area around Mount Vesuvius, known to the general public as Pompeian paintings.</p> <p><b>"Paul Gauguin, artista di mito e sogno"</b> (Paul Gauguin, Artist of Myth and Dream): exhibition of 150 works including oil paintings, sketches, sculptures and ceramics by Paul Gauguin, hosted at the Vittoriano in Rome.</p> <p><b>"Omaggio a Capodimonte. Da Caravaggio a Picasso"</b> (A Tribute to Capodimonte. From Caravaggio to Picasso): a show of works by artists from the seventeenth to the twentieth century marking the fiftieth anniversary of the year when the Capodimonte Museum opened its doors to the public. The works were borrowed from museums, foundations and private collections in Italy and abroad, with whom the museum has collaborated over the years in organising shows or reciprocal loans.</p>
Austria	<p><b>Generali Foundation</b>: a non-profit organisation whose objectives include promoting contemporary art and putting together a collection focusing on photography, film and video. The funds allocated are used to buy works, which are displayed every year through the organisation of international exhibitions.</p> <p><b>Künstlerhaus</b>: modern art museum in Vienna.</p>
Germany	Restoration of the <b>organ of the Aachen Cathedral</b> .
Switzerland	<b>Gianadda Foundation in Martigny</b> : sponsorship of various initiatives, including in 2007 the exhibition "Albert Chavaz – 100e anniversaire", dedicated to the famous Swiss painter on the one hundredth anniversary of his birth.

## 3. Artistic/literary awards

Country	Description of the initiative
Italy	<p><b>Campiello Prize</b> (Venice): literary prize dedicated to contemporary Italian fiction.</p> <p><b>Ischia International Prize for Journalism</b> (Ischia): a prize for journalists whose career has been characterised by outstanding professional and ethical behaviour.</p> <p><b>Prix du Livre Européen</b> (Paris): literary prize to promote European cultural identity.</p> <p><b>Obiettivo agricoltura</b>: a national photography competition organised by FATA focusing on the reality of farm work.</p>
Germany	<p><b>Medienpreis der AachenMünchener</b>: journalism award for articles on insurance-related topics.</p> <p><b>Internationaler Karlspreis</b>: a prize awarded each year by the city of Aachen to people who have contributed greatly to unity in Europe. The award is named after Charlemagne, who lived in Aachen, from where he ruled the Sacred Roman Empire (an ante litteram European Union) and where he was later buried.</p>

## 4. Editorial and cultural activities

The Group has contributed to the publication of numerous prestigious works, including art catalogues and commemorative books, and it supports a number of important cultural initiatives.

Country	Description of the initiative
Italy	<p><b>Cini Foundation:</b> Generali participates in the “Amici di San Giorgio” (St. George’s Friends) initiative promoted by the acclaimed Foundation in Venice, which aims to allow private financiers to support its numerous cultural, scientific and artistic activities with a view to profitable, long-term collaboration.</p> <p><b>Studium Generale Marcianum Foundation:</b> the Generali Group decided to participate, as founding partner, in the new Foundation, which is committed to promoting study and research to contribute to the diffusion of international cultural wealth and to supporting the work of educational institutions and centres in line with the institutional guidelines defined by the Venice Patriarchate.</p> <p><b>Valla Foundation:</b> publication of precious volumes of classical Greek and Latin works. Funding from Generali and other institutions has contributed to keeping the price of the volumes low to encourage the books’ distribution among young people and the less affluent.</p> <p><b>“Donne che cambiano in un mondo che cambia”</b> (Women changing in a changing world): a “futuro@lfemminile” initiative, a collection of photographs published to narrate the story of the changes women have experienced over the course of three centuries. Royalties from sales were donated to Pangea, a non-profit organization that supports women in a number of countries, working closely with local associations.</p>
Germany	<p><b>“Ars Generalis. Kunst &amp; Architektur in einem Unternehmen”</b> (Ars Generalis, art and architecture in a company): a book documenting the perfect symbiosis between architecture, design and landscape art at the Generali offices in Munich.</p>
Switzerland	<p><b>Bsi Album:</b> a project to exhibit a series of rare and original collections in the bank’s windows, with free catalogues available from the bank counters.</p>
Bulgaria	<p><b>The symbol of the lion in Bulgarian history:</b> support for writing and publishing the book.</p>

## Environmental area

The Group has allocated a series of significant issues of varying types and scopes. In France, Generali has been particularly active in the field, pursuing numerous initiatives to provide information and raise awareness in the general public of environmental issues.

Country	Description of the initiative
Italy	<p><b>“FAI”</b> (the Italian Environmental Fund): a private, non-profit making foundation committed to safeguarding, preserving and promoting Italy’s historical, artistic and environmental heritage.</p> <p><b>“SOS Cetacei”</b> (Cetacean Emergency): a programme promoted by Centro Studi Cetacei at the Milan Natural History Museum to protect cetaceans in the Mediterranean Sea. Europ Assistance activated a dedicated 24-hour telephone line for Italy to report sightings of cetaceans that are stranded or in difficulty and coordinate the ensuing rescue efforts.</p> <p><b>TARTANET:</b> this project results from collaboration between the European Commission and the Ministry of the Environment and is run by the Department of Wildlife Conservation of the CTS (Student Tourism Centre). Its long-term objective is to safeguard the loggerhead sea turtle <i>Caretta caretta</i>. To this end, a network of centres located along Italy’s coastline was created to provide a timely and effective response system. Again in this case, Europ Assistance has activated a 24-hour <b>turtle emergency</b> response number to report turtles that are stranded or in difficulty, which in turn notifies the nearest recovery centre;</p>
Austria	<p><b>Energy Globe Award:</b> a competition attracting the participation of about 700 projects sent in from all over the world, that make limited, careful use of resources and draw on alternative energy sources. The initiative aims to raise awareness of sustainable projects that can be replicated among the general public.</p>



Country	Description of the initiative
Francia	<p>“ADEME” (Environment and Energy Management Agency): collaboration agreement to raise clients’ awareness of environmental protection (see Chapter on Environment).</p> <p><b>Newzy</b>: sponsorship of the magazine on sustainable development</p>
Switzerland	<p><b>VEL</b>: an initiative promoted by the Sustainable Mobility Association, whose objective is to encourage the use of alternative energy vehicles, especially electrical cars.</p>
Croatia	<p><b>IWC</b> (International Whaling Commission): support for the association working for the protection of whales.</p>
Guatemala	<p><b>Comité Amigos del Lago</b>: support for two annual environmental initiatives: more recent initiatives include cleaning up the Amatitlán and Atilán lakes.</p>
Hong Kong	<p><b>Green Power</b>: an independent organization focusing on environmental issues, especially those linked to renewable energy. Each year it organises a walking race to raise money, and donates the proceeds entirely to environmental educational programmes for nursery, primary and middle schools.</p>

## Sports area

The Group’s contribution to sports is wide-ranging and is based on several criteria. When sponsoring professional teams or major events attracting large audiences, the commercial interest prevails although it is linked to various kinds of community interests. In the case of initiatives and sports events for younger age brackets, social factors play a prominent role, focusing on the physical and educational benefits of practising a healthy sport.

### 1. Youth and amateur sports

The Group supports numerous, small-scale events in this field, often by providing uniforms or sports equipment. This helps young people and many groups continue their highly educational work in a wide range of sports disciplines, such as tennis, golf, football, swimming, volleyball, basketball, rugby, sailing, motorbike racing, triathlon, cycling, marathon, etc..

The main initiatives include:

- in Italy, sponsorship of the national **men’s and women’s under-20 fencing team** and support for the “**Sport Integrato**” (Integrated Sports) **Association** set up at the Carducci high school in Trieste, which promotes the involvement of disabled and non-disabled students in various sports;
- in Austria, sponsorship of the **junior ice hockey team** in Vienna;
- in Spain, sponsorship of **Catalonia’s junior ski federation**;
- in Portugal, sponsorship of the **Generali Karting Team**, a team comprising company members of staff, in the national Karting championship, karting being a very popular sport in the country;
- since 2003 in the Czech Republic, organisation of the annual **sports day for children**, an occasion open to all families with children to play and have fun together.

## 2. Professional sport and large audience events

Group companies are very active with this kind of sponsorship and play a key role in their countries. With the Group's commitment, rewarded in image and marketing, communities can hold national and international scale events with positive repercussions for the local economy and image. In developing markets, this can mean a chance for great economic growth, with implications on a number of levels. Sponsoring famous teams and athletes can also encourage young people to take up sport and emulate great champions. In many cases, the companies welcome the chance to put on large audience sports and cultural events to enhance loyalty among customers, employees and sales networks.

The table shows the main initiatives implemented in 2007 in countries in the Sustainability Report area.

Country	Professional events at international level	Large audience events	Team sponsorships
Italy	<ul style="list-style-type: none"> <li>• Sponsorship of the Italian team at the World and European Fencing Championships</li> <li>• Trieste Challenge Sailing Regatta</li> <li>• Winter Universiade Turin 2007</li> </ul>	<ul style="list-style-type: none"> <li>• Barcolana (sailing regatta)</li> <li>• Rome Marathon</li> <li>• Trieste Marathon (Bavisela)</li> </ul>	<ul style="list-style-type: none"> <li>• Italian football team</li> <li>• Lazio football club</li> <li>• Trieste handball club</li> <li>• Generali Aquile Fvg (ice hockey team)</li> </ul>
Austria	<ul style="list-style-type: none"> <li>• Alpine Skiing World Cup</li> <li>• Rugby World Cup</li> </ul>	<ul style="list-style-type: none"> <li>• Ladies Linz: important tennis tournament</li> </ul>	<ul style="list-style-type: none"> <li>• Austrian football team</li> <li>• National synchronized swimming association</li> <li>• National judo association</li> </ul>
France	<ul style="list-style-type: none"> <li>• Vendée Globe qualifying sailing regattas</li> </ul>	<ul style="list-style-type: none"> <li>• Generali Open de France: French amateur horse riding championship, with over 12,000 participants, mostly young people</li> </ul>	<ul style="list-style-type: none"> <li>• French Golf Federation</li> <li>• French Volleyball Federation</li> </ul>
Germany	<ul style="list-style-type: none"> <li>• CHIO Aachen (World Equestrian Festival)</li> </ul>	<ul style="list-style-type: none"> <li>• Blankeneser Volksfürsorge Heldenlauf: amateur race involving 3,400 athletes from all over Germany in 2007</li> </ul>	<ul style="list-style-type: none"> <li>• Alemannia Aachen (football, volleyball)</li> <li>• FCC Frankfurt (women's football)</li> <li>• Unterhaching (football)</li> </ul>
Switzerland	<ul style="list-style-type: none"> <li>• CSIO: International Olympic Showjumping Championship. (equestrian competition)</li> <li>• Spengler Hockey (international tournament)</li> <li>• International BSI Golf Trophy</li> </ul>		

As for initiatives in other countries, in Israel the Group sponsors the **Hapoel Migdal Jerusalem** basketball team (and judoka Arik Ze'evi, see below), in addition involving the athletes in social activities and promoting youth sport.

