

Second-Party Opinion

Assicurazioni Generali Green Bond

Evaluation Summary

Sustainalytics is of the opinion that the Assicurazioni Generali Green Bond Framework is credible and impactful and aligns with the four core components of the Green Bond Principles 2018. This assessment is based on the following:



USE OF PROCEEDS The eligible categories for the use of proceeds are aligned with those recognized by the Green Bond Principles. Sustainalytics considers that investments in the areas of green buildings, renewable energy, energy efficiency, clean transportation, sustainable water management, and recycling, re-use & waste management will lead to positive environmental impacts and advance the UN Sustainable Development Goals.



PROJECT EVALUATION / SELECTION Generali has established a Green Bond Committee, led by the Head of Group Debt and Treasury, to approve, review and monitor eligible green assets, which are initially identified by the Group's relevant business units. Sustainalytics considers this process to be in line with market practice.



MANAGEMENT OF PROCEEDS Generali will allocate an amount equivalent to the net proceeds of its green bonds to eligible assets, using existing accounting systems to track these disbursements. Generali intends to achieve full allocation within one year of issuance. Pending allocation, proceeds will be temporarily invested in liquid instruments in line with Generali's guidelines. Sustainalytics considers this process to be in line with market practice.



REPORTING Generali intends to report on both impact and allocation on an annual basis. Allocation reporting will include the amounts allocated to each category and the share of financing versus refinancing, while impact reporting will include relevant quantitative indicators where feasible. Sustainalytics considers this process to be in line with market practice.

Evaluation date	May 31, 2019
Issuer Location	Trieste, Italy

Report Sections

Introduction.....	2
Sustainalytics' Opinion	3
Appendices	10

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Introduction

Assicurazioni Generali SpA (“Generali” or the “Group”) is a global insurance and financial services company based in Italy. Founded in 1833, Generali now operates in over 60 countries with approximately 71,000 employees, and is one of the world’s largest insurance providers by revenue.

Generali has developed the Assicurazioni Generali Green Bond Framework (the “Framework”) under which it intends to issue green bonds and use the proceeds to finance or refinance, in whole or in part, projects that advance the Group’s sustainability strategy and contribute to the financial sector’s transition to a low-carbon economy. The Framework defines eligibility criteria in six areas:

1. Green Buildings
2. Renewable Energy Electricity and Heat Production
3. Energy Efficiency
4. Clean Transportation
5. Sustainable Water Management
6. Recycling, re-use & waste management

Generali has engaged Sustainalytics to review the Assicurazioni Generali Green Bond Framework, dated May, 2019, and provide a second-party opinion on the Framework’s environmental credentials and its alignment with the Green Bond Principles 2018 (GBP).¹ This Framework has been published in a separate document.²

As part of this engagement, Sustainalytics held conversations with various members of Generali’s management team to understand the sustainability impact of their business processes and planned use of proceeds, as well as management of proceeds and reporting aspects of the Group’s green bond. Sustainalytics also reviewed relevant public documents and non-public information.

This document contains Sustainalytics’ opinion of the Assicurazioni Generali Green Bond Framework and should be read in conjunction with that Framework.

¹ The Green Bond Principles are administered by the International Capital Market Association and are available at <https://www.icmagroup.org/green-social-and-sustainability-bonds/green-bond-principles-gbp/>

² The Assicurazioni Generali Green Bond Framework is available on Generali’s website at: <url>

Sustainalytics' Opinion

Section 1: Sustainalytics' Opinion on the Assicurazioni Generali Green Bond Framework

Summary

Sustainalytics is of the opinion that the Assicurazioni Generali Green Bond is credible and impactful, and aligns with the four core components of the Green Bond Principles 2018 (the "GBP"). Sustainalytics highlights the following elements of Generali's Framework:

- Use of Proceeds:
 - The use of proceeds categories – green buildings, renewable energy, energy efficiency, clean transportation, sustainable water management, and recycling, re-use & waste management – are recognized as impactful by the GBP.
 - Eligible assets are those for which the disbursement occurred no more than two years before the issuance of the green bond. Sustainalytics considers this to be in line with market norms.
 - The Framework defines exclusionary criteria that make activities related to fossil fuel energy, nuclear energy, large hydro (>20MW), gambling, tobacco, alcohol, and weapons ineligible for green bond financing. Sustainalytics views positively these exclusions, and considers them to strengthen Generali's Framework.
 - Generali has based its green buildings criteria on reputable third-party standards, and has selected minimum levels of certification which Sustainalytics considers to be aligned with market practice. (See Appendix 1 for a summary of included certifications). Furthermore, building retrofits are included only when a minimum 30% energy savings has been achieved; Sustainalytics views this threshold to be in line with market practice.
 - The renewable energy category includes both technologies that are broadly recognized to have net-positive environmental impact, such as solar and on- and off-shore wind, as well as other generation types which can, when developed responsibly, provide environmental benefits.
 - Geothermal facilities are limited to those that have direct emissions of $\leq 100\text{g CO}_2\text{e/kWh}$, in line with market practice.³
 - Eligible hydroelectric assets include facilities up to <20MW capacity which have either a power density of $>5\text{W/m}^2$ or a carbon intensity of $\leq 100\text{g CO}_2\text{e/kWh}$. These smaller projects are largely recognized to have net-positive environmental impacts, and Sustainalytics views positively the additional qualifiers regarding power density and/or carbon intensity.
 - Eligible clean transportation projects include projects types clearly recognized to have positive impacts: mass transportation train/metro networks and infrastructure, and electric vehicles and supporting charging stations. Sustainalytics considers that these two categories will deliver positive environmental impacts.
 - Generali has confirmed that mass transportation systems using fossil fuels are not eligible, which Sustainalytics views as strengthening the credibility of the Framework.
 - Generali's green investments may include those related to sustainable water management, Sustainalytics notes the following with regards to these eligible projects:
 - The provision of drinking water, unless accompanied by improvements in efficiency or reduced resource loss, is viewed as having primarily social, not environmental benefits. Generali has clarified that its intention is to invest in projects which will provide water savings by reducing losses in transportation and distribution.
 - Wetland preservation, drainage systems, and other flood management infrastructure can have positive environmental impacts and improve climate resiliency; however, such projects also have risks related to impacts on natural habitats. Sustainalytics encourages Generali to specify the environmental assessments that are required in order to determine that undue negative impacts are mitigated, and notes that the

