Generali Group

# CLIMATE CHANGE STRATEGY

## Technical Note

March 2025 update

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# Technical Note on Climate Change Strategy

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This document represents the Generali Group Climate Change Strategy. This document is subject to continuous evolution and development, in the spirit of transparency for all stakeholders of Generali. The goal is to positively influence the insurance and financial sectors, as well as the real economy. The climate strategy of the Generali Group has been originally approved by the Board of Directors in 2018 and adopts significant actions on the core activities of the Company, i.e. investing and underwriting, but also on its own operations. On that basis, this document details the way the Group supports the transition towards a low-carbon future[1].

## Generali climate ambition

The long-term goal adopted under 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*" requires the rapid decarbonization of the global economy. The IPCC (Intergovernmental Panel on Climate Change) published its sixth climate report (AR6) in April 2022, which strongly affirmed that, in order to remain within the scenarios assumed under the Paris Agreement, 2025 must be the deadline for reversing the currently incremental trend in global greenhouse gas emissions. The report also specifies that these emissions must be halved by 2030 by rapidly abandoning the use of fossil fuels.

As officialized in the Sustainability Group Policy, Generali subscribed the Paris Pledge for Action since 2015, with the commitment to contribute to keep global warming well-below two degrees (WB2D), and possibly up to 1.5 degrees (1.5D) by the end of the century compared to pre-industrial levels. Generali is committed to providing the right contribution to mitigate the impact on climate generated by its business and value chain and to develop adaptation solutions that will protect its customers and more generally its stakeholders from the physical risks that are already occurring. Generali is committed to transition its investment portfolio, its insurance portfolio and its own operations to net-zero emissions at the latest by 2050 in line with science. To follow up on this pledge, the Group participates as a member in the work of the Net-Zero Asset Owner Alliance (NZAOA) and the Forum for Insurance Transition to Net-Zero (FIT).

Generali deploys its climate mitigation strategy through its responsible roles of Investor, Insurer and Employer integrating in its business dedicated climate solutions, gradually excluding from the investment and insurance portfolios the exposures that increase the transition risks and influencing our counterparts to shift together to a new a more sustainable economy.

Generali supports the Investing in a Just Transition project, promoted by The Grantham Research Institute/London School of Economics and the Harvard University in partnership with PRI (Principles for Responsible Investment). The aim of this initiative is to support a 'just' transition towards a low-carbon economy, integrating the social dimension into the climate strategy to minimize the impact on affected workers and their communities through the adoption of protective measures.

### The Just Transition

According to the UNFCCC-United Nations Framework Convention on Climate Change data, the transition to a low-carbon economy will affect nearly 1.5 billion workers across the world. These communities will need to restructure their economies, ensure energy security, retrain the workers affected by the transition and train people for future new jobs, all to maintain social cohesion.

For this reason, Generali supports the idea of the Just Transition for workers and communities, contributing to a healthy, resilient and sustainable society, where no one is left behind. This strategy is supported by open dialogue with key stakeholders such as policy makers, non-governmental organizations (NGOs) and Companies.

The principles of Just Transition are more valid today than ever before. Indeed, at the international level, geopolitical tensions and energy crises could jeopardize access to energy and, more generally, the energy security of individuals or entire communities. Moreover, this crisis risks spreading to key sectors such as food. Indeed, through inflationary processes every segment of the population risks being impacted.

In this context, the fossil fuel exclusion policies to which Generali has committed may, in certain cases, tolerate fluctuations in the parameters considered if the short-term choices of the party will result in the mitigation of social risk, will be considered temporary and will maintain long-term climate objectives.

[1] As regards Companies joining the Generali Group as a result of M&A activities, the restrictions contained in this document are activated after three years from the date of entry.

# 1. RESPONSIBLE INVESTOR (*asset owner)*

## 1.1 Financing the transition with investment solutions

For the various classes of investments with which it operates, the Group promotes investment strategies aimed at supporting economic activities with characteristics of environmental sustainability, financing the energy transition and capable of creating long-term value not only for investors but also for the environment and the society as a whole. The Group is continuing its commitment, which began at the end of 2018, progressively extending its ambitions.

