



Responsibility: a commitment by everyone to reach shared goals

Sustainability Report 2012



181st year of activity



Sustainability Report 2012

A complete vision,

Trieste, Piazza Unità d'Italia. This is where our journey began, a journey that established Assicurazioni Generali as a strong and admired insurer in and outside Italy.

Our all-round vision gives us a global understanding of the world in which we work, but with close attention to details: this is how



Management Report and Parent Company Financial Statements 2012

Management Report and Consolidated Financial Statements 2012

Corporate Governance and Share Ownership Report 2012

Remuneration Report 2012

attention to details.

we create synergy between financial and social responsibility, and build value for each individual stakeholder.

This report illustrates the results of our vision for our shareholders, clients, agents, employees, society and the financial community: results that enable us to continue to look far ahead.

Chairman and Group CEO letter to the stakeholders

“2012 was a
turning point for the
Generali Group.”



A new strategy was developed based on discipline, focus and simplicity and a process was launched for the profound transformation of the Group, consistent with its international profile and in line with the highest market standards. The corporate governance was improved with a simpler and more integrated organisational structure at Group level, thanks in no small part to the creation of the Group Management Committee, introducing a team managerial approach and a more transparent, effective and shared decision-making process.

The Group closed the year with its financial performances yielding an improvement in the operating result and a substantial strengthening of its capital, one of the main priorities of the new strategy.

These significant results were achieved thanks to the efforts of our employees, the trust of our shareholders and investors, and to our customers, who rewarded us by choosing our services. We want to create value for everyone as we firmly believe that our business goals must be accompanied by an ongoing commitment to Corporate Social Responsibility. A commitment that has been reflected in the improved ratings assigned to us by SRI agencies and by our inclusion in important ethical indices.

The ten principles promoted by the UN Global Compact, to which we joined in 2007, continue to act as our guidelines: respect for human and labour rights, the fight against corruption, and environmental protection are key pillars of our new Code of Conduct. We also want to play a positive role in society with regard to these fundamental principles and, as such, we ask our partners to respect them. In addition to this, we also attribute value to the virtuous conduct of our policyholders and the businesses in which we invest.

As part of our commitment to continuous improvement, we take the responsible management of our impact on the environment very seriously. We believe that environmental problems should be addressed promptly, that preventive action should be taken before damage is done and that we should not just limit ourselves to meeting legal requirements; it is also for this reason that we are committed to raising awareness of the consequences of climate change both internally and in terms of public opinion.

The Charter of Sustainability Commitments was also recently approved. It extends the management approach based on objectives - already adopted for environmental issues - to the social sphere. This represents an important step that must primarily be seen as a strengthening of our commitment to sustainability as we pursue our challenging goals. The Charter is also an opportunity to improve communications with our stakeholders, thanks to increased levels of transparency which facilitate dialogue and create the foundations that will enable us to direct our efforts towards shared improvement goals.

As insurers, we want to use our experience to help address emerging social requirements. For example, we are committed to the promotion of inclusive forms of insurance, such as microinsurance in South America and India, which can significantly improve the quality of life of the poorest members of society.

We believe that businesses nowadays cannot just limit themselves to making profits - they must also seek to have a positive effect on the social fabric in which they operate. This is the principle that inspires our work and the results outlined in this report are the evidence of this.

Gabriele Galateri di Genola
Chairman



Mario Greco
Group CEO



Methodological note

The 2012 Sustainability Report (SR), the ninth one published by the Generali Group, was drafted along the lines of previous editions and, as a whole, based on the desire to launch an innovative process for communicating with stakeholders, that will be developed in the coming years.

Document - This year too, the SR is published as a separate document, distinct from the Group's other information tools, to dedicate attention to social and environmental issues that wouldn't be able to find any space in financial reports. Nevertheless, the SR is increasingly more integrated with the Management Report and Consolidated Financial Statements, which contain in-depth information on sustainability principles, policies and governance, as well as a detailed series of quantitative indicators that, like the technical indicators on the insurance business, measure the results obtained over the year in relation to the social and environmental issues that are most important to the Group.

Reporting standards - The drafting principles, structure and contents of the SR follow version 3.1 of the Sustainability Reporting Guidelines and the Financial Services Sector Supplement of the Global Reporting Initiative (GRI). Meanwhile, the AccountAbility1000 standards are used for the information-gathering process.

SR area: countries and companies - The aforementioned reporting standards have been applied to companies consolidated on a line-by-line basis in the seven main countries where the Group operates, i.e. Italy, Austria, Czech Republic, France, Germany, Spain and Switzerland, which account for 70% of the Group's entire workforce, and 83% of direct total gross premiums. However, there are exceptions as far as quantitative data goes, indicated when applicable, consisting of a widening of the area considered, which may incorporate the Group as a whole, as in the chapter Community, or a restriction to a lower number of countries, as in the chapter Environment and Climate Change, where reference is made solely to countries included in the Group's Environmental Management System.

For the first year, data and information for the Czech Republic are complete and are provided for all chapters. The data relating to France include those of the company Europ Assistance France, solely in the chapters Employees and Suppliers, and of the company Europ Assistance Holding in the chapter Employees.

SR Area: business sectors - The SR focuses on the Group's core business, therefore incorporating companies in the insurance and banking industry, including the related service activities, of the countries in the SR area.

Structure and contents - The opening section of the volume provides an overview of the key contents and the most significant data of the various chapters of the Report. This summary version will also be distributed as a separate document, to inform the wider public of the Group's social and environmental commitment.

The information in the volume is organised into two parts: the first is dedicated to the Group, which provides a profile and overview of some relevant issues, plus certain available data for the entire Generali Group, while the second contains a series of chapters given over to the different categories of stakeholder, each of which shows the associated data and information.

In this structure which remained essentially unchanged, certain amendments were made, especially to bring related subjects closer together, thus avoiding repetitions and making it easier to read the document. In particular, there is no longer a chapter dedicated to the stakeholder Issuing companies, and the bulk of the information which was contained therein in previous years was added to the chapter the Group, given that it concerns the socially responsible investment policy and the associated tools and practice; by contrast, the chapter Clients contains, under products with a social and environmental value, information concerning SRI funds and the chapter Environment and Climate Change contains information relating to investments in renewable energies. For greater completeness and transparency, the chapter Environment and Climate Change also includes a new section dedicated to the risks and opportunities related to climate change. Lastly, it should be noted that the SR includes an area dedicated to the subject of Innovation, elaborated in the chapter the Group, under Material issues, and in the chapter Clients, as regards the activities of the innovation team.

The last section of the volume includes a table named GRI Content Index, drafted in accordance with the guidelines of version 3.1 of the GRI and the ten Global Compact principles. Furthermore, it should also be pointed out that the process of definition of the contents is based on the principles of materiality, stakeholder inclusiveness,

sustainability context and completeness, and the process to guarantee information quality is based on the principles of balance, comparability, accuracy, timelines, clarity and reliability envisaged by the GRI. In order to ensure the reliability of the information reported, directly measurable amounts have been included, reducing the use of estimates to a minimum.

The document is streamlined, thanks, in particular, to the greater use of cross references to other information sources of the Group for in-depth analysis.

Currency - The amounts in the document are expressed in Euros and figures are rounded to one decimal place, unless indicated otherwise, the result being that the sum of the rounded amounts does not always coincide with the rounded total.

Graphics - Graphics were completely reviewed this year. The Company wanted, above to all, to provide evidence of the increasing integration between the SR and the Consolidated Financial Statements, evidenced by harmonised graphs and, in particular, by cover page images which complement one another to form that of a single square.

The Company has also endeavoured to make more use of graphs, in place of tables, provided that they are explanatory and can be quickly interpreted, so that the reader can get an increasingly better grasp of the contents of the volume.

The images used to illustrate the volume relate to Group activities.

Time period - In the majority of the chapters, the data concern two financial years, 2012 and the previous year, for which homogeneous data are presented, to allow comparisons without misrepresentations. The result is that the data relating to 2011 may, in turn, differ from the data published previously, given that they are recalculated using the same criteria used for the corresponding data in 2012 whenever changes are made. In addition, this year, for the most significant data, the changes over the last three-year period are also provided, each one calculated on homogeneous data, to show the trends over a longer period of time. As normal, thanks to the availability of information, the chapter Financial Community instead shows the data relating to a four-year period.

The chapter Environment and Climate Change also shows the changes to homogeneous terms in the 2009-2012 period, to allow a significant comparison with the environmental objectives and targets that the Group set in the System in the 2010-2012 three-year period.

However, descriptive aspects are updated at the time of printing this report.

Certification - The decision not to request an external company to certify the compliance of the SR is also confirmed. This choice is based on the Group's desire to focus its available resources on improving its social and environmental performance and maintaining an effective reporting system, in terms of the quality and quantity of information provided and its consistency with the interests of the various stakeholders with whom the Group has various types of relations.

The Group asked Certification Body RINA Services S.p.A. to certify, in accordance with ISO standard 14064-1, the data relating to greenhouse gas emissions (Scope 1) and to indirect emissions from energy consumption (Scope 2), as already occurred in 2011.

SR Area 2012

ITALY

Alleanza Toro S.p.A.
Assicurazioni Generali S.p.A.
DAS - Difesa Automobilistica Sinistri S.p.A.
Europ Assistance Italia S.p.A.
Europ Assistance Service S.p.A.
Europ Assistance Vai S.p.A.
Fata Assicurazioni Danni S.p.A.
Generali Business Solutions S.c.p.A.
Generali International Business Solutions - S.c.a.r.l.
Generali Real Estate S.p.A.
Generali Immobiliare Italia SGR S.p.A.
Generali Investments Europe SGR S.p.A.
Generali Investments S.p.A.
Genertel S.p.A.
Genertellife S.p.A.
Gruppo Banca Generali
INA Assitalia S.p.A.
Simgenia S.p.A.
Generali Thalia Investments Italy SGR S.p.A.
CESTAR – Centro Studi Auto Riparazioni S.c.r.l.
Generali Properties S.p.A.

AUSTRIA

Allgemeine Immobilien-Verwaltungs GmbH & Co. KG
BAWAG P.S.K. Versicherung AG
Care Consult Versicherungsmakler GmbH
Europ Assistance GmbH
Europäische Reiseversicherung AG
Generali Bank AG
Generali Capital Management GmbH
Generali Holding Vienna AG
Generali Immobilien GmbH
Generali IT-Solutions GmbH
Generali Leasing GmbH
Generali Sales Promotion GmbH
Generali Versicherung AG
Generali VIS Informatik GmbH

GERMANY

AachenMünchener Lebensversicherung AG
AachenMünchener Versicherung AG
AdvoCard Rechtsschutzversicherung AG
AM Gesellschaft für betriebliche Altersversorgung mbH
AM Vertriebsservice-Gesellschaft für
Personenversicherungen mbH
AM Vertriebsservice-Gesellschaft
Sachversicherungen mbH
ATLAS Dienstleistungen für Vermögensberatung GmbH
Central Krankenversicherung AG
Cosmos Versicherung AG
Cosmos Lebensversicherungs AG
Deutsche Bausparkasse Badenia AG
Dialog Lebensversicherungs AG
ENVIVAS Krankenversicherung AG
Europ Assistance Services GmbH
Europ Assistance Versicherung AG
Generali Deutschland Holding AG
Generali Deutschland Informatik Services GmbH
Generali Deutschland Pensor Pensionsfonds AG
Generali Deutschland Schadenmanagement GmbH
Generali Deutschland Services GmbH
Generali Deutschland SicherungsManagement GmbH
Generali Investments Deutschland GmbH
Generali Lebensversicherung AG
Generali Private Equity Investments GmbH
Generali Deutschland Pensionskasse AG
Generali Versicherung AG
Schloss Bensberg Management GmbH
Volksfürsorge AG Vertriebsgesellschaft für
Vorsorge- und Finanzprodukte
Generali Beteiligungs GmbH
Generali Vermögensverwaltungs GmbH & Co. KG

FRANCE

E-Cie Vie S.A.
Europ Assistance France S.A.
Europ Assistance Holding S.A.
Generali France S.A.
Generali IARD S.A.
Generali Vie S.A.
L'Equité S.A. Cie d'Assurances et Réass.contre les risques de toute nature

CZECH REPUBLIC

Česká Pojišť'ovna, a.s.
Generali PPF Holding B.V.
Generali Pojišť'ovna a.s.