³ This threshold is recognized by the Climate Bonds Initiative as aligned with a 2-degree global warming scenario. <https://www.climatebonds.net/standard/geothermal>.

Company intends to provide this information within its reporting, subject to confidentiality concerns.

- The Framework specifies that waste-to-energy projects with a conversion efficiency of 25% or greater and an emissions intensity of $\leq 100\text{g CO}_2\text{e/kWh}$ for electricity generation and of $< 18.8\text{gCO}_2\text{e/MJ}$ for heat generation are eligible.⁴ Sustainalytics notes positively that the efficiency rate compares positively to the range of existing incineration facilities, and that these emissions thresholds are compliant with a low-carbon trajectory.
- Project Evaluation and Selection:
 - Generali has established a Green Bond Committee to approve, review and monitor eligible green assets. This Committee will be led by the Head of Group Debt and Treasury, and will consist of representatives from various relevant departments including Corporate Sustainability and Social Responsibility, Group Investment Governance, and Group Integrated Reporting that ensure selected assets comply with the Framework, as well as Generali's relevant internal ESG policies.
 - A three-step process has been defined in which assets are identified within various business units, confirmed by the Committee, and then subject to ongoing review.
 - Based on the establishment of an inter-departmental committee and the commitment to ongoing review, Sustainalytics considers this process to be in line with market practice.
- Management of Proceeds:
 - Generali will allocate an amount equivalent to the net proceeds of its green bonds to eligible assets; on a best efforts basis it will achieve full allocation within one year of issuance. The Group will use its existing internal accounting systems to track and monitor disbursements.
 - Pending full allocation, proceeds may be temporarily invested in accordance with Generali's investment guidelines in cash deposits, money market instruments, and SRI investments.
 - Based on the disclosure of monitoring processes and intended temporary investments, Sustainalytics considers this to be in line with market practice.
- Reporting:
 - Generali will provide annual allocation reporting, including the amount of proceeds allocated to each eligible category, the share of financing versus refinancing, and the amount allocated to various geographical regions.
 - Generali will also provide, on a best-efforts basis annual impact reporting, at the portfolio level. Where feasible, this will include relevant quantitative key performance indicators, as defined in the Framework.
 - Based on the commitment to annual allocation reporting and the intention to disclose impact KPIs when possible, Sustainalytics considers this to be in line with market practice.

Alignment with Green Bond Principles 2018

Sustainalytics has determined that Generali's green bond aligns to the four core components of the Green Bond Principles 2018. For detailed information please refer to Appendix 2: Green Bond/Green Bond Programme External Review Form.

Section 2: Sustainability Performance of the Issuer

Contribution of framework to issuer's sustainability strategy

Generali Group's sustainability vision is that of creating a healthy, resilient and sustainable society by running a sustainable business and playing an active role in the communities in which it operates.⁵ Sustainability at

⁴ Conventional incineration technology generally has conversion efficiencies in the range of 15-27%; Generali's 25% threshold is near the top-end of this spectrum. The emissions intensities for heat and power generation are in line with those of the Climate Bonds Initiative's draft Bioenergy Criteria, which Sustainalytics considers to be representative of best practice.

⁵ Generali Group, "Charter of Sustainability Commitments", at: https://www.generali.com/our-responsibilities/responsible-business/charter_sustainability_commitments-

the Group is being managed by the Governance and Sustainability Committee, which is headed by the Chairman of the Board of Directors.⁶

Within its Responsible Investment Guideline,⁷ the Generali Group commits to incorporating ESG issues into its investment analysis and decision-making processes, to incorporate ESG issues into the company's ownership policies and practices and to seek appropriate disclosure on ESG issues by the entities in which the company invests. The company's environmental policy reinforces its commitment to promoting environmental responsibility, through the reduction of its own business environmental impacts and integration of environmental and climate elements in investment strategies.⁸ Moreover, Generali Real Estate, a subsidiary of the Group, has policies from green buildings and green leases, which aim to improve the environmental performance of the company's real estate assets, and have resulted in an increased number of certified green buildings.⁹