Group companies also sponsor the **Buenos Aires Marathon** in Argentina and the **Belgrade Marathon** in Serbia, competitions such as the **Hannut International Cross Country** and the **Brussels Cross Country** race in Belgium, and numerous sports teams (especially football) belonging to the first and second division in virtually all countries.

The Group also sponsors some leading athletes who have attained outstanding results in recent years and who are preparing for large audience sports events: Israeli judoka **Arik Ze'evi**, whom Migdal decided to sponsor until the 2008 Beijing Olympics after he won a bronze medal at the Athens Olympics, ski jumper **Adam Malysz**, winner of four World Cups, sailor **Yann Eliès** who was sponsored by Generali France in the French Figaro-Bénéteau championship, Slovak swimmer **Michaela Rackova**, who will take part in the 2008 World Championship. The Parent Company has also continued to support **Stefano Lippi**, an athlete with disabilities and long jump silver medal winner at the 2004 Paralympics.

## Objectives for 2008 and beyond

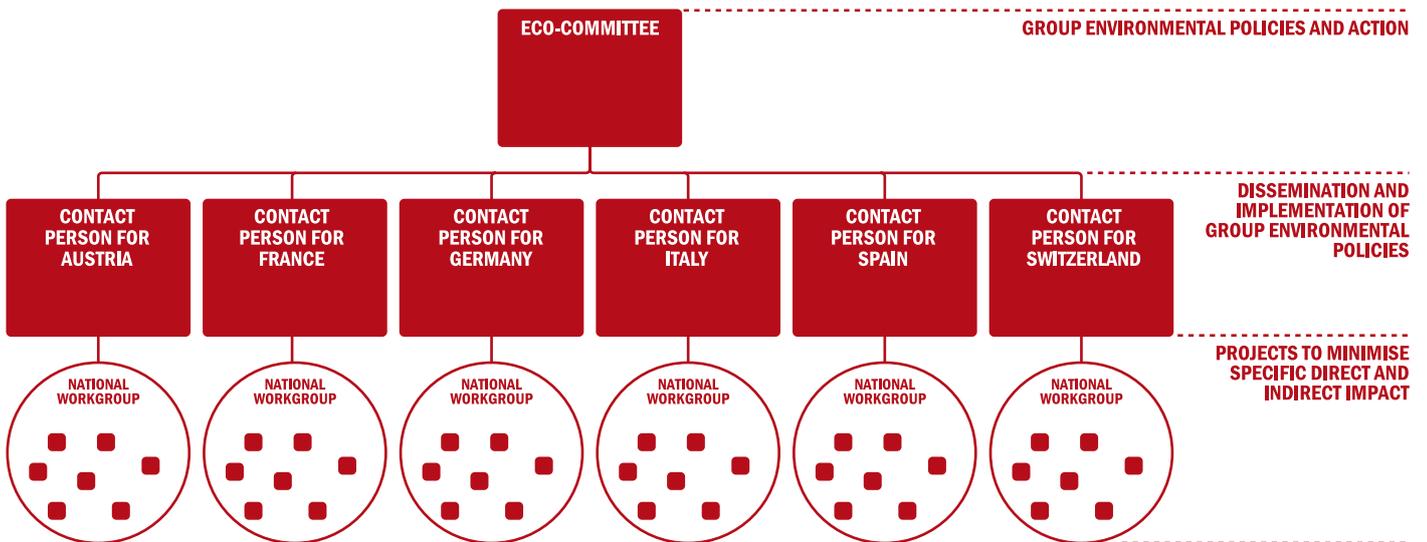
- Actively collaborating in outstanding educational projects, especially in the insurance and financial fields.
- Supporting scientific research, especially in the medical and economic/insurance/financial fields, at times guiding research towards business objectives.
- Supporting major cultural initiatives in the fields of art, music, history and literature.
- Giving the public access to the Group's art treasures.

# ENVIRONMENT

## Environmental policies and organisational structure

Protecting the environment as a primary asset is one of the Generali Group’s guide values. Through its Ethical Code, the Group has made a commitment to direct its own decisions towards ensuring compatibility between economic and environmental factors.

The **Eco-Committee** is the key body that deals with environmental policies at Group level, as described in detail in the chapter “Group”.



### National workgroups

Country	Type of organization and/or department involved	Objectives
<b>Austria</b>	Workgroup <ul style="list-style-type: none"> <li>made up of Facility Management and Safety Management representatives</li> <li>headed by the Executive Committee</li> </ul>	<ul style="list-style-type: none"> <li>stabilize energy consumption</li> <li>reduce energy costs by 10% by the end of 2008</li> </ul>
<b>France</b>	15 study groups, which <ul style="list-style-type: none"> <li>work on 5 issues: social, business, products, management of buildings and consumption, asset management</li> <li>headed by the General Manager and Human Resources Manager</li> </ul>	<ul style="list-style-type: none"> <li>study and implement all sustainable development initiatives</li> <li>develop products with characteristics of sustainability</li> </ul>
<b>Germany</b>	<ul style="list-style-type: none"> <li>Environmental workgroups (intra-group body)</li> <li>Environmental manager at each company, with a workgroup whose members include Facility Management representatives</li> </ul>	<ul style="list-style-type: none"> <li>define environmental guidelines, in particular regarding waste disposal</li> <li>examine proposals for reducing energy consumption</li> <li>activities momentarily suspended due to internal restructuring processes</li> </ul>
<b>Spain</b>	Health and safety committee <ul style="list-style-type: none"> <li>including trade union representatives</li> <li>reports directly to Top Management</li> </ul>	<ul style="list-style-type: none"> <li>manages environmental initiatives, in addition to being responsible for compliance with health and safety rules</li> </ul>

## Education and raising awareness

The Group promotes initiatives to enhance education and awareness of environmental issues targeted at its members of staff as well as the public at large, deeming environmental education to be a fundamental element for the diffusion of eco-compatible behaviour.

Because, as mentioned, the “theme of the year” chosen by the Sustainability Committee for 2008 is energy and paper saving, the Group is witnessing an environmental mobilization that extends beyond the Sustainability Report area and unites Group companies under a truly global commitment. This chapter reports initiatives organised within and outside the Sustainability Report area to illustrate and spread best practices to all countries where the Group has operations.

### Major education and awareness initiatives

Country	Type of initiative	Target	Diffusion methods	Main objectives and/or contents
Italy	<ul style="list-style-type: none"> <li>• “Sustainable Office” project</li> </ul>	<ul style="list-style-type: none"> <li>• staff</li> </ul>	<ul style="list-style-type: none"> <li>• posters with simple reminder messages in main Group branches in Italy</li> <li>• communication of the initiative to each employee by personal e-mail</li> <li>• presentation of the initiative on the Human Resources Portal and company Intranet</li> <li>• Group-wide diffusion on the <a href="http://www.generali.com">www.generali.com</a> website</li> </ul>	<ul style="list-style-type: none"> <li>• diffusion of basic environmentally-friendly behaviour</li> <li>• energy saving</li> <li>• reduction of paper and water consumption</li> <li>• diffusion of selective waste collection</li> </ul>
Austria	<ul style="list-style-type: none"> <li>• teamwork by Generali Vienna for energy saving</li> </ul>	<ul style="list-style-type: none"> <li>• staff</li> </ul>	<ul style="list-style-type: none"> <li>• company magazine “in:site”</li> </ul>	<ul style="list-style-type: none"> <li>• information and raising awareness on environmental issues in general</li> <li>• focus on energy saving</li> </ul>
	<ul style="list-style-type: none"> <li>• regular contests</li> </ul>	<ul style="list-style-type: none"> <li>• staff</li> </ul>		<ul style="list-style-type: none"> <li>• proposals for environmental protection</li> <li>• proposals for better use of energy</li> </ul>
France	<ul style="list-style-type: none"> <li>• information campaign</li> </ul>	<ul style="list-style-type: none"> <li>• staff</li> <li>• clients</li> <li>• public</li> </ul>	<ul style="list-style-type: none"> <li>• Internet site <a href="http://www.generali-avenir.com">www.generali-avenir.com</a></li> </ul>	<ul style="list-style-type: none"> <li>• suggestions for environmental protection in daily life</li> <li>• tests to calculate CO2 emissions and energy consumption</li> <li>• tools for reducing consumption</li> </ul>
	<ul style="list-style-type: none"> <li>• “Week for sustainable development” organised every year by Generali in the month of April</li> </ul>	<ul style="list-style-type: none"> <li>• staff</li> </ul>	<ul style="list-style-type: none"> <li>• conferences, exhibitions and plays focusing on environmental issues</li> </ul>	<ul style="list-style-type: none"> <li>• information and raising awareness on environmental issues in general</li> </ul>

