

CLIMATE-RELATED FINANCIAL DISCLOSURE 2021



190th year
www.generali.com





***CLIMATE-RELATED FINANCIAL
DISCLOSURE 2021***



INTRODUCTION

With the [Climate-related Financial Disclosure](#) we aim to provide investors and other stakeholders with relevant information to assess the adequacy of our approach to climate change and our ability to manage the risks and opportunities it brings.

Since 2017, we have welcomed the efforts of the [Task Force on Climate-related Financial Disclosures - TCFD](#) initiated by the Financial Stability Board and we have voluntarily committed to the disclosure of financially material information about the [impacts of climate change on our activities](#). We also chose transparent and proactive communication on the [actions](#) we have taken in [support of the Paris Agreement](#) of “limiting global warming to well below 2°C and to pursue efforts to limit temperature increases to 1.5°C above pre-industrial levels”. A tangible expression of this commitment is our joining the [Net-Zero Asset Owner Alliance](#) and the [Net-Zero Insurance Alliance](#), two coalitions of many of the world’s leading asset owners and insurers, convened by the United Nations, delivering on a bold commitment to make their financial portfolios climate-neutral by 2050.

The assessment of the climate-related impacts on the business is a complex activity and the methodologies for the effective reporting on these aspects are still evolving. This exercise as a starting point of a [journey](#) to the progressive refinement and sophistication of our analysis and disclosure.

The data and information included in this Disclosure are largely derived from the [Generali Group's 2021 Annual Integrated Report](#) and they are organized so as to illustrate how we are implementing the recommendations of the TCFD, whose structure is reflected: Governance, Strategy, Risk Management, and Metrics and Targets.



Governance

The organization’s governance around climate-related risks and opportunities.

Strategy

The actual and potential impacts of climate-related risks and opportunities on the organization’s businesses, strategy, and financial planning.

Risk Management

The processes used by the organization to identify, assess, and manage climate-related risks.

Metrics and Targets

The metrics and targets used to assess and manage relevant climate-related risks and opportunities.

This Disclosure is an integral part of our commitment to promote active leadership within the insurance industry in addressing climate challenges and fostering systemic responses for a just transition to a low-carbon society. In this spirit, we participate in a number of climate-related [working groups](#), including: [UNEP FI PSI - TCFD Pilot Group](#), [Net-Zero Asset Owner Alliance](#), [Net-Zero Insurance Alliance](#), [Climate Action 100+](#), [Investor Leadership Network](#), [CRO Forum](#), [Geneva Association](#), [EIOPA Pilot Exercise on Climate Change Adaptation in Non-Life Underwriting and Pricing](#) and [CDP](#).

GOVERNANCE

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

Board of Directors' role

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

Management's role

Climate change may have pervasive impacts across the entire organization. For this reason, the decisions on how to integrate the assessment and effective management of climate change impacts into the different business processes are guided by the Sustainability Committee at top management level, which can rely on adequate powers and a cross-functional vision across multiple Groups' functions and geographies.

This Committee, sponsored by the Group CEO, consists of the heads of both the GHO functions and business units. The decisions set forth by the Committee are implemented by the competent management, each for its area of responsibility. A component of the variable remuneration of the Group CEO and top management depends on the results achieved in the implementation of the Strategy on Climate Change.

This cross-functional approach is also reflected in the Climate Strategy Task Force, which pools together the functions of Group Chief Investment Officer, Group P&C Retail, Group P&C Corporate & Commercial, Group Life & Health, Group Integrated Reporting and Group Risk Management, coordinated by Group Sustainability & Social Responsibility. The goal of this work group is to guarantee the management of the risks and opportunities tied to climate change in compliance with the strategy defined by the Board and to ensure the reporting on these aspects both to internal competent bodies and to external stakeholders, in line with the TCFD recommendations. Within this Task Force is active a coal companies engagement committee, which analyses the just transition plans of the engaged coal companies, monitors their implementation and encourages further progress.