In the *Lifetime Partner 24: Driving Growth strategy*, launched in 2021, the Group has set a target of investing between €8.5 billion and €9.5 billion in green, social and sustainability bonds by 2025[2], which was overachieved one year in advance The objective has been defined in relation to net new bond investments, issued by companies or governments, of a green, social and sustainability-linked that comply with the reference market standards, i.e. the ICMA (International Capital Market Association) principles, selected on the basis of an internal methodology.

As part of the *Lifetime Partner 27: Driving Excellence*, launched in 2025, the Group intends to further strengthen its strategy on climate change through a new target of €12 bln of new investments in so-called Climate Solutions, i.e. investments that contribute to decarbonisation and climate resilience, selected based on criteria consistent with existing taxonomies and reference market frameworks.

Upon reaching the target, subject to market conditions and constraints, different types of investments will contribute:

- green and sustainable corporate and government bonds where, based on the issue prospectus, the proceeds are predominantly invested in projects and/or activities with the objective of mitigating and adapting to climate change;
- real estate investments: the properties that contribute to the achievement of the target are aligned with the European Taxonomy or have high-level sustainability certifications[3] combined with a high level of energy efficiency[4];
- mutual funds: these funds are characterized by the integration of specific climate change mitigation and adaptation objectives into their investment policy, as defined by the relevant transparency regulations (SFDR, ESMA guidelines and similar). All asset classes may be invested in this category, with a prevalence for infrastructure, equity and debt.

The proposed investments will also be screened in advance using the Group's negative screening criteria to verify their sustainability profile more generally. This objective represents an evolution of the previous target, already reached at the end of 2024, through new green and sustainable investments, paying specific attention to climate change objectives and extending the scope to a wide range of investments.

## 1.2 Thermal coal: investment restrictions

### 1.2.1 Listed equity and corporate bonds

**Direct Investments**

With a long-term vision and on the basis of decarbonization scenarios of the real economy compatible with limiting global warming to 1.5°C, the Generali Group is committed to phase-out investments in Companies operating in the thermal coal sector located in the OECD area by 2030 and those in Companies operating in the rest of the world by 2040.

To this end, Generali does not make new investments and divests its residual exposure in issuer involved in the thermal coal sector identified according to quantitative thresholds as specified below. The phase-out from the sector will be achieved by gradually lowering these thresholds.

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[2] Green, social and sustainability-linked that comply with the reference market standards, i.e. the ICMA (International Capital Market Association) principles are selected on the basis of an internal methodology (filter) defined by the Group with the support of Generali Asset Management Sgr, whose main purpose is to assess the robustness of the sustainability framework of these bond issues and the level of transparency towards the market, as well as to monitor the activities that are financed through the investments themselves. This approach allows for a greater degree of awareness in relation to this type of investment and aims to exclude issues that present potential critical issues in relation to the ESG profile of the framework, as well as the issuer itself.

[3] High-level certification corresponds to the best grades of a certification scheme (such as BREEAM, LEED, HQE).

[4] Energy efficiency is assessed with information retrieved from Energy Performance Certificate (EPC), setting a minimum threshold level (EPC≥C or Top 30% in the relevant market.

Companies that are expanding mining or generating capacity are automatically excluded, regardless of the thresholds applied.

| Sector | Exclusion Criterion[5] | Restriction / Action |
| --- | --- | --- |
| All Companies | - coal share of revenues > 20% | No new investment and divestment[6] of existing exposure |
| Mining Companies | - coal production > 10 Mil ton/year<br>- developers of new coal mines | |
| Power generation Companies | - coal share of power generation > 20%<br>- coal-fired installed capacity > 5 GW<br>- developers of new power generation plants | |

Issuers who marginally[7] exceed the current exclusion thresholds and have been in the portfolio since before their implementation are subject to assessment (updated annually). If it can be verified that these Companies:

- have implemented coal *phase-out* plans in line with the timelines already established in Generali's strategy or
- are implementing decarbonization strategies with SBTi[8] 1.5°C commitment/validation

then they will not be excluded from the portfolio unless they are developing new projects to expand coal mining or power generating capacity.