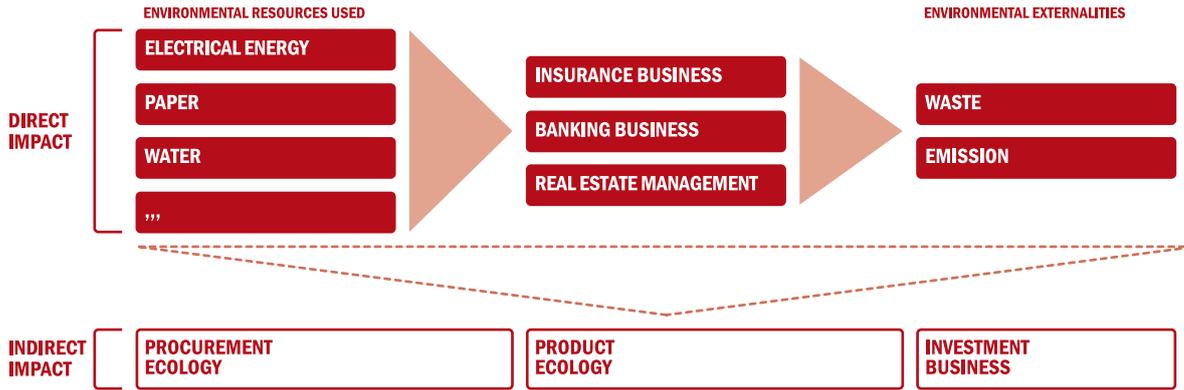


Country	Type of initiative	Target	Diffusion methods	Main objectives and/or contents
Germany	• training	• staff	• specific Intranet sites	• diffusion of correct ecological behaviour • environmental protection in business management • product ecology
	• e-shop	• staff	• on-line	• only sells eco-compatible products
	• publication of studies on the environment	• staff • sales force • the public	• Company Intranet • distribution at special events	• information on environmental issues
Spain	• training	• staff		• promoting eco-compatible behaviour • reduction of paper consumption • selective waste collection
Switzerland	• internal provisions	• staff		• promoting energy saving
	• support for the VEL project			• encouraging the use of electrical motor vehicles
Belgium	• suggestions for the adoption of eco-compatible behaviour	• staff	• internal newsletter focusing on the theme "Think green"	• encouraging compatible behaviour among staff members
Brazil	• "Sustainable Office" project	• staff	• posters with simple reminder messages in main branches (Portuguese translations of the Italian initiative)	• diffusion of basic environmentally-friendly behaviour • energy saving • reduction of paper and water consumption
Guatemala	• awareness initiative	• staff	• e-mail with reminder messages on basic eco-friendly behaviour	• raising awareness of environmental protection among staff

**Generali France** continued extensive activity to raise awareness, particularly of the issues of sustainable development in 2007, aiming its efforts at clients and the general public through the following:

- additional development of the [www.generali-avenir.com](http://www.generali-avenir.com) website which, divided into three main sections updated on a weekly basis, aims to: raise awareness in individuals as well as companies of environmental issues; propose initiatives and concrete solutions for the protection of the environment; provide information on the most important facts and novelties on environmental issues. Three new sections were added - information on topical issues in the field of environmental protection, suggestions and instruments for the prevention of environmental risk, and a calendar of all events regarding sustainable development;
- continuation of the advertising campaign in collaboration with "Newzy" magazine, with articles on sustainable development being published every month;
- distribution to clients of an up-to-date guide containing useful advice to prevent the risk of accidents in the home and recommendations on what behaviour to adopt for environmental protection. The brochure is also available to the sales force;
- sponsorship of a contest open to students to raise awareness of sustainable development: participants to the contest must present proposals of solutions and instruments to limit man's impact on the environment. The contest is held each year on a different theme and is part of a three-year collaboration agreement in place with "ADEME" (Environmental and Energy Management Agency) and with the scientific publication "La recherche".

# Direct environmental impact



Group companies are all committed in one way or another to adopting better practices and behaviour to reduce the direct environmental impact their line of work has on the environment.

The Group maintained its commitment in 2007, continuing to collect data relating to electrical energy, water and paper consumption throughout the Sustainability Report area, gathering information on the collection and disposal of waste. Procedures have been put in place, to allow monitoring of this information also in cases in which detailed information has not yet been forthcoming.

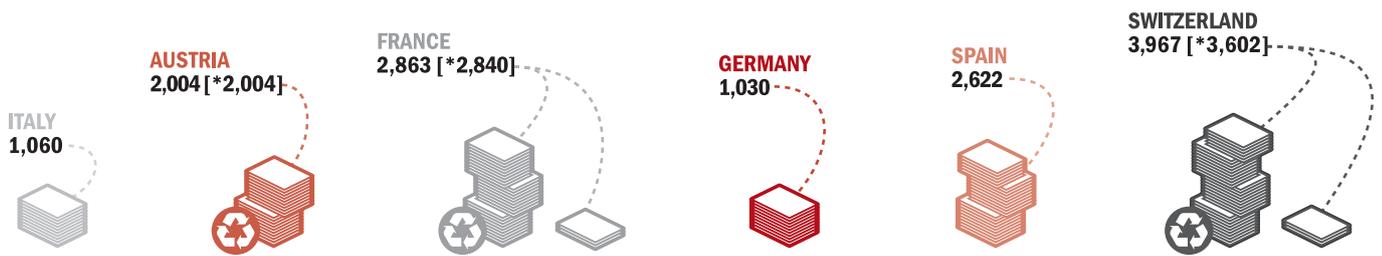
## Use of environmental resources

Consumption of electrical energy (Sustainability Report area; 2006-2007)

	CONSUMPTION KWH		CHANGE	PER CAPITA CONSUMPTION
	2006	2007	2007/06	KWH/YEAR
ITALY	76,765,000	74,380,000	-3.1%	4,778
AUSTRIA	10,249,299	9,690,720	-5.4%	1,980
FRANCE	27,833,003	26,847,753	-3.5%	3,523
GERMANY	70,316,523	67,917,792	-3.4%	7,104
SPAIN	14,624,442	13,216,182	-9.6%	6,514
SWITZERLAND	11,477,187	11,858,000	+3.3%	3,662
<b>TOTAL</b>	<b>211,265,454</b>	<b>203,910,447</b>	<b>-3.5%</b>	

- Italy and Germany alone account for almost 70% of total consumption (although data is incomplete, with consumption by Volksfürsorge still missing. These figures are down by 3.5% on 2006. Consumption has fallen in all countries, especially Spain (-9.6%) and Austria (-5.4%). Switzerland is an exception, where consumption increased by 3.3%.
- Per capita consumption, calculated as the ratio between overall consumption and the number of members of staff in each country, was highest in Germany and Spain, but it was also rather high in Italy. Austria, where most electrical energy comes from hydroelectric sources, on the other hand, has the lowest consumption.

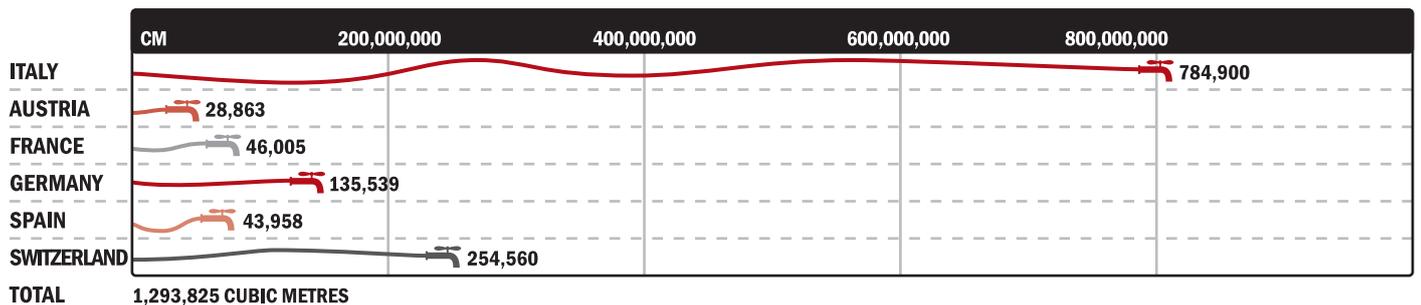
## Consumption of white paper (Sustainability Report area; 2007)



**TOTAL: 13,546 QUINTALS OF WHITE PAPER OF WHICH [\* ] 8,446 RECYCLED PAPER**

- When it comes to white paper, Switzerland (data for the BSI Group has not yet been collected) has the highest levels of consumption, followed by France, Spain and Austria, while Italy and Germany post much lower levels (although data for AachenMünchener Versicherung, Volksfürsorge and Europ Assistance are missing).
- It was also possible to determine the quantity of white paper recycled in Austria, France and Switzerland. Percentages are very high in all three countries, reaching 100% in Austria, little less in France, and over 90% in Switzerland.
- Data on consumption of printed paper, on the other hand, is not available for most countries, as identification methods are still being formulated.

## Consumption of water (Sustainability Report area; 2007)



- In 2007, virtually complete data on water consumption was also collected for the first time (data from some companies in the BSI group in Switzerland is still missing).
- Italy has the highest overall consumption, equal to 60% of the total, followed by Switzerland (about 20% of the total). Water consumption, on the other hand, is very low in France, Spain and Austria.

## Reduction in resource consumption

It has become common practice among all Group companies to take numerous measures to reduce the consumption of electricity, water and paper. These include:

- a programming system for turning lights and air conditioning systems on and off;
- installation of photocells for turning lights on and off;
- replacing filament light bulbs with energy saving bulbs;
- regulating temperature in work rooms in compliance with current regulations in force in the different countries;
- use of devices to regulate water flow in bathrooms;
- encouraging the use of e-mail and electronic filing instead of paper systems for e-mail and other types of documents;
- a request at the end of each e-mail inviting the addressee not to print the message if not absolutely necessary.

Some companies have also replaced individual fax machines and printers with multi-functional machines to save energy and toner.

## Major initiatives for reducing resource consumption

Country	Resource	Type of intervention
Italy	paper	<ul style="list-style-type: none"> <li>the front/back printing option has been set as the default on printers where this option is available</li> </ul>
Austria	paper	<ul style="list-style-type: none"> <li>SMS and e-mail are used to inform clients on the status of claims and compensation liquidation</li> <li>claims can be reported on line at <a href="http://www.generali.at">www.generali.at</a></li> <li>an electronic system is used by agents to report claims</li> <li>clients are no longer issued a paper copy of policy conditions (especially when it comes to motor and household policies). The client is however informed of the possibility of obtaining the policy at <a href="http://www.generali.at">www.generali.at</a>, or may obtain a copy by special request</li> </ul>
France	paper	<ul style="list-style-type: none"> <li>a large advertising poster currently displayed on a Group-owned building that is being restructured will be recycled and reused</li> </ul>
Germany	energy	<ul style="list-style-type: none"> <li>individual printers and fax machines have been replaced with multi-functional machines</li> <li>a two-tier lighting system has been adopted in offices, so ceiling lights or lights at the workstation can be used according to the light conditions or the type of work being done; in the evenings the lights can all be turned off with a single, central switch</li> <li>energy saving connection circuits are used</li> </ul>
	paper	<ul style="list-style-type: none"> <li>washable towels are used in place of paper towels</li> </ul>
Spain	paper	<ul style="list-style-type: none"> <li>recycled envelopes are used for internal mail</li> <li>agreements are in place with some public institutions for a significant reduction in documents to be presented in paper form</li> </ul>
Switzerland	energy	<ul style="list-style-type: none"> <li>most individual printers have been replaced with central printers for use by the entire office</li> </ul>
Brazil	energy	<ul style="list-style-type: none"> <li>the number of IT servers has been reduced</li> </ul>
	paper	<ul style="list-style-type: none"> <li>individual printers have been replaced with central printers (non-essential prints have been reduced)</li> <li>the number of prints per employee/sector is controlled</li> </ul>
Greece	paper	<ul style="list-style-type: none"> <li>the programme for printing policies keeps them saved in the system: only the final version is printed, earlier copies are only printed where necessary</li> <li>extensive use is made of recycled paper, certified by international environmental organizations, for all printers</li> </ul>

## Management of buildings and company structures

Management of buildings, company structures and Group-owned property assets is increasingly conducted with a view to diminishing negative impacts on the environment and making continual improvements to operating comfort for members of staff. The task normally falls to representatives from the company's main technical offices, and offices involved in managing buildings and building systems, as well as safety and health management, and purchases. Eco-compatible criteria are used as far as possible in renovation of buildings, as well as new construction, paying special attention to energy saving, limitations on carbon dioxide emissions and the materials used.