Strategy

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

Climate change risks can be divided in:

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

Physical risks

The worsening of climate-related weather phenomena - as part of physical risks - may impact the **P&C segment** in terms of pricing and occurrence of catastrophic events, impacting - conditions being equal - the number and cost of the claims and their management expenses, as well as reinsurance costs.

The **Life segment** might also be impacted: the intensification of the heat waves, the increased frequency of floods and the expansion of the habitats suitable for hosting carriers of tropical diseases indeed might worsen the expected mortality and morbidity rates.

The physical risks caused by climate change, which worsen the living conditions of the population and increase damages not covered by insurance, might also lead to a deterioration of **socio-political stability** and the **macroeconomic and geopolitical conditions**, with cascade effects on the financial system and on the overall economy.

Transition risks

The shift to a greener economy, in the area of the transition risks, is driven by changes in national or international public policies, in technologies and in consumer preferences that might affect different sectors, especially those with a higher energy intensity, up to leading to the phenomenon of the so-called **stranded assets**, that is the complete loss of value of financial assets relating to the so-called carbon intensive sectors.

A good portion of the impact of these risks depends on the speed to come into line with **stricter environmental standards** and on the **public support** that will be guaranteed for reconversion. The transition risks are therefore influenced by factors marked by a high degree of uncertainty, such as political, social and market dynamics and technological changes. Even though the speed of transition and its risks are hard to determine today, they will probably have wide-ranging consequences, especially in several sectors such as **energy**.

Financing or insuring companies operating in sectors characterized by high greenhouse gas emissions and do not have adequate decarbonisation strategies might also expose to **reputational risks**.

Opportunities

Climate mitigation and adaptation strategies offer investment opportunities as well as opportunities for the development of the insurance market. As weather phenomena and extreme natural events evolve and intensify, a related **increase in the demand for protection** through specific insurance solutions and risk management is plausible.

The new regulations and the public plans launched in Europe aimed at creating incentives for transition to a green economy, together with the changes in consumer preferences, are supporting the **demand for insurance products tied to the sector of renewable energy, energy efficiency and sustainable mobility**. They are increasing the retail demand for green insurance products linked to sustainable lifestyles and strengthening the demand for **investment products linked to green finance**.

The decarbonisation of the economy and, more specifically, the large-scale spread of **systems producing energy from renewable sources** require substantial investments that are only partly covered with public funds, in this way increasing investment opportunities for private parties.

Risk and opportunities management

We have defined processes and tools to mitigate climate risks and to seize the opportunities arising from the green transition. These include monitoring the adequacy of the actuarial models to assess and rate risks, recourse to risk transfer mechanisms, periodical analysis of the investments, product and service innovation processes, dialogue with stakeholders and development of partnerships to share knowledge and identify effective solutions.

Physical risks

We manage short-term physical risks by adopting a risk monitoring and careful selection aimed at **optimizing the insurance strategy** with the use of **actuarial models** that are periodically updated in order to estimate potential damage, including natural catastrophe damage, influenced by climate change.

We turn to **reinsurance contracts** and **alternative risk transfer instruments**, such as the issue of insurance securities protecting against natural catastrophe risks, i.e. cat bonds, like Lion III Re

In order to reduce exposure to physical risks of our corporate customers in the Property & Casualty segment, we provide **consulting services** to introduce technical-organisational improvements capable of increasing the protection of the insured assets even from extreme natural events, and we define **claim prevention programs** and periodically monitor them.

We have set up special procedures to **speed up damage appraisal** and **claims settlement** in the case of natural catastrophes and extreme events so as to strengthen the resilience of the territories struck and to facilitate the post-emergency assistance and return to normality phase.

Transition risks

As for the transition risk management, **we are reducing the already limited exposure of the investment portfolio to issuers of the coal sector in order to reach zero exposure in OECD countries by 2030 and in the rest of the world by 2040**. A gradual exclusion approach is applied to the **tar sand sector**, too. We also set the target of making our **investment portfolio climate neutral by 2050**, in line with the Paris Agreement's goal of limiting global warming to 1.5°C compared to pre-industrial levels.