SWITZERLAND

BSI S.A.
Europ Assistance (Suisse) S.A.
Europ Assistance (Suisse) Assurances S.A.
Europ Assistance (Suisse) Holding S.A.
Fortuna Investment AG
Fortuna Investment AG, Vaduz
Fortuna Lebens-Versicherung AG, Vaduz
Fortuna Rechtsschutz-Versicherung-Gesellschaft AG
Generali (Schweiz) Holding AG
Generali Assurances Générales
Generali Personenversicherungen AG

SPAIN

Cajamar Seguros Generales, S.A. de Seguros y Reaseguros
Cajamar Vida S.A. de Seguros y Reaseguros
Coris Gestión de Riesgos, S.L.
Europ Assistance España S.A. de Seguros y Reaseguros
Europ Assistance Servicios Integrales de Gestion, S.A.
Generali España, S.A. de Seguros y Reaseguros
Generali España Holding de Entidades de Seguros S.A.
Gensegur Agencia de Seguros S.A.
Grupo Generali España Agrupación de Interés Económico
Hermes Sociedad Limitada de Servicios Inmobiliarios y Generales
Vitalicio Torre Cerdà S.I.

THE GROUP



The Generali Group is one of the most important insurance and financial groups worldwide. The Parent Company is Assicurazioni Generali S.p.A., established in Trieste in 1831.

It has always been internationally oriented and is now present in more than 60 countries. It is one of the leading insurance group in Italy, Germany,

France, Austria and Switzerland, and boasts strong market positioning in Central-Eastern Europe, China and other high-growth countries.

In the second half of 2012, Generali faced an in-depth review of its operational and financial strategy to identify the Group's areas of excellence and areas for improvement to be focused on in the strategic plan for 2013-2015. Using a strategy based on discipline, simplicity and focus on the fundamentals of the insurance business, the Group aims at increasing the profitability of the insurance business management and creating value for all stakeholders.

Special attention is paid, first and foremost, to clients and employees.

Clients are central to any initiative in order to grasp new market opportunities, enforcing their loyalty and offering them a complete range of products for their insurance needs. The Group offer in the life and non-life segments ranges from savings to health and supplementary pension policies and to complex plans for multinationals, and from mass market coverage such as motor and home coverage to sophisticated commercial and industrial risk coverage, respectively.

Employees are enhanced through a constant development of their skills and professionalism. Career opportunities and international mobility are also offered to them.

The Group operates with a multichannel distribution strategy in line with the customer needs. Traditional channels – which feature a physical intermediary, including agencies and bancassurance agreements – are accompanied by direct channel (internet and phone).

Assicurazioni Generali's Corporate Governance system is focused on the goal of sustainable value creation over the long term, as well. In pursuing this goal, the Company is committed to aiming for excellence in its organisation.



79,454
employees



65 million clients

The Shareholders' Meeting that approved the 2012 financial statements reduced the number of directors to 11; women make up 36.4% of the new Board of Directors elected to hold office for three financial years, well above the required minimum.

To ensure that, in addition to economic considerations, social and environmental matters linked with the business are also taken into account, specific bodies and departments have been established within the Group Head Office.

Group-level responsibility for sustainability is assigned to the Group CEO, who is responsible for the implementation of the strategies and policies defined by the Parent Company's Board of Directors, which is also responsible for setting Group sustainability objectives and commitments as well as assessing the related risks, opportunities and areas for improvement.

In recent months, the Group has acquired new tools, which are important from its sustainability approach:

- the **Code of Conduct**, which, accompanied by the Group Rules, defines the minimum standards of conduct that employees and third parties operating on behalf of the Group, e.g. agents, suppliers and consultants, are required to comply with. The document pays particular attention to promoting diversity with a view to ensuring inclusion, transparency and truthfulness in direct communications with all stakeholders, to the management of conflicts of interests and the fight against corruption, bribery, money laundering and terrorism financing.
- the **Charter of Sustainability Commitments**, which contains the strategic objectives the Group intends to pursue as a priority, and the social and environmental commitments to meeting these objectives; the document Sustainability Objectives and Commitments for 2013-2015 constitutes an integral part of the Charter, which specifies the goals the Group undertakes to achieve over a three-year period.

69.6 billion euros
in gross written
premiums



EMPLOYEES

Employee policies are characterised by:

- focus on employees and their commitment to offering them personal and professional development opportunities, improving their skills and expertise and developing their potential;
- trust in promising, open-minded young people keen to prove themselves, who are also given positions of increasing responsibility;
- respect for values and protection of rights.

The principles and fundamental rights of employees are outlined in the Generali Group Code of Conduct and reiterated in the European Social Charter of the Generali Group. All staff are given regular employment contracts as illegal employment, exploitation, forced, compulsory or child labour are not tolerated in any form.

The Generali Group guarantees a working environment free of all types of discrimination and harassment, promoting the diversity and inclusion of its employees in the belief that cooperation between people from different cultural backgrounds, with different skills, opinions and experience, is an essential prerequisite for attracting talent and guaranteeing business growth and innovation.

The Group has developed an integrated talent management system (selection, training and development) based on promoting merit and on the development of knowledge and expertise.

Remuneration is linked to national collective bargaining agreements and complementary agreements in force in the various countries, where applicable. The Group remuneration package includes: a supplementary pension scheme, a welfare package, benefits and perks for employees and their families.

To balance their working commitments with their family and personal lives, Generali Group employees can take advantage of flexible working hours, part-time roles and company crèches.

Respect for fundamental human rights is monitored annually; the awareness creation is achieved through training. A procedure is in place for reporting breaches or suspected breaches of these rights, which can be made in person or anonymously to the Group Compliance department of Assicurazioni Generali.



SALES FORCE

Committed to innovation and diversification in distribution, the Generali Group adopts a business model that revolves around clients and their needs.

The Code of Conduct guides the management of relationships with all stakeholders and also applies to the sales force, which are required to comply with the rules of conduct defined in the document. Therefore, the sales staff must engage in conduct based on correctness, specifically rejecting any type of corruption, and must provide transparent, complete and comprehensible information, so that clients can make informed purchasing decisions.

The Group focuses its operations on the constant search for innovative solutions, aimed at meeting emerging needs and changes occurring in society, the markets and in customer preferences.

Specifically, the **customer centric** approach adopted by the Group can be seen in the **multi-channel** structure used for distribution which, on the basis of the specific characteristics and context of each local area, supports the traditional distribution networks with innovative methods of access. To provide a service that is always aligned with customer needs, the multi-channel structure takes the form of:

TRADITIONAL channels, which feature a physical intermediary.

The **Distribution Network Program**, developed in 2012 and specifically dedicated to one-firm agents and bancassurance agreements, is operational.

DIRECT channels, with no intermediaries, developed through a series of innovative business models:

- "classic" direct sales
- direct channel developed by traditional companies
- cooperation with partner portals
- business development via on-line aggregators

The **Canal Grande** programme, dedicated to distribution models providing direct access to insurance company services, is operational.



7,304 agencies

more than
82,000 sales staff



145 bancassurance agreements



more than
6,300 branches

FINANCIAL COMMUNITY

In a year characterised by major internal reorganisation within the corporate structure and of the company's management, as well as the persistence of a still uncertain international macroeconomic and financial scenario, the Group confirms that making best use of its shareholders' investment is one of the priority interests.

Maintenance of the dividend at 2011 levels confirms the commitment to providing shareholders with a satisfactory return, despite a phase of capital strengthening.

The perception of the Group's financial strength by analysts and investors was confirmed by the ratings assigned by the main international ratings agencies and by the performances recorded by the Generali share during the year, in particular as a result of the appointment of new Top Management and the presentation of business strategies.

In addition, the Group's commitment to implementing policies geared towards corporate social responsibility in the management of its activities was also increasingly recognised by the financial community: in the last year, the amount of share capital held by investors who adopt ethical investment criteria increased, and the ratings assigned to Assicurazioni Generali by agencies specialised in socio-environmental and governance analysis (ESG) were confirmed or upgraded, with the subsequent inclusion in new ethical stock market indices, including excellence indices.

Dialogue with the financial community, based on maximum transparency of information, to allow investors to accurately evaluate company policies and the operating performance, was positively impacted by internal changes which occurred during the year: contacts with both analysts and investors increased in the second half of 2012 (282 meetings in total), especially in the main European financial markets, as well as media attention on events organised by the company and on Generali's participation in important international financial events.

280,000
shareholders



311 million euros
dividends distributed to shareholders

3.1%
share capital held by
ethical investors



CLIENTS

Customer loyalty is a priority for the Group and its ability to constantly meet actual client needs and expectations is a prerequisite for creating and maintaining trust in order to build lasting relationships.

Service development and innovation aim to simplify communication with the public and to integrate sales channels so as to facilitate customer access to the products distributed using the **multi-channel approach**. In order to reach greater numbers of users and facilitate contact, the traditional communication tools of Group companies are accompanied by on-line methods such as the internet, contact centres and applications for smartphones and tablets.

To facilitate the sharing of expertise between Group companies, customer-centric **initiatives** have been developed, targeted at creating products and services able to satisfy the spoken and unspoken needs of customers, such as the Customer as an asset programme and the activities of innovation teams.

The Group pays particular attention to dialogue with clients. The surveys conducted in 2012 showed a **good level of customer satisfaction**, remaining generally stable compared to previous surveys. The analysis of client/consumer expectations and the reasons behind their decisions is the starting point for developing and adding to the product range, internal organizational processes and communication.

In order to contribute to the economic development of the poorest members of society and to provide access to insurance products to those who would otherwise be excluded from the market, the Generali Group has developed **microinsurance** projects in Brazil, Colombia, Guatemala and India, for a total of roughly 218,000 insured individuals.

Number of insurance clients: **41,7** million



Number of bank clients: **1,5** million

Number of policies: **79,3** million



Payments for non-life claims:

10,7 billion euros

Payments for life policies:

14,3 billion euros

SUPPLIERS

The Generali Group believes that, in an increasingly globalised and integrated economy, creating a network based on long-lasting and mutually satisfactory relations with qualified contractual partners - that ensure high quality products and services for the Group - is a strategic objective which builds competitive success.

The Ethical Code for suppliers of the Generali Group outlines the general principles that have to underpin fruitful relations with contractual partners: correctness and honesty, transparency and impartiality, preventing conflicts of interests, fair competition and confidentiality, protecting workers and of the environment.

Suppliers are required to follow the Group's policies while performing business and to ensure compliance also with all the levels of the relevant supply chain.

The supplier selection process is carried out through clear, certain, non-discriminatory procedures, exclusively using objective, documentable and transparent criteria linked to the quality of products and services offered. Quality is also assessed in consideration of compliance with international ethical principles on labour and human rights, as well as considering the environmental impact of the manufacture and supply methods used.

Most of procurement expenses occur with local suppliers, with positive effects on the social and economic fabric of the communities where the Group companies operate, as it creates jobs and stimulates economic growth. Selecting local suppliers together with other green policies also allow to limit the impact of company activities on the environment.



COMMUNITY

The Generali Group has a long tradition of fruitful relationships with the communities with which it has come into contact in over 180 years of business activity.

In many countries the Group companies actively work with both national and local **public institutions** on various types of socially relevant projects. They are also an important reference point for associations, entities, etc. involved in activities to support the community, which they assist with funds or other types of contribution (assets, structures, people).

Many initiatives are developed with the engagement of employees, both in corporate volunteering projects, which have enjoyed strong growth in recent years, and in activities promoted by employees themselves, often with the support of the company.