**Indirect Investments**

Investments in funds are subject to a screening and selection process aiming at assessing, among others, the sustainability policy of the fund itself. As a general principle, the Group does not carry out new investment in funds which do not adopt policy to exclude companies operating in the thermal coal sector. As far as legacy exposure, the Group engage with Asset Managers/Funds which have not adopted coal exclusion policy.

### 1.2.2 Non-listed investments in the infrastructure asset class

**Direct investments**

The Generali Group does not provide any new financing towards projects dedicated to coal mining, coal transport and coal power generation[9].

| Sector | Exclusion Criterion[10] | Restriction / Action |
| --- | --- | --- |
| Thermal coal | Coal mining projects | No new investment |
| | Coal transport projects | |
| | Projects dedicated to coal-fired power generation | |

**Indirect investments**

Investments in funds are subject to a screening and selection process aiming at assessing, among others, the sustainability policy of the fund itself. As a general principle, the Group does not carry out new investment in funds which do not adopt a policy to exclude the financing of thermal coal mining, transport and power generation projects, both *brownfield* and *greenfield*.

[5] Based on information available from the Group's data providers.
[6] Divestment means opportunistic selling if equity investments or maturity without renewal if bonds.
[7] The term "marginally" is used to identify issuers impacted by the last tightening of coal exclusion thresholds, defined in the Technical Note update of June 2021.
[8] https://sciencebasedtargets.org/
[9] These rules apply to more than 98% of the Group's investments in the infrastructure asset class through *private debt*. Generali is working to gradually extend these rules to the entire business.
[10] Based on information available from the Group's data providers.

## 1.3 Oil & gas: investment restrictions

### 1.3.1 Listed equity and corporate bonds

**Direct Investments**

The Generali Group has identified Companies belonging to the integrated oil & gas sector as priority for its investments to reduce greenhouse gas emissions (impact materiality) and reduce the exposure to transition risk (financial materiality).

The Group does not make new investment in issuers of the integrated oil & gas sector[11] which are considered not having effective energy transition strategies in place aimed at achieving the net-zero objective. Companies' transition plans are assessed using an internal methodology to identify "Transition Laggards" and specific levers (portfolio management and engagement) are subsequently activated. The assessment to identify the "*transition laggards*" is based on an internal procedure that considers the following criteria:

- net-zero oriented target setting (existence of science-based absolute and intensity emissions targets, long and mid-term, target coverage of Scopes 1, 2 and 3, ambition alignment with 1.5°C scenarios, evaluation of target achievement);
- capital allocation process to transition the business model and supporting net-zero target (reallocation of resources in favor of renewables and divestment of fossil assets);
- climate governance (accountability of the Board and Senior Management over climate-related matters and goal-oriented KPIs into Executives' remuneration);
- climate policy engagement and alignment of Companies lobbying activities to its climate goals.

| Sector | Exclusion Criterion[12] | Restriction / Action |
|---|---|---|
| Integrated oil & gas Companies | *Transition laggard* as identified by internal assessment and scoring system | **Active Ownership**<br>- Engagement: Companies are specifically engaged into the broader climate-related engagement framework.<br>- Proxy Voting: exercise merit-based proxy voting, based on expectations from oil and gas sector, supporting climate-related resolutions.<br><br>**Portfolio management**<br>No new investment and divestment[13] of existing exposure.<br>As far as Companies headquartered in *emerging markets*[14], fixed income investments are allowed only if:<br>- the reference Country has adopted a net-zero target by 2050 or beyond as specified in their Nationally Determined Contributions;<br>- bonds have max n.7 years maturity (no restriction for investment in green bond of these issuers subject to certified international standard and framework).<br>From 2030 new investments in integrated oil & gas Companies belonging to the perimeter will be allowed only if:<br>- they adopted net-zero target (covering Scope 1, 2 and 3);<br>- to be achieved by 2050 or, for Companies headquartered in *emerging markets*, beyond if aligned with the Country's net-zero target (according to their Nationally Determined Contributions).<br>In 2030, Companies in portfolio that have not adopted this objective will be subject to disinvestment[13]. |