## Some initiatives for reducing resource consumption

Country	Type of intervention
<b>Italy</b>	<ul style="list-style-type: none"> <li>• in partnership with specialist companies, technologically advanced lighting systems are being tested; they may be adopted on a large scale – if certified to be more efficient and limit consumption</li> <li>• the process to convert all Group buildings to methane boilers – not limited to company premises –where technically feasible continues</li> <li>• the study on the Mogliano Veneto headquarters in collaboration with the Milan Polytechnic has identified some major technological adjustments: <ul style="list-style-type: none"> <li>- replacement of fuel oil boilers with new methane condensing boilers</li> <li>- introduction of central temperature management for different zones or, where this is not possible, setting of local timers between a preset minimum and maximum</li> <li>- installation of roofs over car parks, incorporating photovoltaic solar panels</li> </ul> </li> </ul>
<b>Austria</b>	<ul style="list-style-type: none"> <li>• about 80% of the energy used comes from renewable sources</li> </ul>
<b>France</b>	<ul style="list-style-type: none"> <li>• the 4 buildings currently under construction incorporate high environmental quality (HQE); in particular, the Generali Tower will use renewable energy to limit emissions of carbon dioxide and will be equipped with solar collectors and wind engines</li> <li>• the Group's main offices do not use their own boilers for heating and they use electric energy for the heating/conditioning system</li> <li>• in 2007, one of the Group buildings was awarded a prize by the Salon des professionnels de l'immobilier d'entreprise (SIMI – commercial real estate trade fair), also based on environmental criteria</li> </ul>
<b>Germany</b>	<ul style="list-style-type: none"> <li>• district heating is widely used, currently fed in part by a biogas plant</li> <li>• energy saving connection circuits are used</li> <li>• energy saving and eco-compatible technology is used for conditioning systems, e.g. heat exchangers and ice storage systems</li> </ul>
	<ul style="list-style-type: none"> <li>• rain water is collected and used to water green areas</li> </ul>
<b>Spain</b>	<ul style="list-style-type: none"> <li>• Europ Assistance has upgraded its buildings with air-conditioning systems to reduce carbon dioxide emissions</li> </ul>
<b>Switzerland</b>	<ul style="list-style-type: none"> <li>• the new offices in Nyon were designed using comprehensive energy saving criteria, as was renovation of the Adliswil branch</li> <li>• the plan to reduce energy consumption at the Adliswil branch – as set out in the relevant agreement – continues (-2% a year until 2014)</li> <li>• energy recovery apparatus are installed in the buildings</li> </ul>
<b>Guatemala</b>	<ul style="list-style-type: none"> <li>• companies actively committed to the environment are appointed for renovation work</li> <li>• the company offices are equipped with a system to collect and filter rain water, which is then reused</li> </ul>
<b>Israel</b>	<ul style="list-style-type: none"> <li>• only electricity is used for the heating system (no CO2 emissions)</li> </ul>
<b>Netherlands</b>	<ul style="list-style-type: none"> <li>• special air recirculation systems are used</li> <li>• central boilers are used for heating</li> </ul>

## Environmental externalities

### Waste

Quantitative data on waste was also collected, although the data is not yet sufficiently complete and standardized. Information currently available shows that a large proportion of waste is currently recycled. Selective waste collection is carried out for plastic, glass, aluminium and especially paper, which is by far the most commonly recycled material. Hazardous waste – such as hospital or chemical waste, batteries, etc. – and toners are collected and disposed of in accordance with current legislation in the countries where the Group has operations by specialist companies. In Germany in 2007, the target of reducing residual waste to a minimum was achieved. In Switzerland, products that can be refilled are preferred (e.g. printer cartridges) to limit the quantity of waste produced.

In South America, two initiatives have been organised to draw attention to the environment and help the less fortunate: in Argentina, revenues from the sale of recycled paper are donated to Garrahan Children's Hospital; in Brazil, revenues from the sale of paper – recycled by a local cooperative which collects the paper on a daily basis – is used to buy food for the most needy.

In Guatemala, on the other hand, to promote recycling of materials, each staff member's desk is equipped with two waste baskets, one of which is for recycling.

### Carbon dioxide emissions

Precise quantity data is not yet available for carbon dioxide emissions, but IT systems are being set up for the purpose. Group companies are also attentive to this aspect and, in addition to the measures already described in the paragraph "Management of buildings and company structures" aiming to curb carbon dioxide emissions from heating/conditioning systems, they also took into consideration emissions from means of transportation, implementing the following measures.

Country	Type of intervention
Austria	<ul style="list-style-type: none"><li>• a Tele Expertise system has been adopted for motor claims, which limits the number of car journeys an expert has to make from one workshop to another</li><li>• Europ Assistance is gradually completing its fleet with hybrid vehicles</li></ul>
France	<ul style="list-style-type: none"><li>• low-emission vehicles are provided to the Generali France managers and sales force</li><li>• since January 2006, all vehicles used by commercial personnel conform to standards set by the company, demanding very low carbon dioxide emissions</li></ul>
Germany	<ul style="list-style-type: none"><li>• local suppliers are used as much as possible to avoid long journeys</li></ul>
Switzerland	<ul style="list-style-type: none"><li>• BSI uses electrical vehicles when travel is necessary</li></ul>
Israel	<ul style="list-style-type: none"><li>• fuel saving methods are taught to employees who use a company car during special driving lessons</li></ul>

### Mobility

To limit the environmental impact of mobility associated with Group activity, many companies have adopted mobility management initiatives where business trips are concerned, which are intended to:

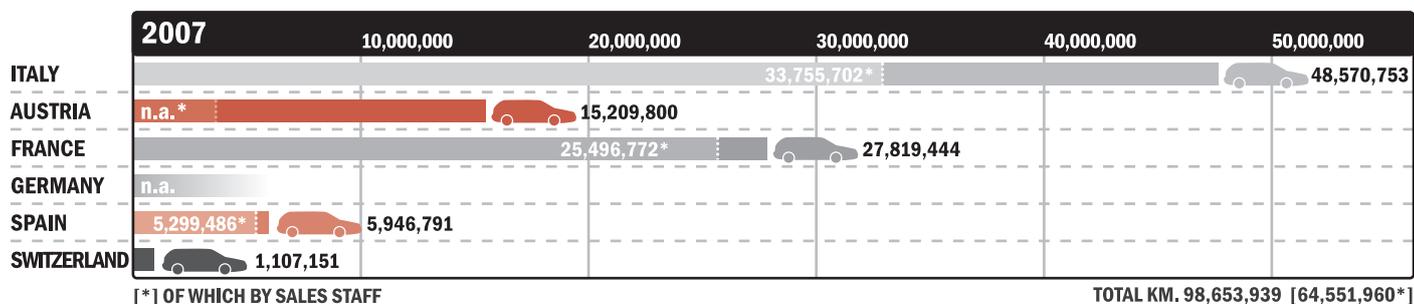
- reduce work-related trips, trying to replace them with the use of video conferences or conference calls;
- provide incentives for the use of public transport, by signing special agreements with public transportation services and/or national railways to obtain discounts on the ticket price, or by giving company contributions for buying tickets/season tickets;
- encourage car pooling;
- implement e-learning forms of training.

## Some mobility management initiatives

Country	Type of initiative	Description
Italy	travel policy	<ul style="list-style-type: none"> <li>standardisation and communication of rules and procedures that staff members are required to observe on work trips; use of public transportation is encouraged</li> </ul>
Austria	travel guideline	<ul style="list-style-type: none"> <li>standardisation and communication of rules and procedures that staff members are required to observe on work trips. Staff are asked to use the train instead of the car</li> </ul>
France	contribution for public transportation expenses	<ul style="list-style-type: none"> <li>Generali France pays 60% of the cost of an annual season ticket for staff members valid on all means of public transport in Paris and its surroundings</li> </ul>
	trips between Group offices	<ul style="list-style-type: none"> <li>two electrical vehicles are used to transport parcels and mail between the three buildings in Saint-Denis</li> </ul>
Germany	car pooling	<ul style="list-style-type: none"> <li>the Group Intranet has a special section dedicated to car pooling, offering the option of using a company car for work purposes</li> </ul>
Switzerland	reduced transport costs	<ul style="list-style-type: none"> <li>an agreement with the national railway is in place to reduce the costs of tickets</li> </ul>
	centralised travel management	<ul style="list-style-type: none"> <li>a central office has been set up to coordinate staff travel</li> </ul>
Belgium	mobility plan	<ul style="list-style-type: none"> <li>a Group-wide mobility plan is in place</li> <li>numerous collaboration initiatives have been set up with public transport providers to encourage staff to use them</li> </ul>