The exposure of our client portfolio to fossil fuel sector is minimal: **we exclude underwriting risks associated with coal, gas and oil exploration and extraction - conventional and unconventional - and since 2018 we no longer offer insurance coverage for the construction of new coal-fired power plants**, for those already existing of new customers and for the construction of new coal mines. Also for underwriting, we set the goal of **gradually reducing our current limited exposure to the thermal coal sector in order to reach zero exposure in OECD countries by 2030 and in the rest of the world by 2038**. The exclusion policy is extended to the **tar sands and shale oil and gas sectors**. As members of the Net-Zero Insurance Alliance, we set the target of making our **underwriting portfolio climate neutral by 2050**.

In those countries where coal accounts for over 45% of the domestic electricity mix, to limit the negative social impacts deriving from our decision to quit this sector, we are carrying out **engagement activities** with the companies with whom we have trade relations to implement the principle of **just transition** that combines the need to protect the climate with minimisation of social consequences for local employment and energy procurement. The engagement activity is focused on monitoring GHG emission reduction, worker protection and retraining, and community support plans by analysing their costs and investments allocated for these purposes.

To demonstrate consistency with the commitments required to our customers, issuers and business partners, we are **reducing greenhouse gas emissions from our sites and business trips** by optimizing spaces, purchasing green energy and promoting the use of more sustainable means of transport.

Opportunities

In order to seize the investment and development opportunities arising from mitigation and adaptation to climate change, we offer: insurance solutions to **protect customers from natural catastrophe damage**, including damage influenced by climate change; **coverages for industrial power generation plants from renewables**; and insurance solutions to support customers in adopting sustainable lifestyles.

By 2025, we intend to reach the target of € 8.5 - € 9.5 billion of new **green and sustainable investments** on top of those already achieved in the previous years.

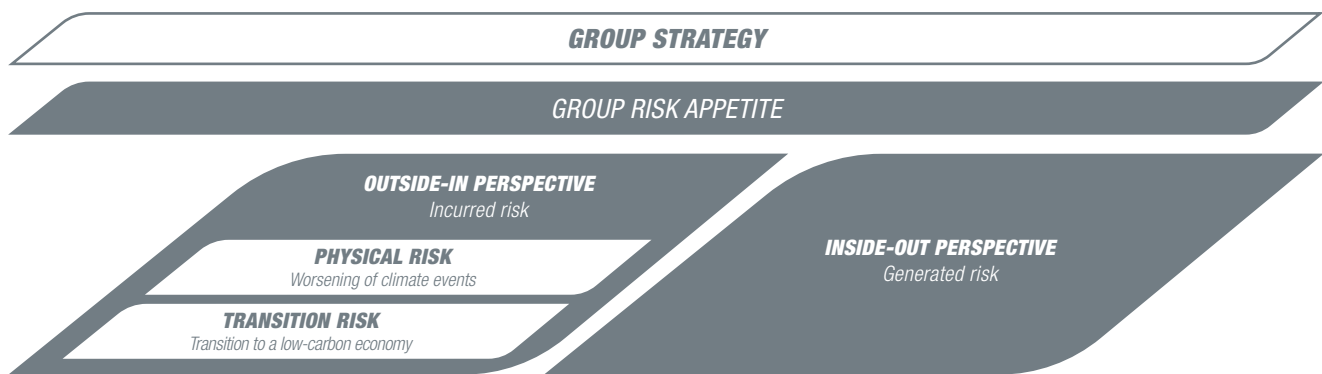
We are expanding the offer of **thematic investment products linked to green finance** for the retail segment.

We are increasing our direct investments in green and sustainable assets. In 2021 we issued our first **Sustainability Bond** with the aim of financing or refinancing Eligible Sustainability Projects, identified according to the eligibility criteria defined by the Sustainability Bond Framework which includes, among the various investment categories, also those relating to green building, renewable energy, energy efficiency and clean transportation.

In addition to the climate risk management interventions described above, in 2019 we launched a further project of progressive integration of climate factors in risk management processes, adopting an approach based on materiality to guide the identification, assessment and management of the impact of climate risk drivers on traditional risk categories of with reference to the most significant areas of the business with respect to physical and transition risks. In line with the recent European regulatory developments, regarding the definition of the risk management framework related to climate change (so-called climate risk), as Generali Group, we distinguish between two perspectives:

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

Within such project, the Climate Change Risk Project, the Group Risk Management function aims at defining a climate risk management framework that considers both perspectives¹ jointly.