[11] In relation to the perimeter of application of the policy, Integrated oil & gas Companies are defined as those belonging to the Energy sector of the MSCI ACWI index and those already included in Generali's General Account portfolio with a capitalization of at least € 100 mln.
[12] Based on information available from the Group's data providers.
[13] Divestment means opportunistic selling in the case of equity investments or maturity without renewal if bonds.
[14] The distinction between developed and emerging markets refers to the MSCI definitions.

Companies active in the unconventional oil & gas sector (*tar sands*, gas and oil from *fracking* and Companies active in the *Arctic Circle*) above certain thresholds, as specified below, are always excluded from investment activities.

| Sector | Exlcusion Criterion[15] | Restriction / Action |
|---|---|---|
| Companies active in *tar sands* - upstream | - revenue from exploration and production > 5% | No new investment and divestment[13] of existing exposure |
| Companies active in the *tar sands* - midstream | - controversial pipelines | |
| Companies active in *fracking* oil and gas - upstream | - revenue from production > 10% | |
| Companies active in the *Arctic Circle* - upstream | - revenue from exploration and production > 10% | |

**Indirect Investments**

Investments in funds are subject to a screening and selection process aiming at assessing, among others, the sustainability policy of the fund itself. As a general principle, the Group does not carry out new investment in funds which do not adopt policy to exclude companies operating in the unconventional oil & gas sector. As far as legacy exposure, the Group engage with Asset Managers/Funds which have not adopted unconventional oil and gas exclusion policy.

[15] Based on information available from the Group's data providers.

### 1.3.2 Non-listed investments in the infrastructure asset class

**Direct Investments**

The Generali Group does not provide any new direct financing towards *greenfield* projects related to the oil & gas sector. With regard to natural gas, which is considered a transitional fossil source, direct financing is allowed for *greenfield midstream and downstream* projects only if they are deemed to support the energy transition (e.g. activities aligned with EU Taxonomy screening criteria).

Direct financing towards unconventional oil & gas projects (*tar sands*, gas and oil from *fracking* and projects in the *Arctic Circle*) is always excluded.

| Sector | Exclusion Criterion | Restriction / Action |
|---|---|---|
| Oil *greenfield* | *upstream* | No new investment |
| | *midstream* | |
| | *downstream* | |
| Natural gas *greenfield* | *upstream* | No new investment |
| | *midstream* | No new investment unless the project supports the energy transition in the 1.5°C scenario (e.g. aligned to EU Taxonomy) |
| | *downstream* | |
| Unconventional *greenfield* & *brownfield* oil & gas: tar sands; oil & gas extracted by fracking and from the Arctic Circle | *upstream* | No new investment |
| | dedicated *midstream* | |
| | dedicated *downstream* | |

**Indirect investments**

Investments in funds are subject to a screening and selection process aiming at assessing, among others, the sustainability policy of the fund itself. As a general principle, the Group does not carry out new investment in funds which do not adopt policy which do not comply with the same requirements and restrictions envisaged for the direct investment. In order to guarantee the principle of just transition some flexibilities are authorized for specific projects. Specific exposure limits to *midstream* and *downstream* oil and gas project are envisaged:

- natural gas *greenfield*: *midstream* and *downstream* infrastructure projects are allowed only if aligned with 1.5° pathway or, if not, the value of all the projects cannot exceed 10% of the Asset Under Management of the fund;
- oil *greenfield*: *midstream* and *downstream* infrastructure projects are allowed only the project is located in emerging markets and in any case the value of all the projects cannot exceed the 5% of the Asset Under Management of the fund.

## 1.4 Active ownership: engagement and proxy voting activities

Generali advocates the principles of the Just Transition through engagement activities.