Four **action areas** have been identified in order to guide the choice of initiatives for the community to which the available funds will be donated:

45 million euros allocated to the community of which:

14.6 million euros in donations

30.4 million euros in commercial initiatives

SOCIAL AREA

Initiatives aimed at improving society in every aspect by assisting and integrating weaker and more disadvantaged groups, civic education, research and training.



SOCIAL
25.9%

CULTURAL AREA

Initiatives aimed at enhancing and preserving the artistic, historical and cultural heritage of the local area and making it more accessible to the public.



CULTURAL
15.8%

ENVIRONMENTAL AREA

Initiatives aimed at protecting the environment and raising awareness about issues such as climate change, energy saving, separate waste collection and pollution.



ENVIRONMENT
1.7%

SPORTS AREA

Initiatives to support youth, amateur and professional sport.



SPORTS
56.6%

ENVIRONMENT AND CLIMATE CHANGE

In recent years, the Generali Group has commenced a process to strengthen its commitment in the various areas of social responsibility, by extending its commitment to the environment. As proof of this, the **Environmental Policy of the Generali Group** was defined, a document approved by the Board of Directors of the Parent Company, which sets out the objectives Generali intends to pursue and the commitments it undertakes to ensure environmental protection, prevent pollution and contribute to sustainable development. The objectives and commitments outlined refer to both direct environmental impacts, resulting from the Group's insurance and financial activities, and to indirect impacts, related to procurement activities, the planning and distribution of insurance and financial products and to institutional investment activities.

To implement the contents of the Policy, in 2009, the Group put into effect an **Environmental Management System (EMS)**, as part of which specific targets were defined, which the countries involved in the EMS are committed to reaching in the 2010-2012 three-year period. After checking the results obtained at the end of 2012, new environmental objectives were established in the first few months of 2013, to be achieved in the 2013-2015 three-year period.

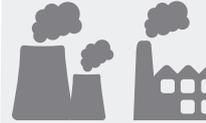
The correct implementation of the EMS and the specific achievement of the objectives are ensured by **regular monitoring** and by an internal information system, which provides half-yearly reports and a report called the Inventory of greenhouse gas emissions of the Generali Group in which, with reference to the EMS, the Group's greenhouse gas emissions are quantified, analysed and reported in a clear, detailed and transparent manner. In order to make the data published more credible, the Group asked the Certification Body RINA Services S.p.A. to certify, in accordance with ISO standard 14064, the Inventory of greenhouse gas emissions for 2011 and 2012.

The activities which are most affected by the environmental policies are the management of buildings, purchasing, information technology and, as far as mobility is concerned, the management of human resources; projects, measures and actions of various types are implemented within this domain, aimed at contributing to the achievement of the targets and objectives set.

ENERGY



77.9%
electricity quote
from renewable
sources



22.1%
electricity quote
from non-renewable
sources

PAPER

90.8%
ecological
paper

9.2%
non-ecological
paper



85,082 CO₂e GREENHOUSE GAS EMISSION



49.8% electricity
12.9% thermal energy
37.3% corporate mobility

GROUP OBJECTIVES AND TARGETS FOR ENVIRONMENTAL IMPROVEMENT - 2010-2012

Direct environmental aspects	Objective/target 2010-2012	Objective/target achievement in 2012	
Energy	5% reduction of per capita electricity consumption	-6,9%	✓
	Introduction of electricity from renewable sources	77.9% compared to 35.7% in 2009	✓
Paper	5% reduction of total paper consumption	-7.6%	✓
	10% increase in the amount of ecological paper	90.8% compared to 37.7% in 2009	✓
Water	5% reduction of per capita water consumption	-0.1%	✗
Greenhouse gas emissions	10% reduction in Scope 1 emissions (heating fuels and kilometres travelled by company fleet) and Scope 2 emissions (electricity and district heating)	-12.8%	✓
Waste	10% increase in separate waste collection	76.1% compared to 69.3% in 2009	✗

Indirect environmental aspects	Objective/target 2010-2012	Objective/target achievement in 2012	
Procurement ecology	Introduction of environmental aspects to suppliers' assessment	494 fornitori con politiche e/o certificazioni ambientali	✓
Product ecology	Development and enhancement of the range of 'green' insurance and financial products/services	Premiums for insurance products with an environmental value amounting to 1,554.2 million euros compared to 203.8 million euros in 2009	✓
Investment ecology	Exclusion of non eco-sustainable investments according to the Ethical Guidelines of the Group	No portfolio exposure since 2009	✓



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INDEX

■ THE GROUP	24	■ CLIENTS	84
Mission, vision, values and competencies	26	Client policies	85
Corporate Governance	27	Product policies	86
Sustainability development bodies	29	Products with particular social value	86
Engagement	30	Products with particular environmental value	88
Strategy	30	Socially responsible investment products	89
Policies and management tools	31	Collaboration in the interest of consumers	89
Material issues	35	Service policies	90
Innovation	35	Customer centricity initiatives	93
Communication	36	Innovation projects	93
Human rights	36	Engagement of clients	94
Corruption	37	Brand perception surveys	94
Adhesion to external voluntary initiatives	40	Other survey activities	95
Stakeholder map	41	Generali Group business sectors	97
■ EMPLOYEES	44	Insurance business	97
Employee policies	45	Banking business	103
Selection, recruitment, talent retention	46	■ SUPPLIERS	104
Remuneration, incentives, assessment	48	Supplier policy	105
Diversity and inclusion	50	Purchasing management	106
Work life balance	52	Size and characteristics of suppliers	108
Training	53	Dialogue with suppliers	108
Health and safety in the workplace	55	■ COMMUNITY	110
Union relations and transnational social dialogue	55	Community policy	111
Human rights	56	Guidelines for community initiatives	112
Size and characteristics of the workforce	59	The 2012 figures	113
Labour disputes	65	The 2012 initiatives	115
Engagement of employees	66	Social area	115
■ SALES FORCE	68	Cultural area	116
Sales policy	69	Environmental area	117
Operating management of the sales networks	70	Sports area	118
Size and characteristics of the sales force	71	■ ENVIRONMENT AND CLIMATE CHANGE	120
Insurance company sales networks	71	Environmental Policy and Environmental Management System	121
Bank sales networks	73	Direct environmental impact	124
Dialogue with sales force	74	Energy	124
Surveys and other forms of dialogue	74	Paper	128
■ FINANCIAL COMMUNITY	76	Water	130
Shareholders policies	77	Waste	131
Size and characteristics of the shareholders	78	Mobility	133
Financial and sustainability performance	79	Climate change risks and opportunities	135
Engagement of analysts and investors	81	Greenhouse gas emissions	136
		Expenditures and investments for environmental protection	138
		Education, awareness and dialogue with stakeholders	138
		Environmental ranking	140
		Indirect environmental impact	140
		■ CONTENT INDEX	142
		GRI content index - GRI 3.1 guidelines - Global Compact principles	144





THE GROUP

Berlin - Germany

THE GROUP

79,454
employees

69.6
billion euros
gross written
premiums



86.1
■ Europe

5.8
■ Rest of the world
8.2
□ The Americas



82.6
■ Europe

4.9
■ Rest of the world
12.5
□ The Americas



67.2
■ Life segment

32.8
■ Non-life segment

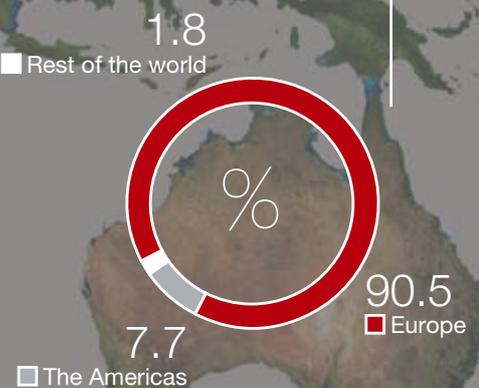
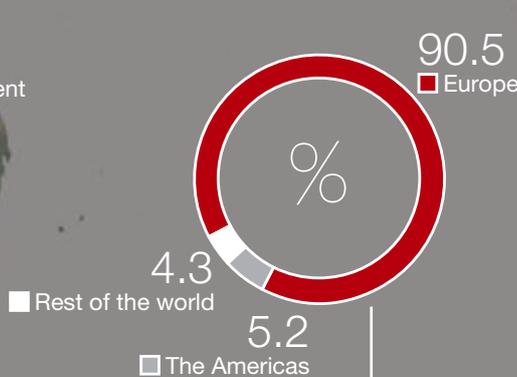
65 million clients

Present in more than 60 countries

“ A dynamic company, built around the needs of its clients, transparent, with streamlined internal processes, attractive to young people and responsible to the society it operates in. ”

45 million euros to community-oriented initiatives

t 7,900 paper consumed



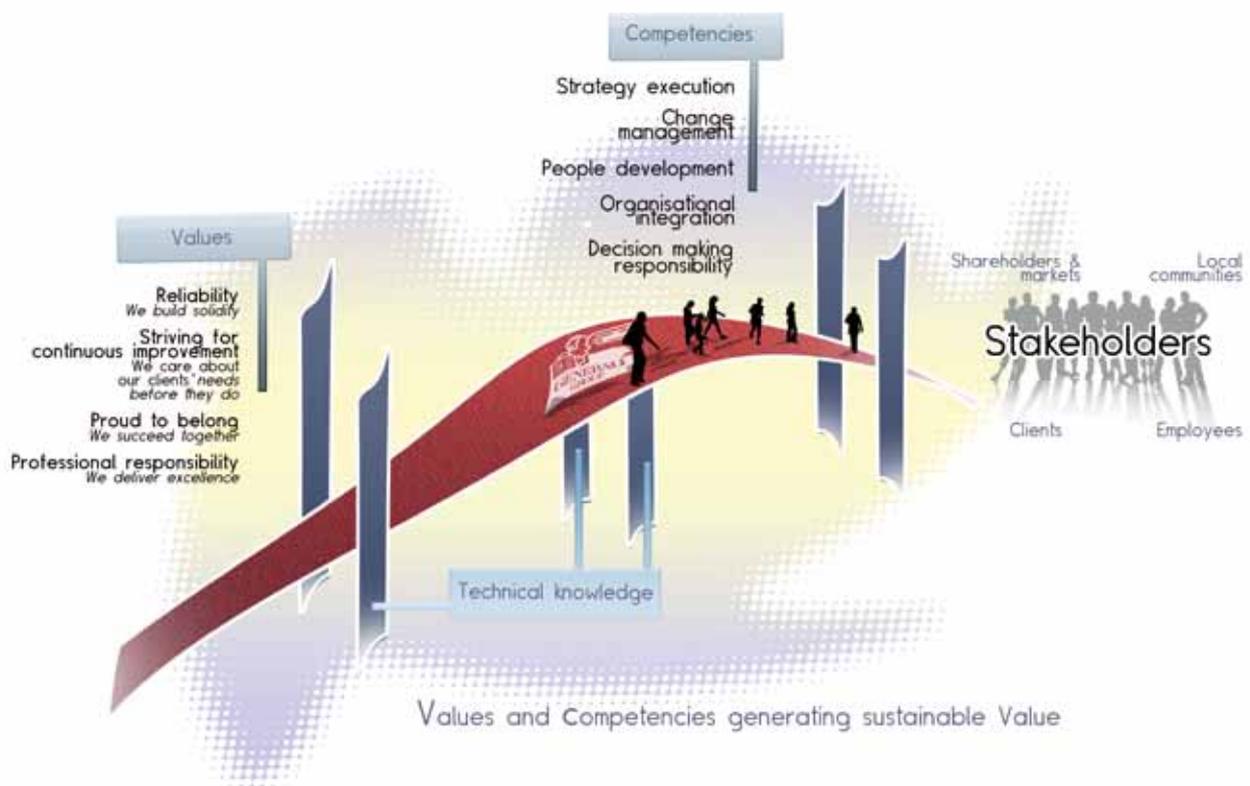
kWh **195** million electricity consumed

MISSION, VISION, VALUES AND COMPETENCIES

The **mission** of the Generali Group intends to consolidate a leadership position on its key markets, to achieve a key position on markets with growth potential, to establish itself as leader in profitability, by promoting a culture of sustainability and contributing concretely to high quality economic and social development.