The project is encompassed within:

- the process of **emerging and sustainability risks**¹ identification, already defined in the Risk Management Group Policy;
- the **Strategy on Climate Change**, in particular, referring to the Net-Zero Asset Owner Alliance and the Net-Zero Insurance Alliance initiatives, through the introduction of a model to monitor the achievement of the targets.

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

The framework, under development, as well as the findings of the assessments were presented to the working group, to the Group's insurance companies – to which the operating model will be cascaded with the simultaneous sharing of local best practices – during dedicated Group Risk Councils, to the Senior Management, to the Board of Directors and to the Risk and Control Committee. The framework is structured in four phases, as defined in the Risk Management Group Policy, namely **identification, measurement, management and reporting**.

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

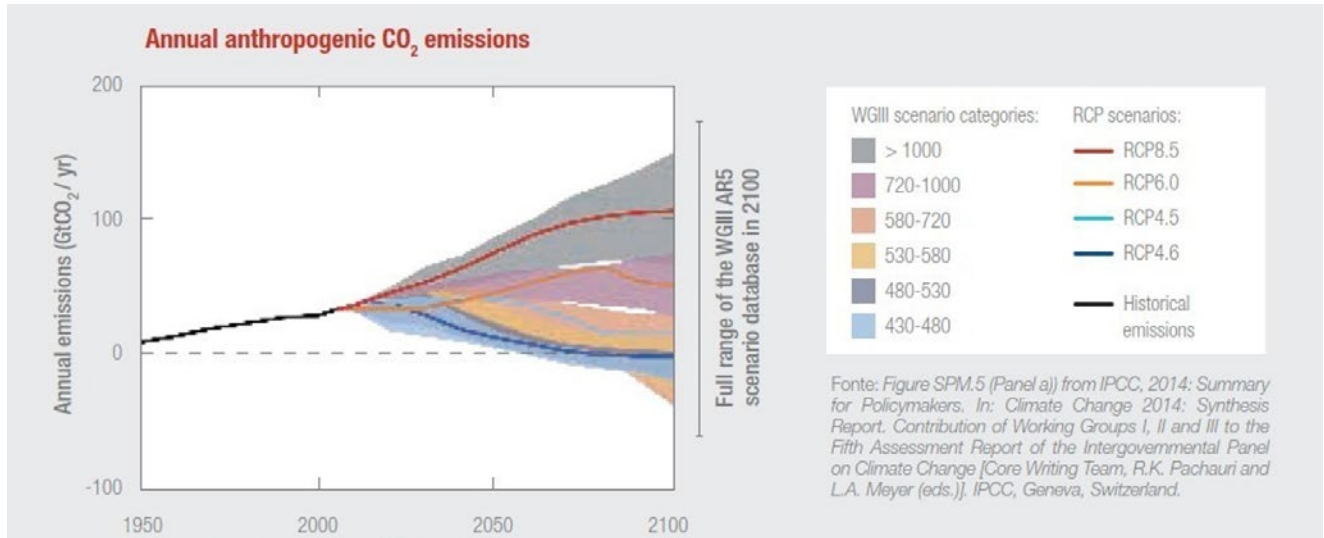
¹ In the first phase of the framework's definition, transition risk and physical risk were included. Liability risk, which stems from lawsuits for environmental damages and/or following improper or missing corporate disclosure on environmental standards, will be considered within ongoing future developments.

Identification

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

- **climate scenarios**² selection;
- **materiality** analysis on **risk exposures**.

Climate scenarios, currently used, describe a change over a certain time horizon of the global temperature, deriving from the assumptions on the amount of CO₂ present in the atmosphere and its effect on the geophysical variables that regulate Earth's climate. Scenarios with a lower increase in the global temperature are typically used to assess transition risk, which is mainly concentrated in the short-medium term, while higher temperature scenarios are typically used for physical risk, whose effects are expected to span over longer time horizons, with a more pronounced acceleration in the second half of the century.