In line with the Net-Zero Asset Owner Alliance protocols, following its initial commitment for 2021-2025, Generali set a target in 2024, to engage at least 20 carbon-intensive companies whose greenhouse gas emissions significantly impact the overall emissions level of the investment portfolio from 2025 to 2030.

This aims to incentivize their low-carbon transition strategies and support the climate objectives of the Group's investment portfolio.

In particular, the engagement activity is based on three fundamental principles:

- contributing to the investment portfolio's transition to net-zero greenhouse gas emissions by 2050, consistent with a maximum temperature increase of 1.5°C over pre-industrial levels, taking into account the best available scientific knowledge, including IPCC findings, and regularly reporting on progress, including setting interim targets every five years, in line with Article 4.9 of the Paris Agreement.
- integrate engagement action into a holistic approach to managing sustainability considerations, including, but not limited to, climate change, and emphasizing GHG reduction results in the real economy.
- support corporate and industry actions, as well as public policies, for a low-carbon transition of economic sectors in line with science, taking into account the associated social impacts.

The engagement activity provides support for the models adopted by the Group to manage the energy transition risks of particular invested sectors, such as oil & gas.

Since 2022, Generali has enhanced its voting principles to aligned Net-Zero Asset Owner Alliance in order to perform merit-based evaluations of climate resolutions.

Generali is committed to providing regular updates on engagement activities in the context of the just transition through the official Group reporting.

## 1.5 Decarbonization of the investment portfolio (interim targets)

As a member of the Net-Zero Asset Owner Alliance, Generali is committed to gradually decarbonizing its investment portfolio in order to reach net-zero emissions by 2050.

In the new strategic plan *Lifetime Partner 27: Driving Excellence* the Group set intermediate targets as detailed in the following table.

| Strategic target | Metrics | Target | Reference period |
|---|---|---|---|
| Decarbonisation of the corporate portfolio | Carbon intensity of the corporate investment portfolio (EVIC) | -60% intensity of carbon emissions of the corporate investment portfolio | 2019-2030[16] |
| Decarbonisation of the real estate portfolio | Carbon intensity of GRE's property portfolio | -60% intensity of carbon emissions of GRE's property portfolio | 2019-2030[16] |

Generali will achieve these targets through several implementation actions over the next few years and will provide ongoing updates in Group reporting.

[16] The reference period refers to the end of 2019 and the end of 2029.

# 2. RESPONSIBLE INSURER

## 2.1 Supporting the transition with insurance solutions

As a responsible insurer with € 82.5 billion gross written premiums in 2023 and in line with its ongoing commitment to mitigating the effects of climate change, the Group developed an internal framework to identify those existing insurance solutions that, more than other, contribute to support climate change mitigation. Climate Insurance Solutions include, indeed, the following categories of products offered by the Group's insurance companies operating in the P&C segment:

- Green mobility: products offering coverages and services dedicated to sustainable mobility and/or with reduced environmental impact, including coverages offered to customers that, thanks to their driving style can contribute to reducing the CO2 emissions. This category includes insurance products dedicated to electric and hybrid vehicles, and those rewarding low annual mileage and responsible driving behavior, also thanks to the use of telematics, or those designed for other means of transport, such as bikes, scooter, etc.
- Renewable energy products covering risks connected with the production of renewable energies. These kinds of products are designed to cover equipment for the production of renewable energy, to guarantee reimbursement of damage caused by atmospheric events to solar and photovoltaic panels, or similar systems, which can be integrated with guarantees to protect against loss of profit deriving from the interruption or decrease of the production of electricity.
- Energy efficiency: products supporting the certified measures taken to improve the energy efficiency of buildings. In some cases, consultancy is provided to costumers to identify possible solutions for optimizing energy consumption, thus reducing the environmental impact.

As part of the *Lifetime Partner 27: Driving Excellence strategy*, the Group has also set a growth target for gross direct written premiums from Climate Insurance Solutions of +8-10% CAGR in the period 2024-2027.

## 2.2 Thermal coal: insurance restrictions

With a long-term vision and on the basis of decarbonization scenarios of the real economy compatible with limiting global warming to 1.5°C, the Generali Group is committed to remove its[17] already minimal insurance exposure to the thermal coal sector; the *phase-out* will be reached by 2030 for the activities of clients operating in OECD countries and by 2038 in the rest of the world.