The **vision** is expressed as follows:

- we are committed to being a leading international team that produces consistent, excellent results for our stakeholders in the short and long-term;
- we believe in the value of our people and we build our competitive advantage through the commitment of every individual. We will therefore seek to produce and to leverage constantly a pioneering spirit, innovation and excellence;
- we are committed to becoming the most attractive company for the best performing people;
- we will work constantly to enhance our Group identity, proud of our history and of the richness of our diversities;
- we are committed to promoting mutual respect and social responsibility.

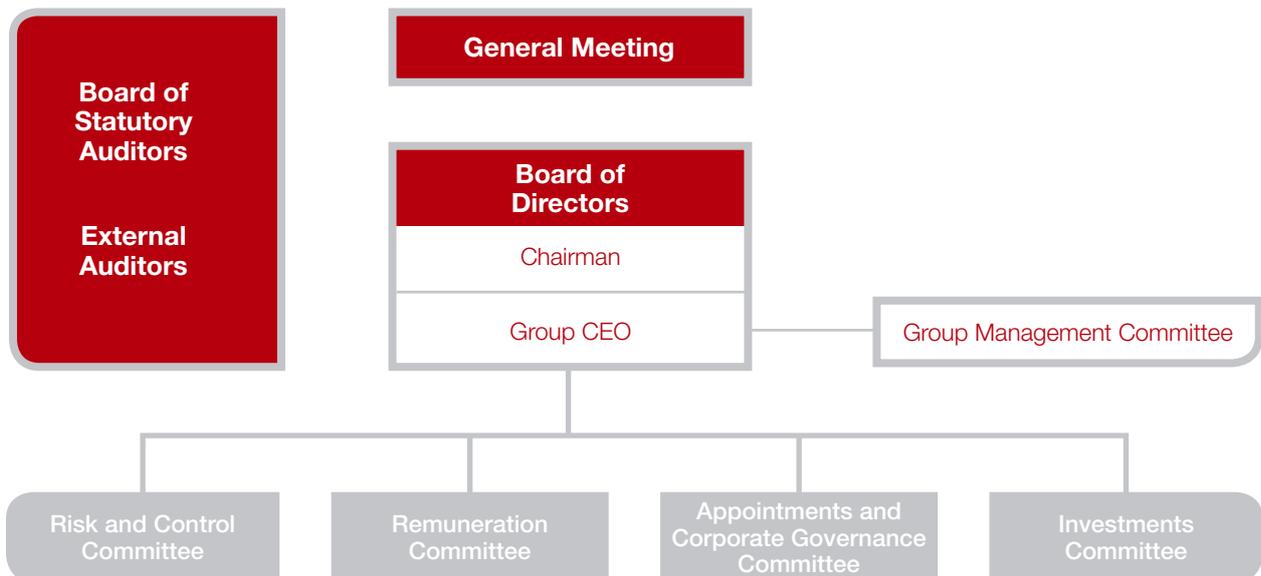


For details, see the website www.generali.com/About us

CORPORATE GOVERNANCE

Assicurazioni Generali's Corporate Governance system is focused on the goal of sustainable value creation over the long term. In pursuing this goal, the Company is committed to aiming for excellence in its organisation. The safeguarding of the soundness, reliability, transparency and

professionalism of the company, combined with an effective business strategy form the system of values the Company has built to pursue its goal of interpreting and meeting every need of its stakeholders.



The Parent Company's Corporate Governance system has been set up based on the traditional administration and control model, which includes a Board of Directors, assigned the strategic management of the Company for the pursuit of the corporate purpose, a Board of Statutory Auditors with supervisory functions and a General Meeting, the corporate body which expresses the will of the shareholders by issuing resolutions. The regulatory audit of the company's financial statements, instead, is the responsibility of an independent auditing company.

The Company's Board of Directors and the Board of Statutory Auditors are appointed by the General Meeting, through a list voting mechanism.



Shareholders' Meeting 2013, Trieste, Italy

CORPORATE BODIES

Board of Statutory Auditors

Eugenio Colucci
CHAIRMAN

Gaetano Terrin
PERMANENT AUDITOR

Giuseppe Alessio Verni
PERMANENT AUDITOR

Maurizio Dattilo
SUBSTITUTE

Francesco Fallacara
SUBSTITUTE

Acronym legend

R.C.C.
RISK AND CONTROL COMMITTEE

R.C.
REMUNERATION COMMITTEE

A.C.G.C.
APPOINTMENTS AND CORPORATE GOVERNANCE COMMITTEE

I.C.
INVESTMENTS COMMITTEE

Board of Directors

	EXECUTIVE	NON EXECUTIVE	INDEPENDENT *	R.C.C.	R.C.	A.C.G.C.	I.C.
Gabriele Galateri di Genola CHAIRMAN		■				■	
Vincent Bolloré VICE-CHAIRMAN		■				■	
Francesco Gaetano Caltagirone VICE-CHAIRMAN		■	■			■	■
Mario Greco GROUP CEO	■						■
Ornella Barra BOARD MEMBER		■	■		■		
Alberta Figari BOARD MEMBER		■	■	■			
Lorenzo Pellicioi BOARD MEMBER		■	■		■	■	
Sabrina Pucci BOARD MEMBER		■	■	■			
Clemente Rebecchini BOARD MEMBER		■		■			■
Paola Sapienza BOARD MEMBER		■	■	■			■
Paolo Scaroni BOARD MEMBER		■	■		■	■	

* independence criterion as envisaged in the Art. 3.C.1. of the Self-regulatory Code of listed companies

The composition of the new Board of Directors complies with the gender quota envisaged by regulations in force (known as the Golfo-Mosca Law): the number of women on the Board has increased to four, and women now represent 36.4% of the Board, much higher than the required minimum.

The model Generali has selected requires a clear separation between the functions of the Chairman of the Board of Directors and those of the Managing Director.

The Chairman has the power of legal representation of the Company and does not hold an operational role, as he is not assigned further powers in addition to those set forth in the Articles of Association.

In line with the provisions of the Articles of Association, the Board of Directors has appointed a Managing

Law no. 120 of 12 July 2011 (known as the Golfo-Mosca Law) introduced the gender quotas for the composition of the Boards of Directors and Boards of Statutory Auditors of listed companies in Italy, as they have been in other European legal systems. With a view to substantive equality, aiming at promoting a balance between the genders and, at the same time, favouring the access of the less represented gender to corporate positions, the Law requires that the corporate bodies of listed companies ending their terms of office from 12 August 2012 reserve a quota of at least one-fifth of the bodies' members to the less-represented gender. Starting from the second time the corporate bodies are reformed, the number of women must equal at least one-third. Sanctions are envisaged for listed companies which do not comply with this law.

Director, who has been assigned the role of Group Chief Executive Officer (CEO), as he is also the General Manager. The Group CEO is the main person in charge of Company management. In this position, the Group CEO has the power of steering and operational management of the Company and the Group, in Italy and abroad, with the powers of ordinary administration, in line with the general planning and strategies determined by the Board of Directors, within the amount limits resolved, without prejudice to the powers assigned by law or the Articles of Association exclusively to other Company bodies or otherwise delegated by the Board of Directors.

In 2012 the Group Management Committee (GMC) was established, introducing a team approach to international management of the business, with the goal of ensuring greater alignment on strategic priorities among Group business units and a more effective, shared decision-making process. In addition to the Group CEO, Mario Greco, and the Group Chief Insurance Officer (CIO), Sergio Balbinot, who is his Deputy, the GMC is composed of the managers of the three main markets (Italy, France and Germany), of the global business lines and of the steering and control functions of the Head Office (Group Chief Operations Officer, Group Chief Financial Officer, Group Chief Investment Officer and Group Chief Risk Officer).

In order to increase the efficiency and effectiveness of its work, the new Board of Directors is supported by the following advisory Committees: **Risk and Control Committee**, that also deals with environmental and social matters involving the Company and the Group - meetings of which the Group CFO is systematically invited to attend - and under which the Sub Committee for Related Party Transactions was formed; Remuneration Committee; Appointments and Corporate Governance Committee; and Investments Committee. All of the above committees have primarily consulting, recommendation and preparatory functions.



For more information, consult the **Corporate Governance and Share Ownership Report 2012**, available on the website www.generali.com/Governance



For details and updates on **Corporate Governance**, see the website www.generali.com/Governance

Sustainability development bodies

To ensure that, in addition to economic considerations, social and environmental matters linked with the business are also taken into account, specific bodies and departments have been established within the Group Head Office.

Group-level responsibility for sustainability is assigned to the Group CEO, who is responsible for the implementation of the strategies and policies defined by the Parent Company's Board of Directors, which is also responsible for setting Group sustainability objectives and commitments as well as assessing the related risks, opportunities and areas for improvement.

The **Sustainability Committee** is the implementing body which is responsible for the achievement of Group-wide sustainability objectives and for analysing the information on social issues resulting from monitoring. It is composed of Group representatives of the company functions with the most involvement in implementing social and environmental policies and the Country and Area CSR Officers.

There is also an organisational structure dedicated to the management of environmental subjects, specifically set up by the EMS Review Committee and the Environmental Management System (EMS) Committee, described in greater detail in the chapter Environment and Climate Change, section Environmental Policy and Environmental Management System.

Operational governance bodies known as **CSR Committees** are active at national level to improve the organisation and coordination of social and environmental activities. These Committees interface, on the one hand, with the Sustainability Committee, to ensure coordination of initiatives and to encourage the transfer of local best practices to an international level and, on the other, with the local Group companies, with a view to duly implementing the decisions taken by the Head Office. The CSR Committees are chaired by a member of the local Top Management and involve the Corporate Social Responsibility Officer and the managers of the company departments most involved in the implementation of social and environmental policies.

The coordination of all activities concerning sustainability, both within the Group and with regards to the market, lies with the Corporate Social Responsibility unit, reporting directly to the Group CEO.

Engagement

During the hearing before the Environmental Commissions of the Chamber of Deputies on 29 November 2012, as part of the survey on seismic safety in Italy, the Group Chief Insurance Officer stated that a mandatory or semi-mandatory system should be introduced, with tax breaks for subscribing policies, in which the government should



Sacred Convent of Assisi, Restoration of Frescoes by Giotto, Italy

play the role of ultimate reinsurer, intervening to support the market should extreme events occur. The Group CIO also pointed out that the repeated calamities in Italy in the last few years are changing people's mentality and creating greater awareness of the need to protect oneself from the consequences of these events. However, this phenomenon still has to take a strong hold, and the persistent economic crisis is an obstacle to the use of insurance. Generali has, however, begun to market earthquake coverage, which is sold together with fire coverage in home policies.