In terms of quantitative targets,¹⁰ the Group has committed to increasing its investments in green sectors by EUR 3.5 billion by 2020, allocating EUR 4.5 billion for green and sustainable investments by the end of 2021, increasing revenue from social and green products by 7-9% by 2021, and progressing towards divestment from the coal sector by disposing of bond and equity investments while limiting any new business relationships. With regards to internal operations, the company also strives to reduce its GHG emissions by 20% until 2020 (compared to a 2013 baseline).¹¹ As part of its progress reports, Generali disclosed that in 2018 88% of its total energy purchases were renewable.¹² Furthermore, EUR 33.2 billion of the company's assets are being managed in accordance with ESG principles, while direct investment in equities and bonds in line with its Responsible Investment Guidelines reached EUR 298 billion.¹³ In addition to these operational outcomes, the sale of environmentally friendly policies made up EUR 1,769.2 million of the Group's revenue in 2018.¹⁴

Additionally, the Generali Group is a signatory to the UN Global Compact and the Principles for Responsible Investments (PRI), which contain strong principles regarding environmental protection and responsible lending,¹⁵ and worked on green finance together with international institutions and organizations, such as UNEP FI for Sustainable Insurance on the implementation of the TCFD (Task Force on Climate-related Financial Disclosures) Recommendations by insurers.¹⁶

Given the Group's sustainability strategy, commitments, targets and progress reporting, Sustainalytics is of the opinion that Generali is well positioned to issue green bonds and that its green bonds will advance its commitment to the provision of sustainable insurance and financial services.

Well positioned to address common environmental and social risks associated with the projects

While the use of proceeds from Generali's green bonds will be directed towards investments that are anticipated to have positive environmental impact, Sustainalytics recognizes that such projects may face risks related to negative environmental and social outcomes. In particular, any large infrastructure or construction project may be exposed to specific risks related to workers' health and safety, biodiversity impacts, effects on local communities, and air, water and soil pollution.

⁶ Generali Group, "Annual Integrated Report and Consolidated Financial Statements 2018", at: <https://www.generali.com/investors/reports-and-presentations>.

⁷ Generali Group, "Responsible Investment Guideline", at: <https://www.generali.com/our-responsibilities/responsible-investments>.

⁸ Generali Group, "Group Policy for the Environment and Climate", at: <https://www.generali.com/info/download-center/policies>.

⁹ Generali Group, "Real Estate Investments", at: <https://www.generali.com/our-responsibilities/our-commitment-to-the-environment-and-climate/real-estate-investments>.

¹⁰ Generali Group, "Commitment to the Climate", at: <https://www.generali.com/our-responsibilities/responsible-investments/commitment-to-the-climate>.

Generali Group, "Annual Integrated Report and Consolidated Financial Statements 2018", at: <https://www.generali.com/investors/reports-and-presentations>.

¹¹ Generali Group, "Sustainability & Social Responsibility 2018", at: <https://www.generali.com/info/download-center/sustainability/bilanci>.

¹² Generali Group, "Annual Integrated Report and Consolidated Financial Statements 2018", at: <https://www.generali.com/investors/reports-and-presentations>.

¹³ Generali Group, "Responsible Investments", at: <https://www.generali.com/our-responsibilities/responsible-investments>.

¹⁴ Generali Group, "Annual Integrated Report and Consolidated Financial Statements 2018", at: <https://www.generali.com/investors/reports-and-presentations>.

¹⁵ Generali Group, "Responsible Investments", <https://www.generali.com/our-responsibilities/responsible-investments>.

¹⁶ Generali Group, "Commitment to the Climate", at: <https://www.generali.com/our-responsibilities/responsible-investments/commitment-to-the-climate>.

Generali Group has procedures in place intended to mitigate the risks associated with the projects in which it is involved, including:

- Responsible Investment Guidelines,¹⁷ which are applicable to direct investments related to funds promoted or managed by the Generali Group. As part of these guidelines, the company conducts analyses on the ESG policies, performance, practices and impacts in order to exclude or avoid enterprises with poor ESG practices, while also assessing and monitoring the investments that are exposed to ESG risks.¹⁸ Moreover, the company considers high risk investments in companies that engage in ESG issues, such as: are involved in serious or systematic human rights violations and environmental damages.¹⁹ Sustainalytics views these assessments and evaluations to support risk management related to investments made under the Framework.
- Generali Group's Policy for the Environment and Climate, which commit the company to protecting and conserving biodiversity and preventing pollution.²⁰
- An ISO 14001 certified Environmental Management System has been implemented across most of the Group's companies at over 350 local offices, covering 42% of employees and 87.5% of total gross direct premiums.²¹
- A Code of Conduct,²² which also covers third parties working with the company, ensures a healthy, safe and secure workplace and improvement of the circumstances of the communities in which it operates.
- A stakeholder engagement approach, which define how Generali will engage in dialogue with relevant representatives from the communities in which business operations are conducted.²³

Given the above, Sustainalytics considers that the Generali Group is well positioned to mitigate the potential environmental and social risks resulting from the use of proceeds.

Section 3: Impact of Use of Proceeds

All six use of proceeds categories are recognized as impactful by the GBP. Sustainalytics has focused below on how the impact is specifically relevant in the local context.