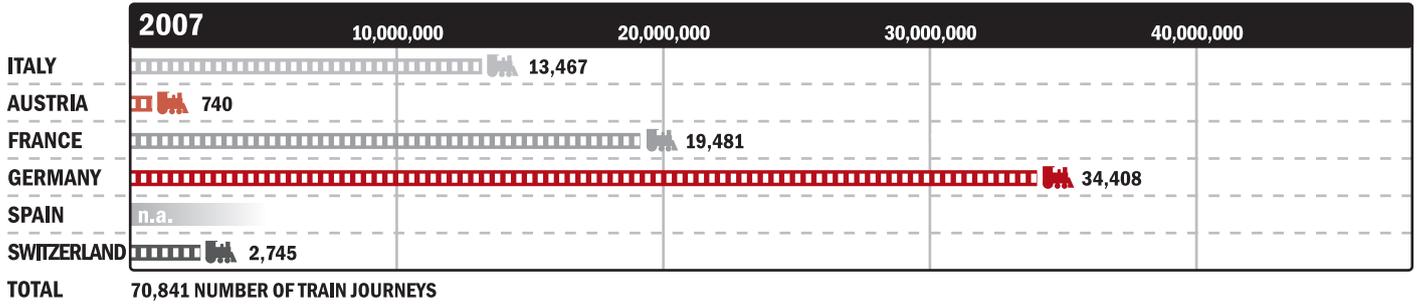
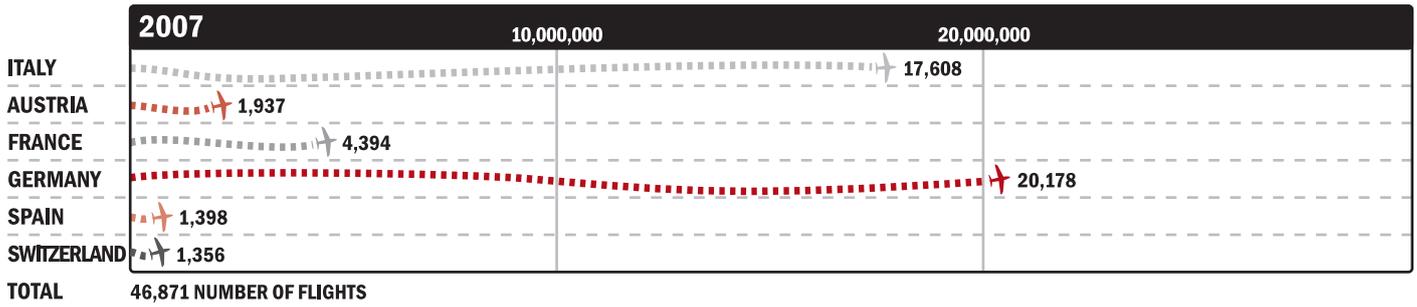
Several shuttle services are also in place connecting a number of Group offices scattered throughout the same city, or more remote offices with a railway station or the nearest public transportation stop.

## Kilometres travelled by car for work purposes by employees (Sustainability Report area; 2007)



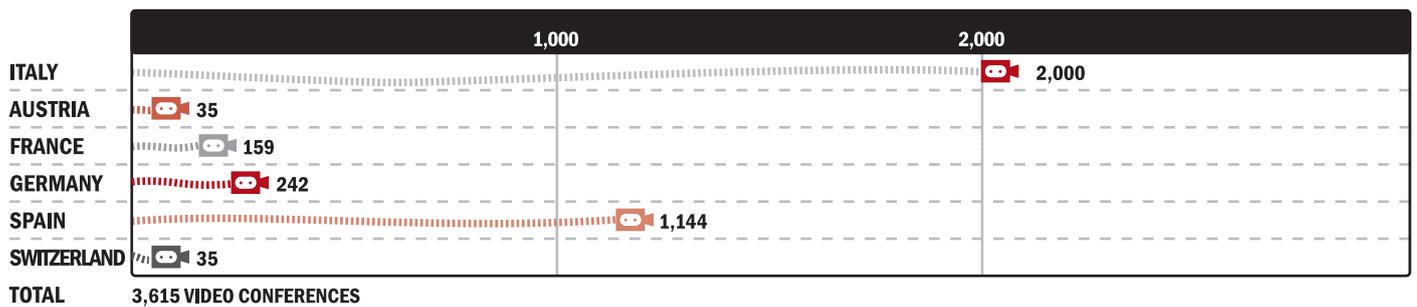
- The data presented is not complete: data pertaining to Germany is still unavailable, while information for Austria is only partially available (only trips by managers in company vehicles), as it is for Switzerland (only trips using company cars and incomplete data for BSI group) and France (Europ Assistance data is missing).
- Data relating to travel by sales staff in Italy, France and Spain was also available. In all three of these countries, these figures account for the majority of kilometres travelled by employees.

## Number of journeys made by staff members for work purposes (Sustainability Report area; 2007)



- The number of work-related flights in the Sustainability Report area was collected, while information on the number of train journeys is not yet available for Spain. Data pertaining to Switzerland refers to the BSI group and work trips made by managers at insurance companies, while data for France does not include Europ Assistance.
- The table shows that the train is the preferred means of transportation especially in France, where a significant increase against 2006 was attributable to an important meeting held in Paris. In Germany and Switzerland, the train is also a popular means of transportation, whilst in Italy and Austria staff prefer to travel by plane.
- It should be noted, however, that apart from Group policies, the preference for different means of transport in work journeys is also associated to how Group offices are distributed throughout the country, in addition to the availability of efficient train and air connections.

## Number of video conferences (Sustainability Report area; 2007)



- The number of video conferences held in 2007 was also collected, a system being used increasingly by Group companies to avoid travel.
- The data presented is not complete: for France, data concerning Europ Assistance is not available, whereas for Germany data on Badenia and some smaller companies has not been provided.

### Fines and penalties

In 2007, the Group did not receive fines or non-monetary penalties for failing to adhere to environmental regulations or legislation.

## Indirect environmental impact

Group activity can also have an indirect effect on the environment, especially in the processes of purchasing, designing and providing insurance products, and institutional investment activity.

### Procurement ecology

The Group can exercise influence over its suppliers in purchase processes with a view to raising their environmental awareness. Specific regulations are applicable by Group companies, which are described in greater detail in the chapter “Suppliers”. The Group has implemented suitable operative mechanisms to prevent violation – by its suppliers and their supply chains – of applicable regulations on health and safety in the work place, environmental protection and public health. To this end, the majority of supply contracts include clauses establishing sanction mechanisms that can lead to severance if the supplier fails to comply with current regulations. In some countries certified suppliers or suppliers with suitable environmental references are chosen over those without. In particular, in France the majority of leading suppliers are ISO 14001 certified.

### Product ecology

Eco-compatible behaviour can also be encouraged in clients through planning and providing products and services. The Generali Group’s product ecology has so far exclusively regarded non-life business, with products and services targeted at the corporate and individual segments.

In the **corporate sector**, the Company is committed to involving insured companies in its effort to comply with existing legislation on environmental protection and in the prevention of risks, making these conditions fundamental for insurance coverage. To this end, the Group’s policy for the assumption of property risks and third party liability carefully evaluates companies who present a high risk under a socio-environmental profile and, at the same time, it provides a preventive consultancy with the aim of helping clients set up safety measures to effectively reduce the conditions of risk exposure, leading to more favourable premium levels for that risk. The risk premium required from the client is increased if formal and/or substantial gaps in the adoption of suitable preventive measures are found. The absence or insufficiency of the said measures may even lead the Company to refuse to provide insurance coverage. Companies which pose lesser risks to the environment are, conversely, generally awarded discounted premiums.

At times, insurance conditions include specific regulations, aimed at encouraging responsible behaviour to prevent or limit environmental damage under the contract. For example, Assicurazioni Generali’s pollution TPL policy provides compensation for emergency or temporary measures to prevent or contain claimable damage, and excludes damage caused by wilful non-compliance with legal provisions or non-prevention of damage.

Generali France, on the other hand, proposes an evaluation of performance and risk control standards, provided to companies free of charge, based on several analysis criteria, some of which pertain to sustainable development. Following the evaluation, the company is attributed a score. A score of 15/20 or higher earns the company the “Agir pour notre avenir” (“Take action for our future”) label created specially by Generali. The quality mark confers a discount of up to 30% on the company’s insurance premiums, a three-year contract – even in the case of claims – and additional services such as, for example, assistance when needed, or legal review of the company’s leading contracts.

Moreover, Generali France offers a 10% discount on premiums for CAR contracts relating to office buildings with HQE (high environmental quality) certification. In Spain, Vitalicio Seguros applies special conditions for its environmental TPL policies for large and medium enterprises with environmental certification, while policies covering risks in the construction stage (CAR, EAR, ALOP), property and TPL, provide specific coverage for solar panels, photovoltaic systems and wind engines.

The Parent Company also belongs to the “Pollution Third Party Liability Insurance Pool”, a body comprised of Italian Group companies whose purpose is to share catastrophic risks caused by environmental pollution. This body – which also involves some reinsurers – has contributed to spreading a more uniform knowledge of this specific risk sector among insurance companies.

The Parent Company also promoted an **agreement between ANIA and Confindustria** that effectively sums up the Company's (and, more generally, ANIA's) cooperation strategy with businesses in the field of environmental protection. In accordance with this agreement, ANIA undertakes to raise awareness among insurance companies so that favourable rates are applied when drawing up insurance policies for pollution TPL for companies belonging to Confindustria and are eco-certified under ISO 14001 and EMAS standards, while Confindustria undertakes to inform member companies of ANIA's activities in the area of environmental issues.

As regards insurance coverage associated with environmental protection, the Group provides **individual clients** with different products depending on the country. In particular, Assicurazioni Generali offers specific insurance coverage to people who purchase electrical motorcycles from Vectrix – as part of an agreement in place with the company –, and particularly favourable conditions are offered to owners of eco-friendly cars in Switzerland and France. In France, clients are also granted a zero interest loan for the purchase of eco-friendly vehicles. Where household insurance is concerned, the "Domicile" policy in France offers new guarantees for damage caused by systems that use forms of renewable energy. In Austria, this type of contract is combined with free consultation from an expert, who identifies potential methods to optimise energy consumption in the clients' homes and reduce emissions that are harmful to the environment.

## Investments

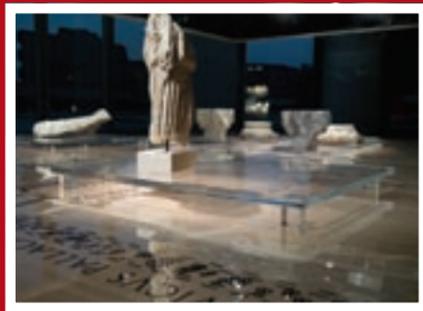
Lastly, further impact is associated with the Group's institutional investment activity related to the management of its own capital and of assets covering commitments towards policyholders. Given the significant amount of resources it manages, the Group can induce eco-compatible behaviour in the companies it chooses to invest in. The Group's investment policies are outlined in greater detail in the chapter "Competitive stakeholders – Issuing Companies", where its decision to adhere to the ethical criteria adopted by Norwegian Government Pension Fund is also described. This excludes any possibility of investing in financial instruments issued by companies presenting an unacceptable risk of contributing to serious environmental damage, which are therefore excluded from investment by the procedures established by the abovementioned Fund.