To this end, Generali applies stringent criteria for not insuring[18] the thermal coal assets[19] linked to clients identified according to quantitative thresholds as identified below. The *phase-out* from the sector will be achieved by gradually lowering these thresholds.

The coal assets of clients who are expanding mining, transport or generating capacity are excluded regardless of the thresholds applied.

| Sector | Exclusion Criterion[20] | Restriction / Action |
|---|---|---|
| All Companies | - coal share of revenues > 20% | No new insurance cover and phasing out of existing ones |
| Mining Companies | - coal production > 10 Mil ton/year<br>- developers of new coal mines | |
| Companies dedicated to transport infrastructure | - developers of new coal-dedicated infrastructure | |
| Power generation Companies | - coal share of power generation > 20%<br>- coal-fired installed capacity > 5 GW<br>- developers of new power generation plants | |

Restrictions are applied on both new and existing clients. In the case of assets of pre-existing clients in the portfolio with respect to the activation of the thresholds, these are subject to assessment (updated annually). If it can be verified that these Companies:

- have implemented coal *phase-out* plans in line with the timeline already established in Generali's strategy or
- are implementing decarbonisation strategies with SBTi[21] 1.5°C commitment/validation

then they will not be excluded from the portfolio, unless they are developing new projects to expand coal mining or generating capacity.

## 2.3 Conventional and unconventional oil & gas: insurance restrictions

The Generali Group does not insure[22] the specific assets of clients active in *upstream* oil & gas, both conventional and unconventional. This translates into not insuring the specific assets of new clients and keeping portfolio exposure at zero, effectively helping to counteract the expansion of the oil & gas sector.

In the case of integrated oil & gas Companies, the restriction also extends to assets in the *midstream* and *downstream*, unless these clients have effective energy transition strategies in place aimed at achieving the net-zero target.

In the unconventional *tar sands* and *fracking* oil and gas sectors, however, the restrictions also apply to the transportation

[17] The perimeter is limited to controlled regulated legal entities, limited to insurance or reinsurance undertaking managing P&C insurance and/or reinsurance business underwritten on a Case Underwriting basis that are consolidated within Generali Group Financial Reporting. In case of new acquisitions, restrictions could be applied in a more gradual way according to the peculiarities of the relevant portfolios.
[18] The restrictions also cover facultative reinsurance as well as Parent Company treaty reinsurance contracts acceptances from the controlled Group Legal Entities. These restrictions do not cover cases of modernization or retrofitting of power plants/units owned or operated by existing clients that fall within the applied thresholds.
[19] Coal assets mean: Coal mines, Coal dedicated transport infrastructures, Coal power generation plants.
[20] Based on information available from the Group's data providers.
[21] https://sciencebasedtargets.org/.
[22] The restrictions also cover facultative reinsurance as well as Parent Company treaty reinsurance contracts acceptances from the controlled Group Legal Entities.

infrastructure (*midstream*). In fact, insurance cover is excluded for operators of the relevant pipelines regardless of transition plans.

| Sector | Exclusion Criterion | Restriction / Action |
|---|---|---|
| Oil & gas Companies (including conventional[23] and unconventional[24]) – *upstream* | All Companies operating in this sector | No new insurance cover and maintenance of zero portfolio exposure |
| Companies active in the tar sands – *midstream* | Dedicated pipelines | No new insurance cover and maintenance of zero portfolio exposure |
| Companies active in oil and gas *fracking* – *midstream* | Dedicated pipelines | |
| Integrated oil & gas Companies[25] - *midstream* and *downstream* | *Transition laggards*[26] | No new insurance cover |

## 2.4 Decarbonization of the insurance P&C portfolio (interim targets)

In line with Generali's commitment to gradually decarbonize its underwriting portfolio in order to reach net-zero emissions by 2050, the Group set intermediate targets in the new strategic plan Lifetime Partner 27: Driving Excellence, as detailed in the following table.