The Framework's contribution to climate action

In order to mitigate the adverse effects of climate change, the EU is pursuing the goals of the Paris Climate Agreement and strives to reduce GHG emissions across its member states. The EU's climate change goals for 2020 are to reduce GHG emissions by 20% (compared to 1990 levels), with a target of 40% by 2030.²⁴ Moreover, over the long-term, the EU plans on cutting its emissions almost completely (80-95%) compared to 1990 levels. The eligible categories of Generali's green bond, specifically those in the areas of renewable energy, clean transportation green buildings, and energy efficiency have the potential to contribute to the advancement of these climate objectives.

The EU has committed to meeting 20% of its total energy needs with renewables by 2020 and 32% by 2030,²⁵ while the Italian government has committed to achieving a 35% renewable energy target²⁶ and an installed solar capacity of 50 GW over the same time period.²⁷ Renewable energy currently represents 17.5% of the total energy consumption in the EU, having increasing by two thirds in the period of 2007-2017,²⁸ and makes up 30.7% of the EU gross electricity consumption.²⁹ On a more global scale, renewable energy production

¹⁷ Generali Group, "Responsible Investment Guideline", at: <https://www.generali.com/our-responsibilities/responsible-investments>.

¹⁸ Generali Group, "Responsible Investments", at: <https://www.generali.com/our-responsibilities/responsible-investments>.

¹⁹ Generali Group, "Responsible Investment Guideline", at: <https://www.generali.com/our-responsibilities/responsible-investments>.

²⁰ Generali Group, "Group Policy for the Environment and Climate", at: <https://www.generali.com/info/download-center/policies>.

²¹ Generali Group, "Environmental Management System", at: <https://www.generali.com/our-responsibilities/our-commitment-to-the-environment-and-climate/environmental-management>.

²² Generali Group, "Generali Group Code of Conduct", at: <https://www.generali.com/info/download-center/policies>.

²³ Generali Group, "Stakeholder Engagement", at: <https://www.generali.com/our-responsibilities/responsible-business/stakeholder-engagement>.

²⁴ European Commission, "EU climate action", at: https://ec.europa.eu/clima/citizens/eu_en.

²⁵ European Commission, "EU climate action", at: https://ec.europa.eu/clima/citizens/eu_en.

²⁶ Lawyers Italy, "Italy has a 35% Renewable Energy Target by 2030", (2018), at: <https://www.lawyersitaly.eu/blog/italy-has-a-35-renewable-energy-target-by-2030>.

²⁷ Bellini E., (2019), PV Magazine, "Italy sets 2030 solar target of 50 GW", at: <https://www.pv-magazine.com/2019/01/11/italy-sets-2030-solar-target-of-50-gw/>.

²⁸ Eurostat, "Renewable energy statistics", (2019), at: https://ec.europa.eu/eurostat/statistics-explained/index.php/Renewable_energy_statistics.

²⁹ Eurostat, "Renewable energy statistics", (2019), at: https://ec.europa.eu/eurostat/statistics-explained/index.php/Renewable_energy_statistics.

within the OECD increased by over 68% over the period 2000-2017.³⁰ Nevertheless, the International Renewable Energy Agency predicts that in order to meet a 2-degree warming target renewable energy deployment must expand to meet approximately two thirds of global primary energy demand.³¹ In this context, there is a clear need for the continued expansion of clean generation technologies, and Sustainalytics views positively Generali's potential investments in wind, solar, small hydro, and geothermal energy facilities.

Regarding the transport sector, the EU plans to drastically reduce its dependence on fossil fuels and cut CO₂ emissions by 60% by 2050 (baseline year 1990),³² as the transport sector contributed 27% of the total EU GHG emissions in 2016.³³ Generali's projects in this area will primarily focus on two areas of transportation: the development of mass transit projects, in particular train and metro systems, and the promotion of electric vehicles and the required supporting charging infrastructure.

Finally, improved performance in energy efficiency, especially within the buildings sector, which accounts for around 40% of the total energy consumption and 36% of CO₂ emissions in the EU, will be necessary to support worldwide progress towards decarbonisation³⁴ Over the period 2005 to 2016, final energy consumption in the EU has decreased by only 7%, a rate which jeopardizes its ability to reach its energy efficiency target,³⁵ and highlighting the need for continued public and private investments in this area.³⁶ This conclusion holds true on a worldwide scale, with a recent report from the International Energy Agency concluding that progress with regards to efficiency has slowed in recent years, contributing to an increased in global energy demand; the IEA further states that a weakening of policy supports has contributed to these developments.³⁷ Sustainalytics views the investments in energy efficiency and green buildings, as contemplated by the Framework, as making a positive contribution towards energy efficiency and climate goals.

The importance of investments in waste management

Across the OECD, 524.4 kg per capita of municipal solid waste was generated in 2017, a trend that has largely been flat over time.³⁸ The World Bank states that in both high-income and upper-middle-income countries, landfilling is the most common disposal method.³⁹ In an effort to address this issue, according to European Commission regulations, the share of recycled municipal waste must increase to 55% by 2025, 60% by 2030 and 65% by 2035.⁴⁰ Moreover, the EU has also mandated that landfilled waste be 10% or less of total municipal waste generation by 2035, together with mandatory separate collection of bio-waste and stricter policies to require producers of waste to pay for the collection of key recyclables.⁴¹ As a result, in 2016, the landfilling of households' waste was reduced to 24% in the EU, while the rate of recycling reached 46%.⁴² Sustainalytics is of the opinion that Generali Group's investments into facilities for collection, sorting and material recovery, recycling and reuse of material and production of biogas from organic waste, and waste to energy plants will be environmentally beneficial, supporting waste management goals and transition the transition to a circular economy.