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

Scenario ²	Description	Transition risk	Physical risk
1.5 °C	Strong and rapid emissions' reduction and temperature increase consistent with Paris agreement and, from 2021, with the target of net zero emissions by 2050.	Transition risk is described by a combination of socio-economic variables, including the development of regulations, of new technologies and of consumer preferences.	Physical risk is described by a combination of physical variables, including increased frequency of extreme climate events such as floods, heat waves, storms, wildfires, droughts and of chronic climate events such as sea level rise.
3-4 °C	More fragmented and less rapid global decarbonization process.		
>4 °C	Emission growth, without global decarbonization actions.		

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

² The main publications considered as source for the scenarios include: Assessment Report 5 (IPCC) - RCP 6.0, RCP 8.5 - www.ipcc.ch/report/ar5/syr/synthesis-report/, Net Zero by 2050 - A Roadmap for the Global Energy Sector (IEA) - www.iea.org/reports/net-zero-by-2050, World Energy Outlook 2020 (IEA) - www.iea.org/topics/world-energy-outlook, Energy Technology Perspectives 2020 (IEA) - www.iea.org/topics/energy-technology-perspectives.

Regarding the scenarios' selection, we are monitoring the evolution of the regulatory environment and of market best practices, in particular the development of the recommendations by the [Network for Greening the Financial System \(NGFS\)](#)³, the development of IPCC's scenarios, and, in general, the regulatory stress tests introduced within individual European countries.

In relation to the Outside-In perspective (or incurred risk), carrying forward the activities already undertaken, in 2021 our analysis focused on the:

- **investment portfolio**, including equity and corporate bonds, government bonds and real estate;
- **Non-life underwriting portfolio**.

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

Government bonds were classified based on the reference country; most of these bonds were attributable to European countries.

Even the real estate portfolio, analysed on the basis of buildings' energy characteristics, is mostly attributable to the most efficient energy classes and to European countries.

Analogously to the analyses carried out for investment portfolio, for Non-life underwriting portfolio we also considered the different geographies and for the purpose of the analysis we focused on the most relevant lines of business for the Group, namely Fire insurance and other damage to property insurance and Motor.

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

Measurement

In relation to the Outside-In perspective (or incurred risk), we measure physical and transition risk using models that allow to determine the impacts of climate scenarios on the exposures identified based on the **climate stress tests**.

Impacts are represented by the Clim@Risk metric, that is defined for:

- the investment portfolio, at individual counterparty level and considering a combination of sector and geography, and for real estate at energy class level. For government bonds we considered the reference country;
- the underwriting portfolio, considering a combination of line of business, sector and geography.

The proposed metric measures:

- a change in **Net Asset Value** for the investment portfolio;
- a change in the **Group's operating result** for the Non-life underwriting portfolio.

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

In analysing the investment portfolio, in the 1.5°C scenario we observed positive impacts due to transition risk mainly stemming from the equity and corporate bond portfolio, as companies in which the Group invests are assumed to grow and remain competitive by adapting their business model to the transition.

³ The Network for Greening the Financial System consists in a group of Central Banks and supervisors committed to sharing best practice, to contributing to the development of climate-related risk management in the financial sector - and the environment - and to mobilize finance to support the transition to a sustainable economy.

Opportunities are driven by the utility sector, given the increased demand and profits from renewable sources, while the impacts from the fossil sector remain negative. On the contrary, in case of lack of adaptation measures of the business model, the impacts are negative since companies do not grow and lose competitiveness, especially in the utility sector which suffers from the lower production of non-renewable energy, while other sectors such as chemicals and industrial suffer from higher costs due to the increase in carbon price. In absence of energy adjustment and energy efficiency measures, even the real estate portfolio value decreases, whilst showing a slight increase in case buildings are upgraded to new energy efficiency standards. The impact on government bonds, which stems largely from the effects of the transition on government revenues, i.e. taxes, and infrastructure costs, remains more limited with respect to the other two portfolios.