| Strategic target | Metrics | Target | Reference period |
|---|---|---|---|
| Decarbonisation of personal motor portfolio[27] | Emission intensity[28] of personal motor portfolio | -30% emission intensity of the personal motor portfolio | 2021-2030 |
| Decarbonisation of the Corporate & Commercial portfolio[29] | Emission intensity[30] of the Corporate & Commercial insurance portfolio | -40% emission intensity of the Corporate & Commercial insurance portfolio | 2021-2030 |

Generali will achieve these targets through several implementation actions over the next few years and will provide ongoing updates in Group reporting.

[23] The restriction does not apply if the value of the insured asset is completely residual with respect to the insurance programme in place with the customer (less than 10% of the value of the covered assets).
[24] Tar sands, fracking, coalbed methane, extra heavy oil, ultradeep water, Arctic Circle
[25] Integrated oil & gas Companies are defined as those belonging to the Energy sector of the MSCI ACWI index and those already included in Generali's General Account portfolio with a capitalization of at least € 100 mln.
[26] The assessment of climate ambition and the technical scope of application of this assessment is based on that one already detailed in paragraph 1.3.
[27] Countries currently in scope: Italy, Germany, France, Switzerland, Austria, Czech Republic, Hungary, Slovenia, Poland, Spain, and Portugal.
[28] The emission intensity monitoring (personal motor portfolio) is calculated as the ratio between the emissions of the vehicle associated to the insurer over the premiums of the vehicle's policies (net of commissions).
[29] Scope: only clients with public emissions.
[30] The emission intensity monitoring (Corporate & Commercial portfolio) is calculated as the ratio between the client's emissions associated to the insurer over the client's premiums (net of commissions).

# 3. RESPONSIBLE EMPLOYER

To demonstrate consistency with what is required of Companies insured and financed by the Group, Generali has been working on measuring, reducing and reporting the carbon footprint of its own operations. The monitoring of emissions involves periodic verifications, subject to internal audits and certification by an independent third party.

Generali Group is committed to reduce the GHG emissions generated by its own operations to a net-zero level by 2035. This means to reduce at least 90% Scope 1 and Scope 2 emissions compared to the 2019 baseline and compensate with carbon removals the residual. The net-zero definition will be subject to updates in line with the new emerging regulations.

To follow a science-based path to reach net-zero, Generali set interim targets within its strategic plans, as detailed in the following table.

| Strategic plan | Metrics | Target | Reference period |
|---|---|---|---|
| Lifetime Partner 24: Driving Growth | GHG absolute emissions | -35% on all Scopes | 2019-2025 |
| Lifetime Partner 27: Driving Excellence | GHG absolute emissions | -60% on all Scopes[31] | 2019-2030 |

This reduction covers all the emission sources under the operational control of the legal entities of the Generali Group[32]. It will be supported through workplace innovation and space optimization projects, as well as by further improving energy efficiency and leveraging the purchase of electricity from renewable sources. The share of hybrid and electric vehicles in the Company car fleet will also be increased.

Generali will provide ongoing updates in Group reporting.

[31] This target includes the following sub targets: -70% on Scope 1 + 2; -50% on Scope 3.
[32] Scope 3 GHG emissions generated by IT services and devices and by commuting are not currently included.

# APPENDIX

## Oil & gas sector definitions

**Upstream**

The stage of the supply chain that extracts, gathers, and processes primary energy resources. In the oil and gas industry, it includes exploration, appraisal, development, and production activities pertaining to reserves of crude oil, natural gas liquids and condensates onshore and offshore.

**Midstream**

The stage of the supply chain that transports unprocessed energy resources. In the oil and gas industry, it includes shipping, storing, processing, and transporting crude oil and natural gas, liquefied included (LNG).

**Downstream**

The stage of the supply chain that delivers energy products to final consumers. In the oil and gas industry, it includes refining of crude oil, and the shipping, distribution and marketing of refined and processed oil and natural gas, also after regasification, and the use of fuels in oil- and gas-fired power plants.