STRATEGY

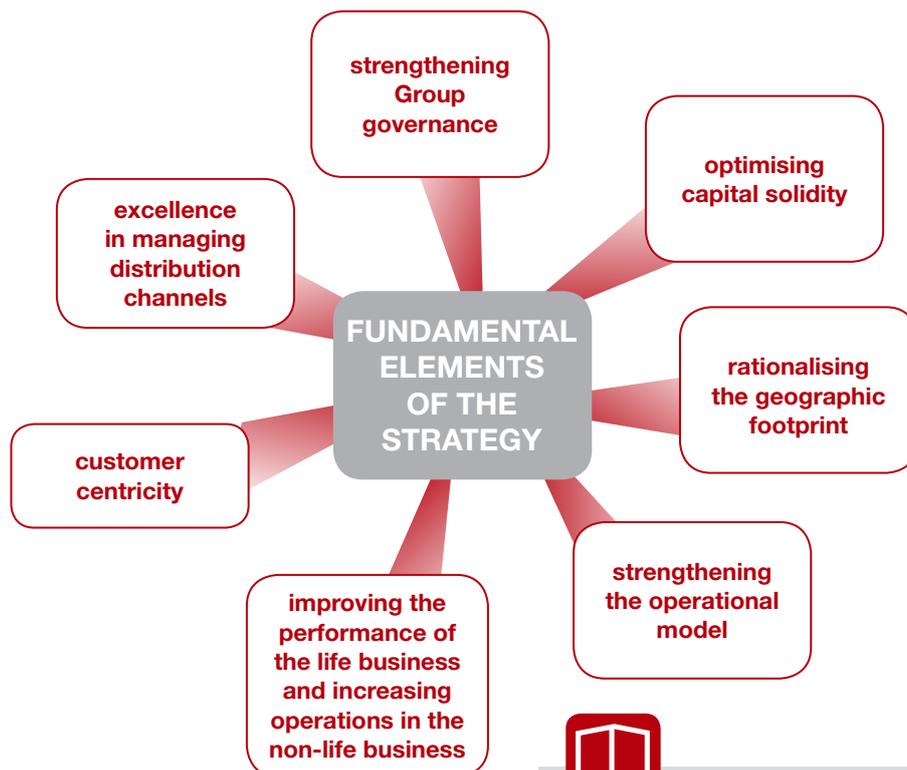
In the second half of 2012, Generali faced an in-depth review of its operational and financial strategy to identify the Group's areas of excellence and areas for improvement to be focused on in the strategic plan for 2013-2015.

The Generali Group's strategy for the next three years is based on several strengths:

- a very strong brand, both in Italy and abroad;
- a widespread, diversified international presence, with several hubs of excellence in both mature and emerging markets;
- a total amount of premiums and assets which places the Group among the top insurance groups in the world;
- consolidated leadership in the life segment and solid performance in the non-life segment.

Starting from these strengths, the Group is dedicated to developing a strategy based on three fundamental criteria: discipline, simplicity and focus on the fundamentals of the insurance business.

The goal is to steer the Group with a clear approach to increasing the profitability of the insurance business management and creating value, with a sharp focus on capital and its optimum allocation, as well as on generating cash flow for the business.



For in-depth information, consult the Management Report and Consolidated Financial Statements 2012, available on the website www.generali.com/Investor Relations

POLICIES AND MANAGEMENT TOOLS

On 14 December 2012, the Parent Company's Board of Directors approved the new **Code of Conduct**, which replaced the pre-existing Ethical Code of the Generali Group, becoming the main reference guide for the Group's social responsibility policies. In fact, the document refers to the fundamental principles which Generali draws inspiration from, the principles of correctness and integrity first and foremost, and explicitly outlines the commitments undertaken by the Group in the field of sustainability. The Code of Conduct defines the minimum standards of conduct that employees and third parties operating on behalf of the Group, e.g. agents, suppliers and consultants, are required to observe. To this end, the role assigned to persons within the organisation who hold positions of responsibility should be pointed out, who are required to engage in exemplary behaviour and promote a culture of ethical conduct which conforms to the rules within the respective spheres of competence. The new Code is designed as a tool for practical and constant consultation and, for this purpose, also includes explanatory notes and concrete suggestions.

In order to ensure the most accurate roll-out of the rules of the Code within the company environment, said code is supplemented by a system of Group Rules, issued by the Group CEO.

In terms of the contents of the Code of Conduct, of particular note is the considerable attention focused on promoting diversity with a view to ensuring inclusion, transparency and truthfulness in direct communications with all stakeholders, on the management of conflicts of interests and the fight against corruption, bribery, money laundering and terrorism financing.

In order to ensure compliance with the Code, the Group encourages anyone to report conduct engaged in by employees or by third parties operating on behalf of the Company (agents, suppliers, consultants, etc.) that they, in good faith, deem to be inappropriate, ensuring the reporting party is protected from any kind of reprisal. In order to overcome any remaining qualms over reporting events which may potentially endanger the Group's business affairs and reputation, reports can also be sent anonymously, unless prohibited by local law. Two Group reporting channels have been set up, which operate alongside already existing local channels: e-mail (concerns.co@generali.com) and post (Group Compliance - Business Integrity - Via Machiavelli 3, 34132 Trieste). The Generali Group Compliance Helpline is due to go online, a dedicated line accessible via phone or web and managed by an external specialised and independent supplier.

As already stated, the Ethical Code of the Group remained in force until December 2012; therefore, any reports of breaches during the year were managed in application

of the provisions contained therein. In particular, the Corporate Social Responsibility department received a total of two reports of breaches of the Ethical Code: the first, sent by a client, related to an alleged lack of correctness, while the other, sent by an employee, concerned an alleged instance of discrimination. Based on the investigation results, both were, however, considered to be without grounds. Lastly, a report received in 2011 is still pending.



The Code of Conduct is available on the website www.generali.com/Sustainability

Some documents issued prior to the publication of the Code of Conduct remain in force, which govern specific aspects.

The first is the **European Social Charter of the Generali Group**, adopted by the Parent Company in 2006 and drafted in collaboration with the European Works Council (EWC). The document reconfirms the guiding principles on the protection of collaborators and, more generally, the Group's image, valid in all member states of the European Union in which the Group operates.

The aspects that characterise the contents of the document are full respect for the fundamental minimum rights of collaborators; the promotion of social dialogue between management and workers' representatives; the search for better strategies for the management, protection and enhancement of human resources; compliance with trade union rights and workers' representation, as well the exercise of the associated functions.



The European Social Charter of the Generali Group is available on the website www.generali.com/Careers

The **Ethical Code for suppliers of the Generali Group**, approved by the Parent Company's Board of Directors in December 2011, sets out the general principles that must form the basis of valuable relations with contractual partners.

In this document, the Group guarantees its suppliers conduct characterised by correctness, transparency and confidentiality, asking them to align themselves with the company policies when carrying out their activities and ensuring their compliance also at all levels of the respective supply chains.

The Code includes the introduction of procedures for monitoring suppliers to check compliance with the requirements demanded and the preparedness to take corrective actions and to apply sanctions (which may result in the termination of the contract) in instances of non-compliance.

More detailed information is provided in the chapter Suppliers in this document.



The Ethical Code for suppliers of the Generali Group is available on the website www.generali.com/Sustainability

The tools Generali employs to manage its sustainability policies also include the **Ethical Guidelines for Investments**, which define the minimum requirements that must be observed by all Group investments in relation to certain environmental, social and corporate governance aspects (ESG). The Group's objective is to leverage its role of institutional investor, so that it can also effect change through investment activities, by calling for its investee companies to act responsibly, with particular regard to protection of the environment, of the human rights of workers and of the local communities affected by its activities, and to the rejection of any corrupt practice.

The approach adopted by the Group involves the exclusion from its investment universe of issuing companies that do not satisfy the parameters established, contained in an ethical filter which is applied to own investments in its portfolios (69% of total assets under management in 2012), with the exception of unit-linked investments and third party assets.

In particular, investments are prohibited in financial instruments issued by companies that, directly or through subsidiaries:

- produce weapons that, when used normally, may violate fundamental humanitarian principles (cluster bombs, anti-personnel mines, nuclear weapons, etc.);
- sell military equipment or weapons to countries on the European Union's arms embargo list, published by Stockholm International Peace Research Institute (SIPRI);
- are involved in serious or systematic violations of human rights, serious environmental damage, serious instances of corruption, or other particularly serious violations of fundamental ethical standards.

As observed, by doing so, the Group not only wishes to rule out the risk of involvement in activities that are not in keeping with its principles, but also influence the conduct of issuing companies. Through **dialogue** (analysis of corporate documents, targeted communications, one-to-one interviews), companies are therefore encouraged

to act in a responsible manner, and are required to justify any conduct observed that does not conform to the above ethical standards. Solely where the companies do not meet these standards and continue to engage in the behaviour observed, is provision made for their exclusion from the investment universe, which results in the sale of positions present in the portfolio as quickly as possible, in view of the need to protect the portfolio's value.

Furthermore, to ensure consistency of conduct for safeguarding the Group's reputation, the exclusion from investments must also coincide with the exclusion from insurance policies and/or supply contracts with the companies involved, involving the prohibition to sign new contracts, once the existing ones have expired.

Constant monitoring of information published by government sources, international bodies and non-government organisations allows the Group to gain knowledge of potential breaches of the ethical principles defined and commence dialogue with the companies involved. Compliance with the Principles for Responsible Investment (PRI) and participation in numerous international initiatives and networks, including the European Forum for Sustainable Finance (EUROSIF), the Forum per la Finanza Sostenibile (FFS) and the CRO Forum Sustainability Working Group, also allow the Group to compare its own stance with the policies adopted by the main international players in the financial industry regarding responsible investments, helping to establish guidelines and common approaches to promoting the adoption of best practice. To this end, the two documents produced by the CRO Forum Sustainability Working Group in 2011 and 2012 should be noted, concerning possible measures that an insurance company may adopt, as both investor and insurer, to manage the reputational risks related to its involvement in controversial activities concerning anti-personnel mines and cluster bombs ("Banned Weapons") and the extraction of oil from bituminous sands ("Oil Sands").

Given that there must be consistency between the investment policy and the **voting policy**, the Generali Group also strongly favours integrating ESG elements into its voting policy. Generali Investments, for example, started this process, favouring the presentation, at General Meetings, of resolutions concerning the dissemination of best practices relating to governance, professional ethics, social cohesion and environmental protection, and undertaking to rule, on a case-by-case basis, on the proposals put forward by shareholders in this regard. The primary goal is to establish genuine dialogue with company directors and managers and to encourage them to consider such topics in the performance of their activities.

The Generali Group's responsible investment policy is embodied not only by the approach described, involving the exclusion of issuing companies considered unethical, but also by the offering of SRI (Socially Responsible Investment) investment products for which the Group is able to select

the best companies in relation to the corporate social responsibility and sustainable development policies adopted, and in support, through private equity initiatives, of certain companies operating in the renewable energy and innovation sector.

For more in-depth information on these aspects, see the chapter Clients, section Socially responsible investment products, and the chapter Environment and Climate Change, section Climate change risks and opportunities.

In 2012, through the Council on Ethics for Investments, the dedicated company body composed of managers of the departments most involved in investments and managers of the Corporate Social Responsibility department, in addition to two external members from the academic world, the Group successfully evaluated the re-admission of a previously excluded company to the investment universe, given the reasons for the exclusion no longer existed, and proposed the exclusion of a new company, as the dialogue entered into did not produce the desired outcome.

In addition, through Generali Investments, in-depth analyses were conducted on a sample of companies belonging to the sectors considered at risk from a sustainability point of view, such as those involved in the extraction of oil from bituminous sands and companies operating in the tobacco industry. After evaluating the general consistency of the conduct observed with the Group's ethics criteria, dialogue was entered into with those entities that did not meet the criteria.

The list of companies considered unethical by the Group currently contains about thirty companies. At the end of 2012, unethical investments in the portfolio totalled around 200 thousand euros.

The **Environmental Policy of the Generali Group**, approved by the Parent Company's Board of Directors on 31 July 2009, has been defined as part of the project for the introduction of a Group Environmental Management System (EMS), launched in 2009 and still being implemented. The document is a statement of Generali's commitment to protecting the environment and contains the guiding principles which must be complied with in the management of all significant environmental aspects, in order to ensure that

company development and protection of the environment are compatible.

The Environmental Policy also defines the Generali objectives and commitments in this respect. The Group aims to contribute positively to sustainable development through management decisions geared towards a reduction in the direct and indirect environmental impacts of its business.

The chapter Environment and Climate Change in this document provides insights on the subject.



The Environmental Policy of the Generali Group is available on the website www.generali.com/Sustainability

The Generali Group has prepared and adopted various tools for preventing and counteracting conduct that is not in keeping with the principles of correctness, legality and transparency.

In Italy, the **Organisation and Management Model** was adopted, targeted at preventing the possible commission of the offences envisaged by Legislative Decree no. 231/2001 by employees, agents and anyone having relations with the Group, hence helping companies to avoid incurring any administrative liability.