In the 3-4°C scenario without considering business model adaptive capacity, the impacts related to transition risk are smaller than in the 1.5°C scenario (without adaptation). On the contrary, we observed strong negative impacts for physical risk due to the increased frequency and severity of natural climate events, particularly floods, storms, and tropical cyclones. Again, the impacts are mainly attributable to the equity and corporate bond portfolio and to the real estate portfolio, while only to a lower extent to government bonds.

The >4°C scenario showed even more pronounced negative impacts for physical risk in the second half of the century caused by sea level rise, drought, and forest fires in addition to the above-mentioned events.

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

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

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

Management and reporting

Climate risk, considering both incurred risk and generated risk, is integrated in decision-making processes through the definition of a specific appetite, including tolerances, limits, and escalation processes in case of breaches. With reference to limits and tolerances, the issuance of a dedicated internal guideline is planned during 2022, to complement the existing set of controls related to the application of the **ESG principles** in the investment and underwriting processes.

This integration has the two-fold objective of:

- maintaining Group's risk profile within the thresholds defined based on the Clim@Risk, at portfolio level and for individual combinations of sectors and geographies identified as most vulnerable;
- ensuring the achievement of emissions' reduction targets by establishing a tolerance limit on decarbonization targets.

Finally, the reporting has the primary objective of raising awareness on the impacts of climate change and is carried out on two layers:

- as part of the ORSA process, in order to update the Senior Management and the Board of Directors on the assessments performed and on the development of the risk management model;
- within the Group Emerging Risks Booklet dedicated to sustainability and emerging risks, available to the entire corporate population, which considers surveys conducted at Group level.

Metrics, targets and results as of 2021

We have defined metrics and targets to monitor the implementation of our strategy to manage climate change impacts and to support the just transition to a low carbon economy.

Physical risks

Maintenance of excellent technical results as regards operating result and combined ratio in the P&C segment.

P&C segment operating result of € 2,650 mln (+7.9%).
P&C segment combined ratio of 90.8 (+1.7%).

Transition risks

Decarbonisation of the general account investment portfolio to make it climate neutral by 2050: 25% reduction in carbon footprint of listed equities and corporate bonds portfolios by 2024 against 2019 as baseline.

Measurement of the carbon footprint⁴ Group's portfolio for shares and corporate bonds: **Absolute Emissions:** 10.36 million t CO₂e; **Carbon Intensity (EVIC):** 128 t CO₂e per million € invested; **Carbon Intensity (sales):** 241 t CO₂e per million € in revenues.

The carbon footprint of our direct general account investments in listed equities and corporate bonds, in terms of carbon intensity (EVIC), decreased by 11.7% compared to 2020 (-29.6% in 2019-2021 period).

Gradual reduction in the exposure of the investment portfolio to the thermal coal sector, in order to reach zero exposure in OECD countries by 2030 and in the rest of the world by 2040.

We are constantly reducing our residual investments in the coal sector.

Promotion of a just transition of the insurance portfolio to reach climate neutrality by 2050.

Foundation, together with seven other world-leading (re) insurance companies, of the Net-Zero Insurance Alliance, which includes among its objectives the commitment to transition insurance and reinsurance portfolios to net-zero greenhouse gas emissions by 2050.

Exclusion of underwriting risks associated with coal, gas and oil exploration and extraction - conventional and unconventional - as well as those associated with the construction of new coal-fired power plants, the coverage for existing coal-fired power plants of new customers and for the construction of new coal mines.

Insurance exposure to the fossil fuel sector⁵ < 0,1% of P&C premiums.

Gradual reduction in the insurance exposure to the thermal coal sector, in order to reach zero exposure in OECD countries by 2030 and in the rest of the world by 2038.

Our exposure to fossil fuel sector continued to decrease. There were no new customers and no coverage for the construction of new coal mines or coal-fired power plants.

Inspired by the best practice of the Science Based Target Initiative, we are committed to the reduction in the GHG emissions related to offices, data centres and company car fleet by at least 25%⁶ by 2025 against 2019 as baseline.

Group's operations GHG emissions equal to 33,964 CO₂e⁷ (-21.0% vs 2019).