The importance of sustainable water management

³⁰ OECD Data, "Renewable energy", at: <https://data.oecd.org/energy/renewable-energy.htm>

³¹ IRENA, "Perspectives for the Energy Transition",

http://www.irena.org/media/Files/IRENA/Agency/Publication/2017/Mar/Perspectives_for_the_Energy_Transition_2017.pdf?la=en&hash=56436956B74DBD22A9C6309ED76E3924A879D0C7

³² European Commission, "Clean Transport Systems", at: https://ec.europa.eu/transport/themes/urban/cts_en.

³³ European Environmental Agency, "Greenhouse gas emissions from transport", (2018), at: <https://www.eea.europa.eu/data-and-maps/indicators/transport-emissions-of-greenhouse-gases/transport-emissions-of-greenhouse-gases-11>.

³⁴ European Commission, "Energy performance of buildings", at: <https://ec.europa.eu/energy/en/topics/energy-efficiency/energy-performance-of-buildings>.

³⁵ European Environmental Agency, "Energy efficiency", at: <https://www.eea.europa.eu/airs/2018/resource-efficiency-and-low-carbon-economy/energy-efficiency>.

³⁶ European Policy Centre, "The EU will not meet its climate goals unless it makes smarter use of its financial resources", (2018), at: http://www.epc.eu/pub_details.php?cat_id=4&pub_id=8807.

³⁷ IEA, "Energy Efficiency 2018", <https://www.iea.org/efficiency2018/>

³⁸ OECD Data, "Municipal Waste", <https://data.oecd.org/waste/municipal-waste.htm>

³⁹ World Bank, "What a waste 2.0", <https://openknowledge.worldbank.org/bitstream/handle/10986/30317/211329ov.pdf?sequence=11&isAllowed=y>

⁴⁰ Financial Observer, "Circular economy – the European Commission's idea for the waste management", (2018), at: <https://financialobserver.eu/poland/circular-economy-the-european-commissions-idea-for-the-waste-management/>.

⁴¹ European Environmental Bureau, "Waste no more: Introducing Europe's new waste laws", (2018), at: <https://eeb.org/waste-no-more-introducing-europes-new-waste-laws/>.

⁴² Financial Observer, "Circular economy – the European Commission's idea for the waste management", (2018), at: <https://financialobserver.eu/poland/circular-economy-the-european-commissions-idea-for-the-waste-management/>.

In terms of water management, the Framework proposes a broad range of potential investments including domestic water distribution, irrigation technology, water treatment and recycling, and storm water management. Sustainalytics considers that these projects, when well-selected and developed, will deliver positive environmental impacts. Sustainalytics views positively Generali’s intention to invest in the various interrelated segments of the sustainable water management industry, and considers the intended outcomes of water savings, improved water quality, and climate resiliency to be environmentally beneficial.

While noting that the impacts of water management approaches are highly regionally-specific, Sustainalytics has considered Generali’s home market of Italy as representative of the benefit that the financed projects may deliver. In particular, it is noted that agriculture is the predominant water user in Italy, consuming as much as two thirds of available water resources.⁴³ Furthermore, Italy’s National Climate Change Adaptation Plan⁴⁴ highlights that Italy, along with the broader southern European and Mediterranean areas, will be particularly susceptible to the impact of climate changes, in the form of increased droughts and severe rainfall events, further reinforcing the need for improved water management approaches. In this context, Sustainalytics anticipates that projects that support the ability to manage rainfall, treat water and wastewater, and efficiently treat and distribute water, will provide overall positive impacts.

Alignment with/contribution to SDGs

The Sustainable Development Goals (SDGs) were set in September 2015 and form an agenda for achieving sustainable development by the year 2030. This green bond advances the following SDG goals and targets:

Use of Proceeds Category	SDG	SDG target
Green Buildings	11. Sustainable Cities and Communities	11.6 By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management
Renewable Energy (electricity and Heat Production)	7. Affordable and Clean Energy	7.2 By 2030, increase substantially the share of renewable energy in the global energy mix
Energy Efficiency	7. Affordable and Clean Energy	7.3 By 2030, double the global rate of improvement in energy efficiency
Clean Transportation	11. Sustainable Cities and Communities	11.2 By 2030, provide access to safe, affordable, accessible and sustainable transport systems for all, improving road safety, notably by expanding public transport, with special attention to the needs of those in vulnerable situations, women, children, persons with disabilities and older persons
Sustainable Water Management	6. Clean Water and Sanitation	6.4 By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity
Recycling, re-use & other waste managements	12. Responsible Consumption and Production	12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse

Conclusion

Assicurazioni Generali SpA has developed a Framework under which the company may issue green bonds and use the proceeds to finance or refinance, in whole or in part, projects that advance Generali’s sustainability strategy and contribute to the financial sector’s transition to a low-carbon economy. Specifically, eligible projects have been defined in the areas of Green Buildings, Renewable Energy, Electricity and Heat Production, Energy Efficiency, Clean Transportation, Sustainable Water Management, and Recycling, re-use & other waste

⁴³ Massarutto, A, “Agriculture, water resources and water policy in Italy”, <https://core.ac.uk/download/pdf/6336170.pdf>.