In order to acknowledge the legislative amendments made recently, and the organisational changes which occurred within the Group, in view of a constant process of improvement, a series of activities were launched in 2012, targeted at updating the Model, by making its contents and structure more consistent with the actual operating situation.

The document is composed of a General Section which outlines, among other things, the Supervisory Body in charge of overseeing the functioning and observance of the Model, as well handling its updating, and various Special Sections, containing legislative analyses of the offences cited by the Decree and the main principles of conduct on which behaviour in all areas potentially at the risk of offence must be based. Each of these sections identifies: the company departments involved, the so-called sensitive activities, the specific offences theoretically possible, the associated methods of commission or the conduct instrumental in the commission of the offences, the preventive controls and the relevant duties of the Supervisory Body.



For more details on the Organisation and Management Model, see the Corporate Governance and Share Ownership Report 2012, available on the website www.generali.com/Governance



Martha Argerich Project, Switzerland



Generali Foundation, Vienna, Austria

Another tool designed to discourage and combat any type of fraudulent behaviour engaged in by collaborators to the detriment of the Group is the **Internal Fraud policy**. The document was issued by Assicurazioni Generali on 27 September 2010 and later adopted by all companies of the Generali Group.

The policy focuses exclusively on internal fraud, that is defined as an intentional act that is illegally performed by one or more staff members, i.e. employees, regardless of their function, classification and/or level as well as other staff members to the extent that is consistent with their contract type, directly or by way of third parties, in order to obtain a profit for themselves or for others. Such act causes or may cause damage, as well as non-economic damage, to the Group and/or lack of compliance by the Group, provided that it is directly or indirectly related to the activities carried out by the staff members within his/her relationship with the Group. Therefore, the document outlines a set of principles and organisational strategies to efficiently and effectively combat internal fraud.

Guidelines and minimum standards of conduct which Group companies must comply with in order to combat money laundering and international terrorism financing are contained in the **Group Anti-money laundering Policy**, approved by Assicurazioni Generali on 6 July 2012 and then adopted by the other Group companies worldwide. The guidelines in the document acknowledge the recommendations of the Financial Action Task Force and the provisions contained in Directive 2005/60/EC.

The main objective is to highlight the conduct to be adopted in order to prevent the use of financial transactions for the purpose of money laundering - understood as the process by which proceeds from a criminal activity are disguised to conceal their illicit origin - and financing of terrorism - which occurs when a person, by any means, directly or indirectly, provides or collects funds with the intention that they should be used or in the knowledge that they are to be used, in full or in part, in order to carry out an offence envisaged by the legislation. The document also sets out the responsibilities, duties and operating methods to be adhered to in risk management.

In Italy, the Group Anti-money Laundering Policy was approved along with the Manual for Anti-money Laundering Procedures, which defines the operating details for each individual company.

Lastly, in order to avoid conflicts of interests, in compliance with the provisions of the Consob Regulation adopted by means of Resolution no. 17221/2010, **Related Party Transaction Procedures** were prepared.

The document governs related party transactions entered into, not only by Assicurazioni Generali, but by subsidiaries too, with the objective of ensuring that said transactions are carried out in observance of the principles of transparency and substantive and procedural correctness.



The Related Party Transaction Procedures are available on the website www.generali.com/Governance

Further details on the forms of corruption mentioned above are available in the section Corruption of this chapter.

The **Charter of Sustainability Commitments** was drafted in the first few months of the year, a document requested by the Parent Company's Top Management, which was approved by Assicurazioni Generali's Board of Directors on 9 May 2013. It is an important document, which extends the approaches to managing objectives relating to significant aspects, adopted a few years ago in the environmental field, also to other relevant social responsibility issues. In fact, the Charter contains the strategic objectives the Group intends to pursue as a priority and the social and environmental commitments to meeting these objectives.

The sustainability objectives and commitments included in the Charter are not separate from the industrial ones, but instead supplement them, to help the Group reach them by creating value for all stakeholders; therefore, first of all, they are based on the contents of the new Code of Conduct and the Business Plan of the Group. The aforementioned strategic objectives and commitments will be reviewed whenever deemed necessary, to ensure they are always in line with social and environmental needs, the changes to Group activities and the expectations of stakeholders.

The document Sustainability Objectives and Commitments for 2013-2015 constitutes an integral part of the Charter, which specifies the goals the Group undertakes to achieve over a three-year period. In particular, for each strategic objective, medium- and short-term goals are identified in one or more macro areas (governance, clients, employees, contractual partners, community, environment and

innovation) and detailed information is provided on the actions the Group proposes to take to achieve them; for greater clarity, the activity or performance indicators to be used to monitor the results achieved are also specified. The Charter of Commitments also includes the 2013-2015 environmental objectives and targets defined in accordance with the procedures of the Environmental Management System. The Board of Directors of the Parent Company will, henceforth, commit strongly to achieving these objectives and targets.

The results obtained in the previous year will be accurately checked on an annual basis, assessed on the basis of the indicators monitored, and objectives and commitments will be reintroduced for the subsequent three-year period.

For the above reasons, the Charter of Commitments also constitutes a tool for increasing the transparency of communications with all stakeholders, who can objectively verify, year after year, whether, and to what extent, the Group has fulfilled the commitments outlined in the document.

MATERIAL ISSUES

Innovation

The Generali Group believes innovation is a driver for sustaining the competitive advantage of its brand over time; therefore, it has always made innovation central to all its development efforts and is committed to creating and promoting a genuine culture of innovation internally.

The Central Innovation Team (CIT) has been given an active role in carrying out this task. The CIT is a group of internal consultants dedicated to innovation and who provide tools to support a customer-centric structure, in order to make it easier to share knowledge throughout the Group, and manage a portfolio of strategic, global and long-term innovation projects, which allow the Group to constantly enhance its competitive position.

Innovation is therefore managed through the sharing of knowledge on innovative products, business models, services and processes already present on the market or in Group companies, and customer centricity, targeted at recognising expressed or latent customer needs and, through their stimuli, at the development of ideas for insurance and financial solutions that meet these needs in a new way and therefore differentiate the Group on the market. These activities are carried out prior to the feasibility analysis and before the actual implementation of the concepts created, which will first translate to a pilot project, then to operating projects that can be rolled out in the different environments in which the Generali Group operates. In fact, the approach to innovation involves an initial phase in which the most innovative and promising ideas are tested. This work method has a dual effect: on one hand, investments can be reduced considerably, limiting them to the prototype in the event the test is unsuccessful and, on the other hand, it is possible to develop and simultaneously test a balanced portfolio of low investment and quickly realisable solutions compared to the most sophisticated, innovative and medium/long-term ideas, in this way increasing the chances of success.

The development and implementation of innovative ideas involves several Group employees. The employees are arranged into teams and follow an on-the-job training programme which sees them work on real cases to be launched on the market and not on simulations. Their skills and expertise and, sometimes, their origin and cultural background differ: diversification represents a strength, given it contrasts different approaches and views and, at the same time, requires a structured process, which allows participants to interact with a common language and a shared way of working and allows ideas to be created and developed naturally and effectively.

The Group has used various channels over the years to disseminate and promote innovation internally: theme-based meetings and focus groups support the recent networking initiatives - consisting of the setting up of a team site and a quarterly e-zine (digital magazine) devoted entirely to innovation and usable by all Group employees - in which the level of knowledge sharing and collaboration is much higher. In fact, everyone can actively contribute with articles that recount their personal experiences and detail the results obtained, hence also stimulating the creation of new ideas.

The actions implemented to reach said objective involve examining the market to identify the needs and expectations of some customer segments interested in environmental and social issues, and make reference to specific projects described in the chapter Clients, section Customer centricity initiatives of this document.



Mondadori headquarter - Cascina Tregorezzo, Milan, Italy

In order to make innovation an integral part of the production system of the business, some sections dedicated to innovation projects identified on the basis of criteria defined and agreed at Head Office level have recently been introduced to the business plans of the individual countries and respective companies. This has encouraged the creation and development of a large portfolio of innovative projects which, starting from 2013, will permit effective and diversified management of the risk generated by investments in this innovation.

Communication

The Generali Group defines and promotes an integrated communication strategy, targeted at all stakeholders at global level, based on transparency and the utmost commitment to guaranteeing promptness, accessibility, accuracy and completeness of information.

Internal communication spreads the strategy and the corporate culture, supporting the transformation process of the Group with the engagement of employees. In the second half of 2012, the strategic investment in communication with employees increased through more incisive and diversified dialogue. For example, the Ask Group CEO e-mail address was activated, a channel for dialogue and debate opened at the wish of the Group CEO in order to acknowledge the observations and comments from employees, understand their priorities and answer their questions directly and promptly.

External communication activities through the media, in compliance with the relevant regulations, concern all areas of Group operations worldwide. Press releases are issued regularly and presentations and events are organised, to guarantee full disclosure in relation to the Group's latest operational and strategic developments, to the presentation of the economic and financial results and to business and social responsibility initiatives. Media relations were strengthened in 2012 and meetings were encouraged between management and the media, in order to illustrate, in particular, the Group's new strategy and present new guidelines aimed at creating more value for all stakeholders.

The Group avails itself of various communication tools to establish contact with its stakeholders and, in particular, to allow a continuous, comprehensive, up-to-date and transparent exchange of information. Traditional tools like press releases, articles, company magazines, e-mails, newsletters are supported by opportunities for direct interaction, such as conferences and theme-based meetings, and digital channels take on special significance (first and foremost, the company intranet for employees and the institutional website) within the context of widespread use of mobile internet devices and an increase in the expectations of users as regards the quantity and quality of information provided.

In order to offer key information on the Group to all those using mobile internet devices (smartphones and tablets), Generali corporate app was also launched on the market at the start of 2013.



Conceived as a concise but immediate source of information for professionals and stakeholders who keep up-to-date via mobile devices, in off-line and on-line mode, this institutional app allows access in optimised and simplified mode to the main financial, institutional and multimedia information, augmenting the website www.generali.com, which remains the main source of content for more in-depth searches. Only available in English, hence designed for an international audience, it can be downloaded free from the AppStore (Apple Operating System) and Google play (Android Operating System). An e-mail address (corporateapp@generali.com) was also set up, to which people can send comments and suggests on ways to improve the app to ensure optimum user satisfaction.

The Group also handles image policies, promotes its values and its culture, and avails itself of sponsorships - selected on the basis of standing and effectiveness criteria - to reach actual and potential customer targets, with a view to increasing commercial value.

Human rights

The Group undertakes to guarantee and promote respect for fundamental human and labour rights in all its spheres of influence, especially concerning its employees and contractual partners. As proof of this commitment, its policies and practices are in keeping with the UN Universal Declaration of Human Rights and the core international standards of the International Labour Organisation. The Group also supports principles 1 and 2 relating to the human rights of the UN Global Compact initiative.

The Generali Group Code of Conduct guarantees employees a working environment free of all types of discrimination, harassment, intimidation or mobbing and promotes diversity and inclusion in the belief that cooperation between people from different cultural backgrounds, with different skills, opinions and experience, is an essential prerequisite for guaranteeing business growth and innovation. In this way, individuality is recognised and personal differences are respected, key values for maintaining working conditions where everyone feels valued and supported.

Owing to the importance attached to promoting diversity and inclusion, the Group decided to establish the role of the Chief Diversity and Inclusion Officer, who is responsible for developing policies and guidelines, as well as training programmes on these issues.

The Group also recognises the freedom of association and collective bargaining, and prohibits any kind of illicit work, exploitation, as well as any type of compulsory, forced or child labour. Respect for the aforementioned core international standards of the International Labour Organisation is constantly monitored throughout the entire Group and promoted through specific training programmes so as to create widespread awareness. In particular, an e-learning course on the pre-existing Ethical Code of the Generali Group was launched in 2011, focussing in particular, on the respect for human and labour rights, which has involved almost 19,000 employees to date, giving priority to those that work in countries where this respect is not always guaranteed. For more details, refer to the chapter Employees, section Human rights of this document.