Where **investment products** are concerned, in France Generali currently offers eight funds linked to sectors involved in environmental protection and sustainable development (renewable energy, water treatment, recycling of waste, etc.), while Switzerland offers a scheme including unit-linked and mixed policies, focusing on investment funds that emphasize sustainable development without compromising on yield.

## Objectives for 2008 and beyond

- Completing the collection of data relating to electrical energy, paper and water consumption and waste disposal.
- Starting to collect data pertaining to carbon dioxide emissions throughout the Sustainability Report area.
- Developing additional initiatives for the purpose of reducing consumption, especially of energy and paper, and reducing CO2 emissions.
- Developing further the use of virtual meeting halls, making booking methods easier.
- Promoting new initiatives to raise awareness among staff members of environmental problems.
- Creating an environmental Committee or workgroup in each company (where one does not yet exist).
- Spreading the use of renewable energy sources.





appendix

Archaeological finds showcased at the "Radici del presente" (Roots of the present) exhibition organised by Assicurazioni Generali to mark its 175<sup>th</sup> anniversary.

# TABLE OF OBJECTIVES

stakeholder	2007 objectives	degree of achievement	2008 ONWARDS objectives
<b>MEMBERS OF STAFF</b>			
Salary policies:	Develop the concept of "total reward" (including fixed and variable components, benefits and enhancement potential) for managers and middle managers on an equal basis across major EU countries.		Continue to spread the "total reward" concept for managers and middle managers.
Mobility:			Improve intra-Group mobility as a lever for professional development and growth.
Training:	Improve the Group's positioning against the ASTD benchmark, with particular regard for "Number of learning hours per employee" and "Average cost per learning hour".		Improve the Group's positioning against the ASTD benchmark, with particular regard for "Number of learning hours per employee" and "Average cost per learning hour".
	Increase investments in training to 2% of payroll.		Increase investments in training to 2% of payroll.
	Launch the "shared leadership" programme for all Group employees in Italy (about 7,000), with voluntary participation.		Extend "shared leadership" programmes to all employees, with special sessions for part-time workers in light of equal opportunity and diversity management.
			Create training and self-advancement initiatives to define a model of fundamental skills for employees in non-managerial roles.
			Intensify learning opportunities for the sales force, increasingly resorting to remote training.
Safety and prevention:	Create the portal for Italian Group companies, to be extended globally.		Create the portal for Italian Group companies, to be extended globally.
Dialogue:	Establish surveys on employee satisfaction in countries where they do not yet exist and standardize survey methods and categories across the Group.		Develop and standardize Group wide surveys on employee satisfaction in order to be able to compare results from the various countries.
	Conduct surveys in other countries at set intervals; in particular, in Italy, conduct the second "Ascoltiamoci" survey.		Conduct surveys in other countries at set intervals; in particular, in Italy, conduct the second "Ascoltiamoci" survey.
	Implement methods and tools for discussing the results and researching into solutions, shared under the Group's International Human Resources Committee.		Implement methods and tools for discussing the results and researching into solutions, shared under the Group's International Human Resources Committee.
	Extend the use of surveys on dialogue with the sales force in Italy under a pilot scheme, to be subsequently extended to other countries.		Extend the use of surveys on dialogue with the sales force in Italy under a pilot scheme, to be subsequently extended to other countries.
	Increase contact with the national network with a view to understanding/solving local needs/problems.		Increase contact with the national network with a view to understanding/solving local needs/problems.
	Create in Italy a collaborative Group Intranet pilot project to improve communication support, sharing of information and the work of staff members – to be extended to other countries.		
	Make "Il Bollettino" a half-yearly publication. Set up a new monthly publication called "Il Bollettino on line", to be distributed exclusively in electronic format, to provide more timely information and reduce paper consumption.		
Focusing on members of staff:	Introduce new instruments to help members of staff combine work with personal commitments, such as nurseries for pre-school age children. In particular, conduct a feasibility study in Italy.		Introduce new instruments to help staff members combine work and family life such as new in-house nurseries. In particular, conduct a feasibility study in Italy.

stakeholder	2007 objectives	degree of achievement	2008 ONWARDS objectives
<b>SHAREHOLDERS</b>			
Relations with investors:	Organise individual meetings between the Investor Relations Department and investors, paying particular mind to ethical aspects, e.g. ethical funds.		Intensify communication between the Company and ethical funds.  Be entered in an ethical index such as FTSE4Good.
<b>CLIENTS</b>			
Products and services:	Extend the use of surveys to clients and the sales force to identify needs and expectations with the purpose of improving/ designing products and services tailored to the client, thus facilitating the task of the sales force.		Extend the use of surveys to clients and the sales force to identify needs and expectations with the purpose of improving/ designing products and services tailored to the client.  Introduce the "Third Age" project in Italy, France and Germany.
Relations with clients:	Spreading news relating to retirement savings opportunities to help people make informed decisions about their pension funds (Italy).  Improve services provided trying to solve critical points associated with claim settlement and emerging from complaints/ reports received.  Provide information on direct reimbursement for motor claims and monitor the processes to solve any criticalities and improve satisfaction among policyholders (Italy).  Develop and strengthen business communication.	   	Increase products available on the Internet, particularly life and household products and pension funds.
<b>SUPPLIERS</b>			
Purchase policies:	Standardize supplier relation policies throughout the major countries in the Sustainability Report area, aligning them with the Code adopted in Italy.		Standardize supplier relation policies throughout the major countries in the Sustainability Report area, aligning them with the Code adopted in Italy.
Selection and evaluation:	Improve (and implement, where they are not yet present) monitoring procedures to be used for the selection and evaluation of suppliers (for example, through questionnaires or joint analysis), involving suppliers in the process.		Improve (and implement, where they are not yet present) monitoring procedures to be used for the selection and evaluation of suppliers (for example, through questionnaires or joint analysis), involving suppliers in the process.
<b>ISSUING COMPANIES</b>			
Investment policies:	Continually apply and monitor adherence to the Group's ethical principles.		Introduce instruments for identifying and monitoring Group investments not included in those of Norwegian Government Pension Fund for the purpose of guaranteeing ethics (in the medium term).
<b>COMMUNITY</b>			
	Redefine the role of the "Generali Foundation".		Redefine the role of the "Generali Foundation".
	Give the public access to the Group's art treasures.		Introduce a budget for donations and investments.

stakeholder	2007 objectives	degree of achievement	2008 ONWARDS objectives
<b>ENVIRONMENT</b>			
Consumption:	Collect data on:		Complete the collection of data.
	electrical energy		
	paper		
	water		
	Develop additional initiatives aiming to reduce energy and paper consumption.		Develop additional initiatives aiming to reduce energy and paper consumption. Promote new initiatives to raise awareness among staff members on environmental problems. Spread the use of renewable energy sources.
Waste disposal:	Collect data throughout the Sustainability Report area.		Complete the collection of data.
Carbon dioxide emissions:	Begin collecting data throughout the Sustainability Report area.		Collect data throughout the Sustainability Report area. Promote specific initiatives to reduce carbon dioxide emissions.
Mobility:	Define a Group travel policy in the pilot area – Italy – aiming in part to reduce the overall number of trips for work purposes.		
Organisation:	Develop further the use of virtual meeting halls, making booking methods easier.		Develop further the use of virtual meeting halls.
	Monitor the number of videoconferences.		Monitor the number of videoconferences.
			

Key

-  Achieved
-  Almost entirely achieved
-  Partially achieved
-  In progress
-  Not achieved

# GLOSSARY

**AA1000 (AccountAbility1000):** a standard developed by the Institute of Social and Ethical Accountability (ISEA) to promote the adoption of CSR principles, thus providing stakeholders with quality assurance in accounting, auditing and social and ethical reporting.

**ANIA:** Italian Association of Insurances Companies (Associazione Nazionale fra le Imprese Assicuratrici).

**Asset:** any item of economic value owned by an individual or company, especially that which could be converted to cash, such as: properties, cash, receivables, etc..

**Asset Management:** the business of managing third party (and other) financial investments.

**Benchmark:** an objective reference parameter used to evaluate company performance in relation to analogous companies.

**Best practice:** the most significant experiences or those achieving the best results which are adopted in similar contexts.

**Broker:** an insurance or reinsurance intermediary whose profession entails creating direct contacts between an insurance or reinsurance company, with whom he has no binding commitments, and people who intend to draw on his services to obtain risk coverage. He helps determine the content of contracts and where necessary participate in their management and execution.

**Captive company:** company which provides its products and services to companies in its group.

**Claim:** an event insured against in the contract.

**Collision damage waiver:** policy that covers accidental damage to the insured vehicle.

**Combined ratio:** overall costs for claims and expenses expressed as a percentage of the value of earned premiums for the financial year. The combined ratio is equal to the sum of the expense ratio and loss ratio.

**CONFINDUSTRIA:** Confederation of Italian Industry representing Italian companies.

**Consolidated Financial Statements:** a document that shows the financial and asset status, economic results and variations in the shareholders' equity of a group of companies considered as a single economic body. It derives from combining the financial statements of the companies belonging to a group, net of amounts relating to internal group operations.

**Consolidation area:** a group of companies brought together by means of the "integral consolidation" method and included in the Consolidated Financial Statements.

**Core business:** the main area of business for a company operating in many fields.

**Core competence:** competence critical to the development and success of a company.

**Corporate Centre:** the body of the Group that is responsible for managing, coordinating and controlling activities within the scope of the general guidelines defined by the Parent Company Board of Directors.

**Corporate Governance:** a governance system encompassing various bodies (levels, composition, competence, etc.) and the rules that govern the relations between them (right to vote, delegation of powers, etc.).

**Credit rating:** credit evaluation by quantifying the likelihood of a person's/ company's insolvency.

**CSR (Corporate Social Responsibility):** "Companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis. [...] Being socially responsible means not only fulfilling legal expectations, but also going beyond compliance and investing 'more' into human capital, the environment and the relations with stakeholders". [Source: "Promoting a European framework for Corporate Social Responsibility" - the European Commission's Green Paper].