Purchase of 100% renewable energy, wherever possible.

91.5%⁸ of total purchases of electricity from renewable sources (+2.1% vs 2019).

Opportunities

€ 4.5 billion of green and sustainable investments (2018-2021).

Target (€ 4.5 billion) overachieved in 2020, a year in advance, with an amount of € 5,973 million⁹.

€ 8.5 - € 9.5 billion of new green and sustainable investments (2021-2025).

New green and sustainable investments equal to € 2,537 mln.

Sustainable finance.

Placement of the first Sustainability Bond, to finance/refinance Eligible Sustainability Projects, mainly in the green sector. Issuance of the first catastrophe bond embedding innovative green features.

4 To calculate the carbon footprint indicators, the Group relies on MSCI data. Data related to CO₂ emissions, EVIC and sales of the companies in the portfolio refer to the last available data at the moment of the calculation for this reporting (usually January/February of each year) and therefore usually refer to the previous year as the new data are available in the second semester of the year. 2020 indicators have been recalculated following a change in the methodology and data provider. The coverage presented in the table refers to the metrics Carbon intensity (per EVIC) and Absolute Emissions. The coverage for the metric carbon intensity (per sales) is 85% for the year 2019 and 2021 and 87% for the year 2020. Our ambition and our commitment is to increase the part of our investment portfolio covered by the carbon footprint assessment in order to provide data increasingly precise.

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

6 The objective refers to the emissions of Scope 1 and Scope 2 calculated according to the market-based method.

7 GHG emissions are calculated according to GHG Protocol - Corporate Accounting and Reporting Standard (market-based method). They are from operating activities by the employees working in offices managed by the Group in Italy, Germany, France, Czech Republic, Austria, Spain, Switzerland, Argentina, Poland, Hungary, Serbia and Slovakia, and equal to 52.7% of the total of our people, excluding employees belonging to the companies of the Cattolica group. The scope includes five new countries compared to 2020. The calculation includes CO₂, CH₄ and N₂O for combustion processes and all climate-altering gases reported in the IPCC AR4 for other emissions (long-lived greenhouse gases - LLGHGs).

8 The scope for renewable energy purchased is equal to that for GHG emissions.

9 New investments refer to the difference between new purchases, sales and maturities of securities in the portfolio.

Significant events after 31/12/2021

In April 2022, Generali signed an ambitious multi-year agreement with the United Nations Development Programme (UNDP). Under this partnership, Generali commits to providing both technical and financial resources to UNDPs' Insurance and Risk Finance Facility (IRFF), UNDP's platform for the development and deployment of insurance and risk finance solutions to development, and part of UNDP's Sustainable Finance Hub.

Focusing on designing innovative, insurance-related solutions that accelerate the delivery of the Sustainable Development Goals, Generali and UNDP will, amongst other areas of cooperation, work together to explore new parametric instruments that attract risk capital, strengthen SMEs, increase climate and financial resilience, reduce vulnerability, and deliver value for money in the context of sustainable development.

For more information, please visit:

<https://www.generali.com/media/press-releases/all/2022/Generali-opens-to-the-public-Venice-s-Procuratie-Vecchie-as-the-Home-of-The-Human-Safety-Net>

Mapping of the Climate-related Financial Disclosure against the TCFD framework

In order to facilitate the use of this document, below is a prospectus of the Group's Climate-related Financial Information with respect to the Pillars, Recommendations and Recommended Disclosures of the TCFD.

Pillars	Recommendations	Recommended disclosures	Pag.
Governance	Disclose the organization's governance around climate-related risks and opportunities.	a) Describe the board's oversight of climate-related risks and opportunities.	5
		a) Describe management's role in assessing and managing climate-related risks and opportunities.	5
Strategy	Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material.	a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	6
		b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	6, 10
		c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	11
Risk Management	Disclose how the organization identifies, assesses, and manages climate-related risks.	a) Describe the organization's processes for identifying and assessing climate-related risks.	9, 10
		b) Describe the organization's processes for managing climate-related risks.	7, 11
		c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	11
Metrics and Targets	Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	10, 12
		b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	12
		c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	12