The Group is not limited to ensuring respect for the fundamental human rights of its employees but, in application of the provisions of the Ethical Code for the Suppliers of the Generali Group, asks its suppliers to observe all applicable national and international laws and regulations, including therein the UN Universal Declaration of Human Rights and the Declaration of the International Labour Organisation, and to also ensure compliance with them by the respective supply chains. More details can be found in the chapter Suppliers of this document.

The Generali Group also protects and promotes fundamental human rights in its role as institutional investor, through an investment policy that encourages issuing companies to act responsibly. Indeed, it forbids investments in financial instruments issued by companies that are, directly or through subsidiaries, involved in exploitation of child or forced labour or produce cluster bombs, anti-personnel mines and similar weapons. These indications are currently contained in the Ethical Guidelines for Investments, described in the section Policies and management tools in this chapter, to which reference should be made for in-depth information.

Corruption

The fight against corruption is one of the top global challenges. In fact, corruption is a major obstacle to sustainable development and has a considerable impact on the poorer communities in particular: it impedes economic growth, distorts competition between companies, presents serious legal and reputational risks for companies, and represents a huge cost.

Not only governments, but companies too can contribute to a more transparent global economy, by undertaking to eliminate all forms of corruption, develop incisive policies and practical anti-corruption programmes.

The Generali Group plays an active role in the fight against corruption: as a UN Global Compact member,



Sacred Convent of Assisi, Restoration of Frescoes by Giotto, Italy

it undertakes to share, support and apply principle 10 concerning the fight against corruption, in its spheres of influence; in addition, it asks all its stakeholders to engage in ethical conduct to counter corruption and adopts suitable measures to prevent conduct that is not in keeping with the principles of correctness, legality and transparency.

Ensuring respect for the provisions governing corruption is a strategic objective for the Group. For this reason, as stated in the Charter of Sustainability Commitments, the Group undertakes, in the short-term, to insert the periodic risk assessment of its business activities in the compliance plans.

Almost all countries in which the Group operates have legislation that prohibits corruption by public and private entities and are required to comply with said legislation, on pain of penal and/or civil sanctions. However, the Group has expressly reaffirmed its **rejection of all forms of corruption**, including the payment of bribes and extortion, in the new Code of Conduct and has provided the proper Group Rules on the matter.

In particular, in carrying out their duties, employees and third parties who operate on behalf of the Group (agents, suppliers, consultants, etc.) are required to act ethically and avoid offering to or accepting from public officials or business partners (or their relatives or business partners) unlawful payments, gifts, forms of entertainment or other inappropriate benefits. The obligation to abstain from this conduct applies without exception in the case of unlawful payments, such as bribes, payoffs or facilitating payments which aim to speed up or facilitate the execution of routine operations.

By contrast, gifts, forms of entertainment or other benefits are not considered improper and may be offered or received only when of a small value, are suited to the circumstances, concern working activities, are permitted under local legislation and conform to the commercial practice in use.



Assicurazioni Generali headquarter, piazza Duca degli Abruzzi 2, Trieste, Italy

Any exception must be authorised on a case-by-case basis by the local compliance officer.

Anyone that gains knowledge of gifts, invitations or other benefits that are suspected of wrongfully influencing company decisions is required to inform their manager or the compliance department.

The Group does not endorse any event or initiative essentially or exclusively of a political nature, refrains from exercising direct or indirect pressure on political representatives and does not make any contributions to trade union associations in order to apply political pressure.

Aware of the fact that charity and sponsorship contributions may be used for corrupt purposes, the Group requires specific preventive checks to be conducted on the beneficiaries and provides instructions on how to make payments.

Acquisitions and mergers may also run the risk of corruption. Therefore, the Group requires due diligence to be performed in advance, to identify any instances of corruption, considering a reasonable period of time prior to the date the corrupt act was carried out.

The Generali Group is committed to fighting corruption through a series of actions.

Companies are obliged to adopt and periodically review the appropriate internal means of control, compliance programmes and measures aimed at preventing and identifying corruption, developed in accordance with a risk-based approach. Hence, for this reason, companies are required to put in place procedures for the evaluation of risks that are consistent with not only their size and structure, but their nature, scope and place of business. Companies must adopt financial and accounting procedures that ensure that books, records and accounts are kept in the correct manner and are not used to engage in corruption or conceal acts of corruption. Lastly, raising awareness and training is no less important, which is described later in the section.

The Code of Conduct and its Group Rules also provide additional indications on how healthy relations must be maintained with business partners. In particular, employees are required to ensure that relations are documented by written agreements which make reference to the Group's anti-corruption policy. Payments made to business partners must comply with market conditions and must not be made to ciphered or numbered accounts.

The Code of Conduct and its Group Rules also deal with conflicts of interests, a situation which is generally avoided and, where this is not possible, is managed in such a way as to avoid prejudice to the Group, and refer to the Related Party Transaction Procedures in cases where the counterparty in a transaction is a related party of the Parent Company. Details on this document are available in the section Policies and management tools of this chapter.

Fraud, money laundering and terrorism financing are typical examples of corruption that may occur in the insurance and financial industry and which might damage organisations' reputation. Hence, the Group companies have adopted specific policies, detailed in the section Policies and management tools in this chapter, and put in place an effective system for counteracting the aforementioned practices.

It should be noted that, in Italy, in 2012, a project was launched with the objective of becoming an organisation that permits a proactive approach to fighting fraud, based on more integrated and quicker communication between the various companies involved, an improvement in the culture of combating fraud, through information/training exercises for all employees, and a dedicated website. A new anti-fraud IT system is at the implementation phase, a deterministic and predictive analysis tool for identifying anomalous and potentially fraudulent positions, to support the process of counteracting and preventing fraud. In particular, the use of predictive models makes it possible to identify examples of fraud, generated by synthesising the typical traits of similar instances of fraud. This new type of

analysis will supplement the current deterministic method already available in claims, car and accident systems, extending the anti-fraud analysis to the life segment, to the non-life lines of business still not covered and to the production networks, according to a single paradigm.

The measures which must be adopted by Generali Group companies to prevent instances of money laundering and terrorism financing include: performance of customer due diligence according to a precise framework, the obligation to keep a log of the data obtained from the aforementioned due diligence, identification of suspicious customers and/or transactions on the basis of risk indicators defined and reporting of these to the local Financial Information Unit. Companies are also obliged to have the necessary controls and tools in place for effective and efficient risk management.

These must be consistent with their characteristics, size, organisational structure, subject responsibility, products and market conditions.

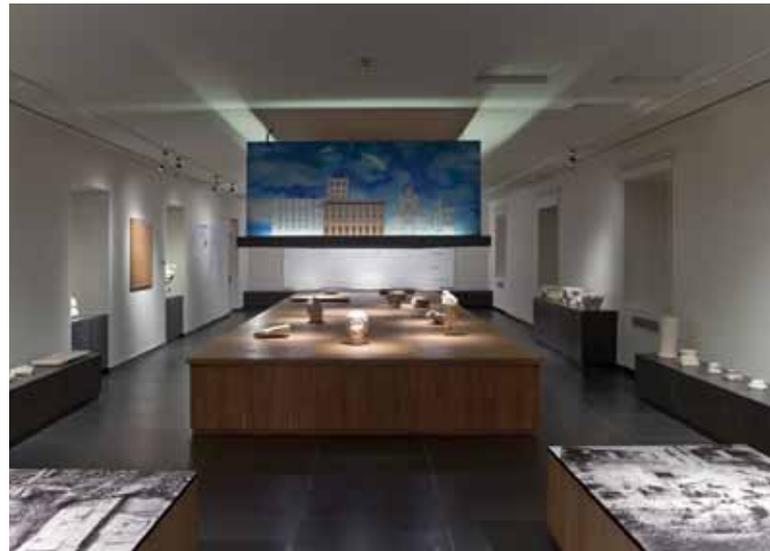
Finally, companies are requested to send a detailed report on money laundering and terrorism financing to the Head Office department responsible at least once per year, and to promptly notify said department if any events should occur that could expose the Group to high reputational risk.

In the second half of 2012, a questionnaire was circulated, prepared on the basis of specific matters (governance, customer due diligence, conservation and archiving of data, fight against international terrorism and training), with the objective of monitoring all Group companies in terms of anti-money laundering aspects.

With a view to constant improvement, the Generali Group intends to develop its policies further, by issuing a global embargo management policy, technical instructions on both the periodic control of information relating to customer due diligence, and on politically exposed persons, as well as operating guidelines for the management of potentially suspicious transactions that may indicate money laundering and on procedures of onboarding of given categories of customers. Other objectives concern the preparation of a rigorous system for the monitoring of methods of domestic payments and the adoption of a standard Group tool for the management of prejudicial information concerning actual or potential customers.

Training is an important component of risk management, as it creates internal awareness and the skills needed to prevent cases of corruption.

Therefore, the Generali Group offers adequate and continuous training to its employees who might more readily come into contact with the most significant examples of corruption for the sector, such as fraud, money laundering and terrorism financing, and, if deemed necessary, its agents and their collaborators. The goal is to provide them with the necessary tools to identify



Radici del presente Museum, Rome, Italy

and manage activities potentially connected with the aforementioned forms of corruption.

Training is carried out through specific meetings and courses given, predominantly via the e-learning method. E-learning is the chosen method, for example, for disseminating the contents and principles of the Organisation and Management Model to all employees and agents of Italian Group companies, and for providing training on money laundering and terrorism financing to the employees of Italian Group companies that are obliged to comply with the legislation, agents and their collaborators.

Awareness of corruption is created through the explanatory notes and concrete suggestions in the new Code of Conduct and in its Group Rules. Training programmes will be provided to all employees in the near future on the Code of Conduct and the Group Rules, and ad hoc training initiatives, focused on compliance programmes for the prevention and identification of instances of corruption, will be provided to employees considered at risk of encountering corruption.

Various Generali Group companies participate in activities on the subject of corruption proposed by local insurance and banking associations.

The above actions make it possible to mitigate the risk of corruption and reduce the number of instances of corruption. In this regard, in 2012, no reports of unethical conduct were received through the appropriate communication channels established. However, a limited number of instances of fraud committed by employees or business partners of Group companies were otherwise detected and managed. The actions taken in response were mainly dismissal, the adoption of disciplinary measures and the termination of contracts, depending on the interested party (employee/business partner) and the gravity of the offence.

ADHESION TO EXTERNAL VOLUNTARY INITIATIVES

The progress made during its route to sustainability has confirmed and consolidated the belief within the Group that competitiveness is fundamentally linked not only to ethical sensitivity but also to social involvement and respect for the environment. As proof of this belief, in recent years the Generali Group has adhered to various voluntary social and environmental initiatives.



In 2007, Generali signed up to **UN Global Compact**, a voluntary UN initiative that encourages companies worldwide to create an economic, social and environmental framework targeted at promoting a healthy and sustainable global economy, which ensures everyone has the chance to share its benefits.

As a participant the Group is therefore committed to embracing, supporting and applying, within its spheres of influence, a set of ten fundamental principles in the areas of human rights, labour standards, environmental protection and the fight against corruption. They enjoy universal consensus and are derived from the Universal Declaration of Human Rights, the International Labour Organisation's Declaration, the Rio Declaration and the United Nations Convention Against Corruption.

The Generali Group annually notifies its stakeholders of the activities implemented and the results obtained in relation to the ten principles through the Communication on Progress (COP). This tool is integrated in the GRI content index attached to this document.

The Global Compact supports the creation of local networks to promote the initiative and its principles in a country or specific geographic region. Therefore, the Generali Group adheres to the Global Compact Network Italia, as part of which it collaborates as a member of the Steering Committee and work groups on human rights and on sustainability reporting.