⁴⁴ CMCC, “Piano Nazionale di Adattamento ai Cambiamenti Climatici”, https://www.minambiente.it/sites/default/files/archivio_immagini/adattamenti_climatici/documento_pnacc_luglio_2017.pdf

managements. Sustainalytics is of the opinion that the eligible categories described by the Framework will deliver positive environmental impacts.

All use of proceeds categories specified in the Framework are aligned with those of the Green Bond Principles 2018; Generali has designated an internal team to oversee its green bond program; transparent procedures have been put in place for the management and tracking of funds; and commitments have been made to report on allocation and impacts. Furthermore, Sustainalytics believes that the initiatives funded by the green bonds will contribute to the advancement of various UN Sustainable Development Goals.

Based on the above, Sustainalytics is confident that Generali is well-positioned to issue green bonds, and that the Generali Green Bond Framework is robust, transparent, and in alignment with the Green Bond Principles 2018.

Appendices

Appendix 1: Comparison of Green Building Certification Schemes

	LEED	BREEAM	HQE
Background	Leadership in Energy and Environmental Design (LEED) is a US Certification System for residential and commercial buildings used worldwide. LEED was developed by the non-profit U.S. Green Building Council (USGBC) and covers the design, construction, maintenance and operation of buildings.	BREEAM (Building Research Establishment Environmental Assessment Method) was first published by the Building Research Establishment (BRE) in 1990. Based in the UK, BREEAM can be used for new, refurbished and extension of existing buildings.	The Haute Qualité Environnementale or HQE (High Quality Environmental standard) is a standard for green building in France, based on the principles of sustainable development first set out at the 1992 Earth Summit. The standard was launched in 2005 and is controlled by HQE and certificate is issued by Cerway/ Certivea/ Cerqual.
Certification levels	<ul style="list-style-type: none"> • Certified • Silver • Gold • Platinum 	<ul style="list-style-type: none"> • Pass • Good • Very Good • Excellent • Outstanding 	<ul style="list-style-type: none"> • Good • Very Good • Excellent • Outstanding
Areas of assessment	<ul style="list-style-type: none"> • Energy and atmosphere • Sustainable Sites • Location and Transportation • Materials and resources • Water efficiency • Indoor environmental quality • Innovation in Design • Regional Priority 	<ul style="list-style-type: none"> • Energy • Land Use and Ecology • Pollution • Transport • Materials • Water • Waste • Health and Wellbeing • Innovation 	<ul style="list-style-type: none"> • Energy • Environment (Site, Components, Worksite, Water, Waste, Maintenance) • Comfort (Hydrothermal, Acoustic, Visual, Olfactory) • Health (Spaces quality, Air Quality, Water Quality) • Principles of Equivalence
Requirements	<p>Minimum requirements independent of level of certification; point-based scoring system weighted by category to determine certification level.</p> <p>The rating system is adjusted to apply to specific sectors, such as: New Construction, Major Renovation, Core and Shell Development, Schools-/Retail-/Healthcare New Construction and Major Renovations, and Existing Buildings: Operation and Maintenance.</p>	<p>Prerequisites depending on the levels of certification, and credits with associated points.</p> <p>This number of points is then weighted by item and gives a BREEAM level of certification, which is based on the overall score obtained (expressed as a percentage). Majority of BREEAM issues are flexible, meaning that the client can choose which to comply with to build their BREEAM performance score.</p>	<p>Prerequisites independent of level of certification, and points-based performance level.</p> <p>Levels are obtained based on a percentage of points given per target, allowing for flexibility. Based on the total number of stars obtained per area, an overall HQE level is then given.</p> <p>Environmental certificates are assigned at all stages of the building life cycle, and on-site audits are required.</p>

Qualitative Considerations	Widely accepted within the industry, both in North America and internationally, and considered a guarantee of strong performance.	Widely accepted within the industry, considered more flexible and able to be tailored to local conditions.	Most commonly used system in France, with strong acceptance within the local market.
Performance display			

Appendix 2: Green Bond / Green Bond Programme - External Review Form

Section 1. Basic Information

Issuer name:	Assicurazioni Generali SpA
Green Bond ISIN or Issuer Green Bond Framework Name, if applicable: <i>[specify as appropriate]</i>	Assicurazioni Generali Green Bond Framework
Review provider's name:	Sustainalytics
Completion date of this form:	May 31, 2018
Publication date of review publication: <i>[where appropriate, specify if it is an update and add reference to earlier relevant review]</i>	

Section 2. Review overview

SCOPE OF REVIEW

The following may be used or adapted, where appropriate, to summarise the scope of the review.

The review assessed the following elements and confirmed their alignment with the GBPs:

- | | |
|--|--|
| <input checked="" type="checkbox"/> Use of Proceeds | <input checked="" type="checkbox"/> Process for Project Evaluation and Selection |
| <input checked="" type="checkbox"/> Management of Proceeds | <input checked="" type="checkbox"/> Reporting |

ROLE(S) OF REVIEW PROVIDER

- | | |
|---|--|
| <input checked="" type="checkbox"/> Consultancy (incl. 2 nd opinion) | <input type="checkbox"/> Certification |
| <input type="checkbox"/> Verification | <input type="checkbox"/> Rating |
| <input type="checkbox"/> Other <i>(please specify)</i> : | |

Note: In case of multiple reviews / different providers, please provide separate forms for each review.