**Customer satisfaction:** a process of knowing clients' perceptions and expectations concerning a service or product. It is used to compare in relative terms the value of a particular service offered to the public.

**Customer service:** a group of services provided to the client.

**Direct business:** premiums from insurance contracts.

**Disputes:** disputes pending before the judicial authorities.

**Dividend:** part of the net profits of a joint-stock company distributed to shareholders annually.

**Dow Jones EuroStoxx 50:** this euro-area index represents 50 leading European companies in their fields, listed on the Dow Jones EuroStoxx Index.

**Dow Jones EuroStoxx Insurance:** a weighted index based on capitalization measuring the performance of the insurance sector in European Monetary Union member countries.

**Eco-Committee:** a decision-making body that considers issues relating to environmental policies.

**Ecology of supply:** attention to environmental issues in the supply chain.

**E-learning:** activities that exploit the potential of the Internet to provide users with education and training.

**EMAS (Eco Management and Audit Scheme):** a management and environmental control system compliant with European Community Regulation no. 761/01, which establishes the rules governing the voluntary adoption of environmental management systems and the drawing up of Environmental Statements.

**Embedded value:** represents the intrinsic value of an insurance company and equals the sum of adjusted shareholders' equity and portfolio value.

**Employed sellers:** the sales force on payroll.

**Engagement:** the process of involving stakeholders.

**Environmental policies:** statements by an organisation regarding its intentions and the principles it adheres to in the field of environmental issues.

**Ergonomics:** a scientific study of the relationship between man, machine and workplace with a view to meeting the worker's psychological and physical needs and increasing efficiency.

**Ethical Code:** the ethical code expresses the commitments the company has assumed towards its internal stakeholders. This document is voluntarily drawn up and is used by companies to decide which approach to adopt with regard to significant environmental, social and economic issues. This proves particularly important in countries that have no national protection of human and labour rights or the environment.

**Expense ratio:** supply and administration expenses expressed as a percentage of the value of earned premiums for the financial year.

**Fair value:** evaluation of what could be defined as equitable "market" value in compliance with international accounting principles IAS/IFRS.

**Financial advisers:** professionals who provide financial intermediation.

**Focus group:** type of quality survey where a group of people is questioned on the personal attitudes to a particular subject.

**GRI (Global Reporting Initiative):** an institution created in 1997 by UNEP (see paragraph) and CERES (Coalition for Environmentally Responsible Economies) whose objective is to develop and disseminate the guidelines for drawing up a voluntary report on economic, environmental and business performance of company activities.

**Guidelines for Corporate Governance and Multinational Enterprises in the OECD:** recommendations addressed by governments to multinational enterprises, basically concerning voluntary principles and standards for responsible business conduct.

**"Hay" Method:** an analytical quantitative method for evaluating the positions of managers and middle managers assigning each one a score, which is then used as the basis for calculating salary.

**IAS/IFRS principles:** international accounting principles.

**Index-linked (contracts, products):** Stock Market index-linked policies.

**Indirect business:** premiums from reinsurance contracts.

**Information technology:** technology used to gather, preserve, update and convey information needed by any operating body.

**Institutional investors:** bodies whose purpose is to carry out and manage investments for themselves or third parties (banks, insurance companies, trustees, pension funds, etc.).

**Intranet:** Internet network accessible only to company staff.

**Investor relations:** relations between the company and its investors.

**ISO (International Organization for Standardization):** international network of technical standard-setting bodies. The major standards include ISO 14001 (referring to environmental management systems) and ISO 9000 (relative to quality systems).

**ISO 14001:** a standard relating to environmental management systems issued by the ISO international standards body. The standard outlines the requirements for environmental management systems, thus enabling companies to plan a policy and establish objectives, with consideration to legislation and information regarding major environmental issues.

**ISVAP:** Istituto per la Vigilanza sulle Assicurazioni Private e di interesse collettivo (Italian Supervisory Authority for the Private Insurance Sector).

**Joint venture:** association of two or more companies, sometimes of different nationalities, working together on a single project.

**Life insurance policies:** insurance contracts that award payment of a lump sum or an annuity if a life-related event occurs.

**Loss ratio:** the cost of paid and outstanding claims during the financial year as a percentage of the value of earned premiums for the financial year.

**Media relations:** relations between the company and the media.

**MIB30:** a weighted index of the 30 top Italian companies traded on the Milan Stock Exchange.

**Mibtel:** a capitalization-weighted index of all stocks traded on the Milan Stock Exchange computerized trading system.

**Mission:** the corporate mission and basic objectives pursued.

**Mobility manager:** person responsible for optimising the mobility of employees in their commuting to work and during work-related trips.

**Multi-brand:** a commercial approach based on the use of multiple brands.

**Multi-channel:** a range of products and services provided through multiple sales channels. The definition considers the type of distribution channel used to provide the products and services, as well as the methods by which clients can access them.

**Multi-client (survey):** a survey carried out for more than one client which is therefore more in-depth and takes into account a wider sample.

**Multi-local:** marketing approach that aims to act as a local operator on all the markets in which the company is active.

**Nanotechnology:** branch of science studying individual atoms and molecules to create electronic components thousands of times smaller than existing ones.

**Newsletter:** information bulletin.

**Non-life insurance policies:** insurance contracts that cover damage to people and things caused by external and uncertain events (injury, sickness, fire, theft, etc.).

**OECD:** Organisation for Economic Co-operation and Development, grouping 30 countries that share a commitment to democratic government and market economy.

**Outside the Sustainability Report area:** all the companies not included in the Sustainability Report area.

**Performance indicators:** specific indicators selected to meet corporate information needs and used to monitor the company. They can be of a financial, productive, commercial, environmental and social nature, or concern more than one aspect.

**Policy:** insurance contract.

**Preda Code:** a self-enforced code of conduct for listed companies.

**Premium:** is the sum the policyholder must pay the insurer; it is effectively the "price" of the insurance policy.

**Product ecology:** a policy aimed at minimizing the environmental impact of a product's life cycle.

**Property risks:** they include: fire, technological risks, theft, misconduct, suspension of business, hail, etc..

**Reinsurance ceded:** flow of risks ceded by a company to one or more insurers, in order to share the risk.

**Renewable energy:** energy from natural resources with endless potential, the production of which is not associated with pollutant emissions. Renewable sources include hydroelectric, solar, wind, geothermal and biomass energy.

**Retail:** segment of the market which primarily includes individuals, professionals, shopkeepers and craftsmen.

**Retirement products:** life insurance products that cater for supplementary retirements needs.

**Risk Management:** systematic application of management policies, procedures and practices aiming to identify, analyse and monitor risks.

**Road show:** a series of meetings between companies and institutional investors (or agents, etc.) which take place in different locations.

**Shareholders' agreement:** agreements among shareholders concerning the company management, i.e. the existence over time of the same shareholders as a "group".

**Speed of claims settlement:** the percentage of claims reported in a financial year and settled in the same year.

**Stakeholders:** individuals and groups who can influence the success of a company, or who have an interest in the decisions made by the company: shareholders, employees, clients, suppliers, public institutions, competitors, local communities, lobbies, mass media, etc..

**Stock Exchange capitalization:** when referring to a company, it is the value obtained by multiplying the market price of a share by the number of shares outstanding.

**Stock option:** option contracts for purchasing the shares of a company - issued with an increase of capital for this express purpose - which grant the right to purchase the shares at a set price within an established period of time. They are used as a means to supplement salaries and as a loyalty tool for individual employees, special categories, or all staff members.

**Structured products:** investment instruments combining standardised financial instruments (bonds and shares) with one or more derivatives (generally options). Their structure enables investors to have a share in the performance of one or more assets while, at the same time, adjusting their risk profile to their own specific needs.

**Subsidiary agency:** an agency depending directly on the Company and managed by a salaried member of staff (agent), employing internal members of staff, who are also company employees.

**Supplementary retirement scheme:** a form of retirement savings, designed to create income to supplement pensions paid by the public pension system during retirement.

**Sustainability Report area:** all the companies included in the Sustainability Report (SR). These companies are from: Italy, Austria, France, Germany, Spain and Switzerland.

**Sustainable development:** "Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs" (Source: Brundtland Report, World Commission on Environment and Development, 1987).

**Trade Union density:** the percentage of workers who are members of the Trade Union.

**Turnover:** an index indicating staff turnover due to resignations, retirement, death or other reasons which make it necessary to hire a new employee to replace a person who is no longer employed.

**UN Global Compact:** a voluntary initiative launched and sponsored by the United Nations, promoting and disseminating the principles of sustainable development.

**UNEP:** the United Nations Environmental Programme that promotes sustainable development among companies and the general public.

**Unit-linked (contracts, products):** policies that require paid up premiums and benefits to be expressed as units of an investment fund they are linked to.

**Webconferencing:** company meetings held via Internet.

# GRI IDENTIFICATION TABLE

GUIDELINES 2006		coverage	page	area[*]
<b>PROFILE</b>				
<b>Strategy and analysis</b>				
1.01	Statement from the most senior decisionmaker of the organization about the relevance of sustainability to the organization and its strategy.	YES	6	G
1.02	Description of key impacts, risks, and opportunities.	YES	6	G
<b>Organizational profile</b>				
2.01	Name of the organization.	YES	30	G
2.02	Primary brands, products, and/or services.	YES	80	G
2.03	Operational structure of the organization.	YES	14	G
2.04	Location of organization's headquarters.	YES	146	G
2.05	Number of countries where the organization operates.	YES	30	G
2.06	Nature of ownership and legal form.	YES	70	G
2.07	Markets served.	YES	30; 77	G
2.08	Scale of the reporting organization.	YES	31; 35; 41; 79	G
2.09	Significant changes during the reporting period regarding size, structure, or ownership.	YES	29; 70	G
2.10	Awards received in the reporting period.	YES	109; 125	G
<b>REPORT PARAMETERS</b>				
<b>Report profile</b>				
3.01	Reporting period for information provided.	YES	7	SR
3.02	Date of most recent previous report.	YES	7	SR
3.03	Reporting cycle.	YES	7	SR
3.04	Contact point for questions regarding the report or its contents.	YES	146	G
<b>Report scope and boundary</b>				
3.05	Process for defining report content.	YES	7	SR
3.06	Boundary of the report.	YES	7; 8	SR
3.07	State any specific limitations on the scope or boundary of the report.	YES	7	SR
3.08	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.	YES	7; 29; 34	SR
3.09	Data measurement techniques and the bases of calculations.	YES	7	SR
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement.	YES	7	SR
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	YES	7	SR
<b>GRI Content Index</b>				
3.12	Table identifying the location of the Standard Disclosures in the report.	YES	139	G
<b>Assurance</b>				
3.13	Policy and current practice with regard to seeking external assurance for the report.	NO		
<b>GOVERNANCE, COMMITMENTS, ENGAGEMENT</b>				
<b>Governance</b>				
4.01	Governance structure of the organization.	YES	14; 16; 22; 23	G
4.02	Chairman's executive functions.	YES	15; 16	G
4.03	State the number of members of the highest governance body that are independent and/or non-executive members.	YES	16	G
4.04	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	YES	23; 72	G
4.05	Linkage between compensation for members of the highest governance body, senior managers, and executives, and the organization's performance.	YES	51	G
4.06	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	YES	17	G
4.07	Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organization's strategy on economic, environmental, and social topics.	NO		
4.08	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	YES	13; 17; 99	G
4.09	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.	YES	17; 21	G
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	YES, partially	51	G