EXECUTIVE SUMMARY OF REVIEW and/or LINK TO FULL REVIEW *(if applicable)*

Please refer to Evaluation Summary above.

Section 3. Detailed review

Reviewers are encouraged to provide the information below to the extent possible and use the comment section to explain the scope of their review.

1. USE OF PROCEEDS

Overall comment on section *(if applicable)*:

The eligible categories for the use of proceeds are aligned with those recognized by the Green Bond Principles. Sustainalytics considers that investments in the areas of green buildings, renewable energy, energy efficiency, clean transportation, sustainable water management, and recycling, re-use & waste management will lead to positive environmental impacts and advance the UN Sustainable Development Goals.

Use of proceeds categories as per GBP:

- | | |
|--|--|
| <input checked="" type="checkbox"/> Renewable energy | <input checked="" type="checkbox"/> Energy efficiency |
| <input type="checkbox"/> Pollution prevention and control | <input type="checkbox"/> Environmentally sustainable management of living natural resources and land use |
| <input type="checkbox"/> Terrestrial and aquatic biodiversity conservation | <input checked="" type="checkbox"/> Clean transportation |
| <input checked="" type="checkbox"/> Sustainable water and wastewater management | <input type="checkbox"/> Climate change adaptation |
| <input checked="" type="checkbox"/> Eco-efficient and/or circular economy adapted products, production technologies and processes | <input checked="" type="checkbox"/> Green buildings |
| <input type="checkbox"/> Unknown at issuance but currently expected to conform with GBP categories, or other eligible areas not yet stated in GBPs | <input type="checkbox"/> Other <i>(please specify)</i> : |

If applicable please specify the environmental taxonomy, if other than GBPs:

2. PROCESS FOR PROJECT EVALUATION AND SELECTION

Overall comment on section *(if applicable)*:

Generali has established a Green Bond Committee, led by the Head of Group Debt and Treasury, to approve, review and monitor eligible green assets, which are initially identified by the Group's relevant business units. Sustainalytics considers this process to be in line with market practice.

Evaluation and selection

- | | |
|---|---|
| <input checked="" type="checkbox"/> Credentials on the issuer's environmental sustainability objectives | <input checked="" type="checkbox"/> Documented process to determine that projects fit within defined categories |
|---|---|

- | | |
|--|---|
| <input checked="" type="checkbox"/> Defined and transparent criteria for projects eligible for Green Bond proceeds | <input checked="" type="checkbox"/> Documented process to identify and manage potential ESG risks associated with the project |
| <input type="checkbox"/> Summary criteria for project evaluation and selection publicly available | <input type="checkbox"/> Other (<i>please specify</i>): |

Information on Responsibilities and Accountability

- | | |
|--|--|
| <input checked="" type="checkbox"/> Evaluation / Selection criteria subject to external advice or verification | <input type="checkbox"/> In-house assessment |
| <input type="checkbox"/> Other (<i>please specify</i>): | |

3. MANAGEMENT OF PROCEEDS

Overall comment on section (*if applicable*):

Generali will allocate an amount equivalent to the net proceeds of its green bonds to eligible assets, using existing accounting systems to track these disbursements. Generali intends to achieve full allocation within one year of issuance. Pending allocation, proceeds will be temporarily invested in liquid instruments in line with Generali's guidelines. Sustainalytics considers this process to be in line with market practice.

Tracking of proceeds:

- | |
|---|
| <input checked="" type="checkbox"/> Green Bond proceeds segregated or tracked by the issuer in an appropriate manner |
| <input checked="" type="checkbox"/> Disclosure of intended types of temporary investment instruments for unallocated proceeds |
| <input type="checkbox"/> Other (<i>please specify</i>): |

Additional disclosure:

- | | |
|---|---|
| <input type="checkbox"/> Allocations to future investments only | <input checked="" type="checkbox"/> Allocations to both existing and future investments |
| <input type="checkbox"/> Allocation to individual disbursements | <input type="checkbox"/> Allocation to a portfolio of disbursements |
| <input checked="" type="checkbox"/> Disclosure of portfolio balance of unallocated proceeds | <input type="checkbox"/> Other (<i>please specify</i>): |

4. REPORTING

Overall comment on section (if applicable):

Generali intends to report on both impact and allocation on an annual basis. Allocation reporting will include the amounts allocated to each category and the share of financing versus refinancing, while impact reporting will include relevant quantitative indicators where feasible. Sustainalytics considers this process to be in line with market practice.