**Commitments to external initiatives**

4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	NO		
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	YES	21; 101	G
4.13	Memberships in associations and/or national/international advocacy organizations.	YES	96	G
<b>Stakeholder engagement</b>				
4.14	List of stakeholder groups engaged by the organization.	YES	23; 25; 54	G
4.15	Basis for identification and selection of stakeholders with whom to engage.	YES	23	G
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	YES	23;25;65;72;90	G
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.	YES	25; 65; 90	G

**ECONOMIC PERFORMANCE INDICATORS****ASPECT: Economic performance**

EC1. Core	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	YES	37	G
EC2. Core	Financial implications and other risks and opportunities for the organization's activities due to climate change.	YES	23	G
EC3. Core	Coverage of the organization's defined benefit plan obligations.	YES	52	SR
EC4. Core	Significant financial assistance received from government.	YES	38	G

**Aspect: Market presence**

EC5. Additional	Range of ratios of standard entry level wage compared to local minimum wage at significant locations of operation.	YES	55	G
EC6. Core	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	YES	98	SR
EC7. Core	Procedures for local hiring and proportion of senior management hired from the local community at locations of significant operation.	YES	47	SR

**ASPECT: Indirect economic impacts**

EC8. Core	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	YES	105	G
EC9. Additional	Understanding and describing significant indirect economic impacts, including the extent of impacts.	NO		

**ENVIRONMENTAL PERFORMANCE INDICATORS****ASPECT: Materials**

EN1. Core	Materials used by weight or volume.	YES, partially	122	SR
EN2. Core	Percentage of materials used that are recycled input materials.	YES, partially	122	SR

**ASPECT: Energy**

EN3. Core	Direct energy consumption by primary energy source.	NO		
EN4. Core	Indirect energy consumption by primary source.	YES	122	SR
EN5. Additional	Energy saved due to conservation and efficiency improvements.	YES	122	G
EN6. Additional	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	not significant		
EN7. Additional	Initiatives to reduce indirect energy consumption and reductions achieved.	YES, partially	123	G

**ASPECT: Water**

EN8. Core	Total water withdrawal by source.	YES	123	SR
EN9. Additional	Water sources significantly affected by withdrawal of water.	not significant		
EN10. Additional	Percentage and total volume of water recycled and reused.	not significant		

**ASPECT: Biodiversity**

EN11. Core	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	not significant		
EN12. Core	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	not significant		
EN13. Additional	Habitats protected or restored.	not significant		
EN14. Additional	Strategies, current actions, and future plans for managing impacts on biodiversity.	not significant		
EN15. Additional	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	not significant		

**ASPECT: Emissions, effluents, waste**

EN16. Core	Total direct and indirect greenhouse gas emissions by weight.	NO		
EN17. Core	Other relevant indirect greenhouse gas emissions by weight.	NO		
EN18. Additional	Initiatives to reduce greenhouse gas emissions and reductions achieved.	YES, partially	124; 126	G
EN19. Core	Emissions of ozone-depleting substances by weight.	NO		
EN20. Core	NO, SO, and other significant air emissions by type and weight.	NO		
EN21. Core	Total water discharge by quality and destination.	not significant		
EN22. Core	Total weight of waste by type and disposal method.	YES, partially	126	SR
EN23. Core	Total number and volume of significant spills.	not significant		
EN24. Additional	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.	not significant		
EN25. Additional	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff.	not significant		

**ASPECT: Products and services**

EN26. Core	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	YES	126	SR
EN27. Core	Percentage of products sold and their packaging materials that are reclaimed by category.	not significant		

**ASPECT: Compliance**

EN28. Core	Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with environmental laws and regulations.	YES	128	G
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**ASPECT: Transport**

EN29. Additional	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.	YES	126	SR
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**ASPECT: Overall**

EN30. Additional	Total environmental protection expenditures and investments by type.	YES, partially	120	SR
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**SOCIAL PERFORMANCE INDICATORS****ASPECT: Employment**

LA1. Core	Total workforce by employment type, employment contract, and region.	YES	41	SR
LA2. Core	Total number and rate of employee turnover by age group, gender, and region.	YES	43	SR
LA3. Additional	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	YES	52	SR

**ASPECT: Labor/management relations**

LA4. Core	Percentage of employees covered by collective bargaining agreements.	YES	54	SR
LA5. Core	Minimum notice period(s) regarding operational changes, including whether it is specified in collective agreements.	YES	54	SR

**ASPECT: Occupational health and safety**

LA6. Additional	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.	NO		
LA7. Core	Rates of injury, occupational diseases, lost days, and absenteeism, and number of workrelated fatalities by region.	YES	49	SR
LA8. Core	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	YES	49	SR
LA9. Additional	Health and safety topics covered in formal agreements with trade unions.	YES	49	SR

**ASPECT: Training and education**

LA10. Core	Average hours of training per year per employee by employee category.	YES	63	SR
LA11. Additional	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	YES	60	SR
LA12. Additional	Percentage of employees receiving regular performance and career development reviews.	NO		

**ASPECT: Diversity and equal opportunity**

LA13. Core	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity.	YES	16; 46	SR
LA14. Core	Ratio of basic salary of men to women by employee category.	NO		

## SOCIETY

**ASPECT: Community**

SO1. Core Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting.

YES 105 G

**ASPECT: Corruption**

SO2. Core Percentage and total number of business units analyzed for risks related to corruption.

YES, partially 18 SR

SO3. Core Percentage of employees trained in organization's anti-corruption policies and procedures.

YES, partially 18 SR

SO4. Core Actions taken in response to incidents of corruption.

YES 19 SR

**ASPECT: Public policy**

SO5. Core Public policy positions and participation in public policy development and lobbying.

YES 17 G

SO6. Additional Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.

YES 17 G

**ASPECT: Anti-competitive behavior**

SO7. Additional Total number of legal actions for anticompetitive behavior, anti-trust, and monopoly practices and their outcomes.

YES 89 SR

**ASPECT: Compliance**

SO8. Core Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with laws and regulations.

YES 89 SR

## HUMAN RIGHTS

**ASPECT: Investment and procurement practices**

HR1. Core Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening.

YES 101 G

HR2. Core Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken.

NO

HR3. Additional Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.

NO

**ASPECT: Non discrimination**

HR4. Core Total number of incidents of discrimination and actions taken.

YES 17 G

**ASPECT: Freedom of association and collective bargaining**

HR5. Core Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights.

YES 54 SR

**ASPECT: Child labor**

HR6. Core Operations identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination of child labor.

YES 54 G

**ASPECT: Forced and compulsory labor**

HR7. Core Operations identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of forced or compulsory labor.

YES 54 G

**ASPECT: Security practices**

HR8. Additional Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.

not significant

**ASPECT: Indigenous rights**

HR9. Additional Total number of incidents of violations involving rights of indigenous people and actions taken.

YES 54 G

## PRODUCT RESPONSIBILITY

**ASPECT: Customer health and safety**

PR1. Core Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.

not significant

PR2. Additional Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.

not significant

**ASPECT: Product and service labeling**

PR3. Core	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.	not significant		
PR4. Additional	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.	not significant		
PR5. Additional	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	YES	90	SR

**ASPECT: Marketing communications**

PR6. Core	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	YES	25	G
PR7. Additional	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes.	YES	25	SR

**ASPECT: Customer privacy**

PR8. Additional	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	YES	20	SR
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**ASPECT: Compliance**

PR9. Core	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	NO		
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**Management System**

CSR 1	Describe social elements of the CSR policy.	YES	21	SR
CSR 2	Describe the structure and relevant CSR responsibilities.	YES	21	SR
CSR 3	Report on the number of audits and auditing hours.	NO		

**Sensitive issues**

CSR 4	Describe procedures for handling issues sensitive to stakeholders.	YES	23	SR
CSR 5	Report on the number of non-compliance incidents with any law or regulatory code of conduct.	YES	17	SR

**Internal social performance**

INT 1	Describe social responsibility issues covered in the company's human resources policies.	YES	50	SR
INT 2	Staff turnover and job creation.	YES	43	SR
INT 3	Employee satisfaction.	YES	65	SR
INT 4	Senior management remuneration.	YES	51	SR
INT 5	Bonuses fostering sustainable success.	YES	52	SR
INT 6	Female-male salary ratio and average salary.	YES, partially	47	SR
INT 7	Staff breakdown by gender, disability and ethnic origin.	YES, partially	47	SR

**Performance to society**

SOC 1	Contributions to charitable causes, community investments and commercial sponsorships.	YES	105	SR
SOC 2	Economic Value Added.	YES	37	SR

**Suppliers**

SUP 1	Report on policy and procedures to screen suppliers' social performance.	YES	98	SR
SUP 2	Report on supplier satisfaction.	NO		

**Insurance and banking policies**

INS 1	Describe the social criteria applied by the reporting organisation in its underwriting and banking policies.	YES	80	G
INS 2	Report on the customer base in private insurance and in business insurance.	YES	78	SR
INS 3	Report on the number of complaints received from customers and comment on the issues.	YES	86	SR
INS 4	Report on provision of tailored and innovative products and services applying special ethical / sustainability criteria.	YES	80	SR

[\*]

SR = Sustainability Report area

G = Group



**Co-ordination:**

Corporate Social Responsibility  
Sustainability Report

**Graphic co-ordination:**

Corporate Communication

May, 2008

**This report is available at:**

[www.generali.com](http://www.generali.com)

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