Use of proceeds reporting:

- | | |
|--|---|
| <input type="checkbox"/> Project-by-project | <input checked="" type="checkbox"/> On a project portfolio basis |
| <input type="checkbox"/> Linkage to individual bond(s) | <input checked="" type="checkbox"/> Other (<i>please specify</i>): Breakdown by category and by geography |

Information reported:

- | | |
|---|--|
| <input checked="" type="checkbox"/> Allocated amounts | <input type="checkbox"/> Green Bond financed share of total investment |
| <input type="checkbox"/> Other (<i>please specify</i>): | |

Frequency:

- | | |
|---|--------------------------------------|
| <input checked="" type="checkbox"/> Annual | <input type="checkbox"/> Semi-annual |
| <input type="checkbox"/> Other (<i>please specify</i>): | |

Impact reporting:

- | | |
|--|--|
| <input type="checkbox"/> Project-by-project | <input checked="" type="checkbox"/> On a project portfolio basis |
| <input type="checkbox"/> Linkage to individual bond(s) | <input type="checkbox"/> Other (<i>please specify</i>): |

Frequency:

- | | |
|---|--------------------------------------|
| <input checked="" type="checkbox"/> Annual | <input type="checkbox"/> Semi-annual |
| <input type="checkbox"/> Other (<i>please specify</i>): | |

Information reported (expected or ex-post):

- | | |
|---|---|
| <input checked="" type="checkbox"/> GHG Emissions / Savings | <input checked="" type="checkbox"/> Energy Savings |
| <input checked="" type="checkbox"/> Decrease in water use | <input checked="" type="checkbox"/> Other ESG indicators (<i>please specify</i>): Various quantitative KPIs, see section 2.4 of the Framework |

Means of Disclosure

- | | |
|---|---|
| <input type="checkbox"/> Information published in financial report | <input type="checkbox"/> Information published in sustainability report |
| <input checked="" type="checkbox"/> Information published in ad hoc documents | <input type="checkbox"/> Other (<i>please specify</i>): |
| <input type="checkbox"/> Reporting reviewed (if yes, please specify which parts of the reporting are subject to external review): | |

Where appropriate, please specify name and date of publication in the useful links section.

USEFUL LINKS (e.g. to review provider methodology or credentials, to issuer's documentation, etc.)

SPECIFY OTHER EXTERNAL REVIEWS AVAILABLE, IF APPROPRIATE

Type(s) of Review provided:

- | | |
|--|--|
| <input type="checkbox"/> Consultancy (incl. 2 nd opinion) | <input type="checkbox"/> Certification |
| <input type="checkbox"/> Verification / Audit | <input type="checkbox"/> Rating |
| <input type="checkbox"/> Other (<i>please specify</i>): | |

Review provider(s):

Date of publication:

ABOUT ROLE(S) OF INDEPENDENT REVIEW PROVIDERS AS DEFINED BY THE GBP

- i. **Second Party Opinion:** An institution with environmental expertise, that is independent from the issuer may issue a Second Party Opinion. The institution should be independent from the issuer's adviser for its Green Bond framework, or appropriate procedures, such as information barriers, will have been implemented within the institution to ensure the independence of the Second Party Opinion. It normally entails an assessment of the alignment with the Green Bond Principles. In particular, it can include an assessment of the issuer's overarching objectives, strategy, policy and/or processes relating to environmental sustainability, and an evaluation of the environmental features of the type of projects intended for the Use of Proceeds.
- ii. **Verification:** An issuer can obtain independent verification against a designated set of criteria, typically pertaining to business processes and/or environmental criteria. Verification may focus on alignment with internal or external standards or claims made by the issuer. Also, evaluation of the environmentally sustainable features of underlying assets may be termed verification and may reference external criteria. Assurance or attestation regarding an issuer's internal tracking method for use of proceeds, allocation of funds from Green Bond proceeds, statement of environmental impact or alignment of reporting with the GBP, may also be termed verification.
- iii. **Certification:** An issuer can have its Green Bond or associated Green Bond framework or Use of Proceeds certified against a recognised external green standard or label. A standard or label defines specific criteria, and alignment with such criteria is normally tested by qualified, accredited third parties, which may verify consistency with the certification criteria.
- iv. **Green Bond Scoring/Rating:** An issuer can have its Green Bond, associated Green Bond framework or a key feature such as Use of Proceeds evaluated or assessed by qualified third parties, such as specialised research providers or rating agencies, according to an established scoring/rating methodology. The output may include a focus on environmental performance data, the process relative to the GBP, or another benchmark, such as a 2-degree climate change scenario. Such scoring/rating is distinct from credit ratings, which may nonetheless reflect material environmental risks.
- v.

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Sustainalytics

Sustainalytics is a leading independent ESG and corporate governance research, ratings and analytics firm that support investors around the world with the development and implementation of responsible investment strategies. With 13 offices globally, the firm partners with institutional investors who integrate ESG information and assessments into their investment processes. Spanning 30 countries, the world's leading issuers, from multinational corporations to financial institutions to governments, turn to Sustainalytics for second-party opinions on green and sustainable bond frameworks. Sustainalytics has been certified by the Climate Bonds Standard Board as a verifier organization, and supports various stakeholders in the development and verification of their frameworks. In 2015, Global Capital awarded Sustainalytics "Best SRI or Green Bond Research or Ratings Firm" and in 2018 and 2019, named Sustainalytics the "Most Impressive Second Party Opinion Provider. The firm was recognized as the "Largest External Reviewer" by the Climate Bonds Initiative as well as Environmental Finance in 2018, and in 2019 was named the "Largest Approved Verifier for Certified Climate Bonds" by the Climate Bonds Initiative. In addition, Sustainalytics received a Special Mention Sustainable Finance Award in 2018 from The Research Institute for Environmental Finance Japan and the Minister of the Environment Award in the Japan Green Contributor category of the Japan Green Bond Awards in 2019.

For more information, visit www.sustainalytics.com

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