Signatory of:



In May 2011, the Generali Group signed up to the **Principles for Responsible Investment**

(PRI), a UN initiative created to support investors in implementing the six principles, which commits them to incorporating social, environmental and governance parameters in the assessment of investments. Adhesion grants access to a network that supports investors through a sharing of best practices, facilitating collaboration

between signatories and offering the chance to participate in a multitude of activities and working groups.



In 2009, the Generali Group was accredited as an Organisational

Stakeholder as part of the **Global Reporting Initiative (GRI)**, a multi-stakeholder organisation which develops the sustainability reporting framework most widely used at global level by companies of all sizes and industries. Those standards are also adopted by the Generali Group when drafting its Sustainability Report. In 2012, the Generali Group continued to actively follow developments in the new version of the guidelines (G4), participating in workshops and webinars organised by GRI on the matter, and expressing its point of view through appropriately drafted questionnaires.



The Group has participated in the **Integrated Reporting Pilot Programme** promoted by the International Integrated Reporting Council (IIRC) since 2012, with the objective of creating a structure that organisations can use to report in a single document significant financial and non-financial information, on strategy, governance, performance and medium/long-term prospects, taking into account the commercial, social and environmental context in which they operate.



In 2009, the Generali Group signed the **Kyoto Statement** of the Geneva Association, assuming a series of common commitments regarding the measures to adopt to tackle and reduce climate change. The Geneva Association is an international not-for-profit

association for economic insurance studies, dealing with the identification of fundamental trends and strategic matters in which insurance plays a key role or which affect the insurance industry, in order to understand them and spread awareness. Generali participates with all major companies of the sector, along with the Group CEO.



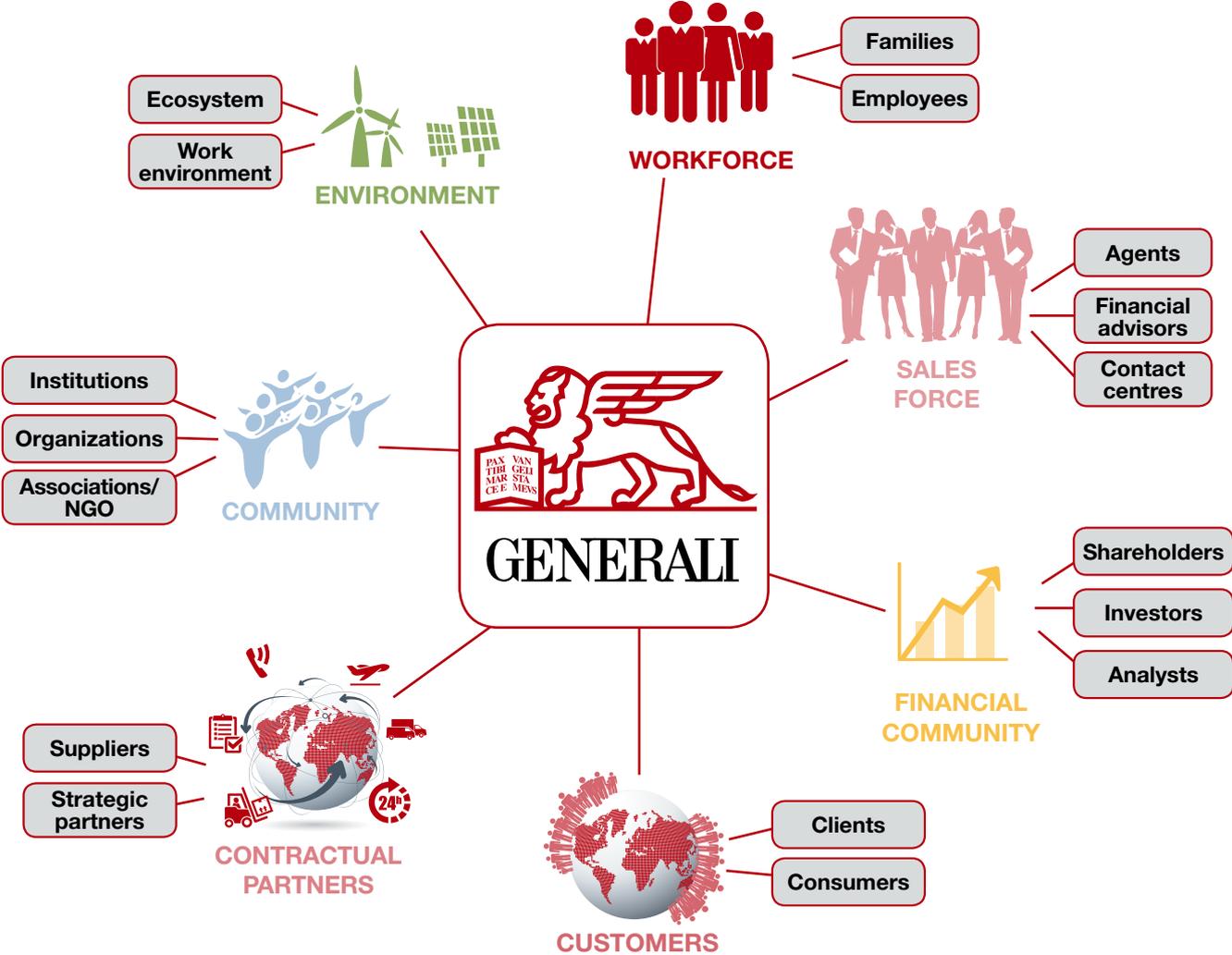
In 2010, the Generali Group also signed the **CDP**, an initiative committed to tackling the challenges relating

to climate change and to limiting its scope through the adoption of eco-sustainable conduct. The CDP is an independent organisation with 722 institutional investors

for a total of 87,000 billion dollars of assets managed. It provides investors sensitive to climate change matters with information on the strategies adopted and the environmental performance of the companies in which they invest, or intend to invest, collected through an extremely articulated questionnaire sent once a year to the major listed companies of all sectors of business worldwide.

In January 2011, the Generali Group also signed the **CDP Water Disclosure**, a similar initiative whose objective is to collect information on the water management of the major companies who use water intensively, to make it available to the market and direct investments at companies who use water sustainably. A total of 530 investors participate in the initiative for a total of 57,000 billion dollars of assets managed.

STAKEHOLDER MAP







STAKEHOLDERS

Prague - Czech Republic

EMPLOYEES





“ Human resources are the Group's fundamental asset, which represent the key element for the development, growth and the continuous view of adapting to the business change. ”

Employee policies

The Group's employee policies, the responsibility for which lies with the Group CEO, stand out for their:

- focus on employees and their commitment to offering them personal and professional development opportunities, improving their skills and expertise and developing their potential;
- trust in promising, open-minded young people keen to prove themselves, who are also given positions of increasing responsibility;
- respect for values and protection of rights.

The principles and fundamental rights of employees are outlined in the **Generali Group Code of Conduct** and reiterated in the **European Social Charter of the Generali Group**.

For in-depth information see the chapter The Group, section Policies and management tools.

Selection, recruitment, talent retention

The Group is committed to hiring highly qualified staff following a selection process based on the principles of fairness and impartiality.

All staff are given regular employment contracts as illegal employment, exploitation, forced, compulsory and child labour are not tolerated in any form. Employees receive clear and specific information on legal and salary-related issues when they are hired and when carrying out their jobs. In addition to this, for the duration of their working relationship with the Group they also receive information that helps them to understand the nature of their role and to carry it out correctly.

In order to meet and attract young talent, the Group participates in events such as **Career Day** and **Recruiting Day**, career guidance days that seek to put companies in contact with young graduates and final-year students; sponsors initiatives and works with universities and organisations that organise Master's courses in economics/finance and law; finances several scholarships for high-potential students and launches internship schemes for undergraduates writing their dissertations and graduates, to enable them to acquire experience and make positive contacts with a view to developing the working relationship in the future. Internally, it also drafts suitable professional development plans for specific positions (actuaries, analysts, sales force, etc.).

In Italy, personnel recruitment is coordinated by the **Group Recruitment and Selection** department, which is managed with the support of the Human Resources departments in the various companies.

The selection process comprises a diversified procedure that evaluates the skills and personal qualities of candidates on the basis of the different levels of experience they have acquired. Junior candidates (university/high school graduates or those with less than 3 years of professional experience) participate in collective selection assessments where they carry out individual and collective tests, while senior candidates undergo individual assessment. In both cases, if they are successful at the selection assessment stage, candidates undergo a technical interview with the managers of the sector interested in hiring them.

The Group Recruitment and Selection department plans, implements and monitors the selection processes for the Italian Group companies, quickly and effectively filling vacant posts with people with the requisite skills by monitoring recruitment channels and using advanced selection and evaluation tools. The department guarantees the quality and consistency of the process; it also promotes **Employer Branding** activities to make the Group attractive to promising young people and competitive in relation to other businesses on the job market.



Calle Orense 2, Madrid, Spain

Ideal candidates must have a good academic background and a good degree completed in a relatively short space of time, good English and preferably also another foreign language, a great willingness to travel both nationally and internationally, good problem solving and customer service skills, and an openness to change and cooperation. For positions of high added value preference is given to those with Master's degrees.

Junior candidates often start out in the company in temporary positions which, in the case of secretarial and administrative roles, are later made permanent. Junior employees are often initially allocated to the call centres where they can gain experience of having direct contact with customers; later, the best performing employees may be offered the chance of filling other managerial roles of increasing responsibility.

When selecting managers and industry experts, the Group tends to use specialised companies and publish advertisements in newspapers and on insurance and finance websites.

The selection and recruitment approach described here is not peculiar to Italy but is also shared and implemented by the main European countries in which the Group operates.

The Group believes in the internal growth of its employees and, over time, has developed an **integrated talent management system** (selection, training and development) based on promoting merit and on the development of knowledge and expertise. By defining and monitoring personalised development plans that use different tools (strategic training programmes also at international level, national and international internal

mobility, coaching programmes and participation in strategic projects), the Group aims to provide professional development opportunities, guarantee motivation and commitment, and support long-term managerial continuity.

Through the **People Project**, since 2011 the Group has set itself ambitious goals in Italy in terms of identifying, developing and retaining talent. More specifically, the aim is to fully exploit the information on the Group's key people and young talent, analysing the information collected in the various geographical areas during the annual management review process.



Week of Money, Netherlands

Training programmes are organised for new hires and are initially aimed at facilitating their integration into the company and enhancing their knowledge of the company's business; later on, they focus on developing their potential, expertise and leadership skills.

The key factors that persuade young talent to work for the Group include: its reputation, remuneration and benefits it offers, its ethics and culture, its innovation, its creativity, its work-life balance policies, international mobility, professional growth through training, career opportunities, job security, the positive atmosphere in the workplace, and the sustainability policies adopted by the Group.

In Italy and the other countries, the retention of the highly-valued young takes place through development programmes, in which they are assigned with roles of increasing responsibility, which provide them with the training they require to develop their technical/professional and behavioural expertise.

In Austria, for the second year in a row Generali won the Careers Best Recruiters award for best company in the management of personnel selection processes, and the Top and Open Company award organised by Kununu.com, the online forum where employees evaluate their employers.

Demographic changes

The demographic changes taking place which, particularly in Europe in the last few decades, have seen the number of elderly people rise as a percentage of the entire population and the age of retirement increased in many countries, are having a significant impact on the workforces which must be correctly managed. To this end, the Group has developed various studies and projects in the principal countries.

In Germany, the Group presented the **Demographic Challenge - Managing an Aging Workforce** project which addresses the issue of demographic change and its impact on the Generali Group in Germany. As of 2045, Italy, Austria, Germany and the Czech Republic will be the Group countries most affected by the reduction in the working population. In the meantime, the average age will rise: for example, whereas in 2008 the average age of the German population was 43.8 years, in 2060 it will be 49.9 years. The aim of the project is to define a policy for managing human resources in the future beginning with an analysis of the various age groups that Group employees fall into; it will then be possible to forecast the age distribution of employees in the future (2045-2060). The process continues with the identification of the risks associated with the ageing of the workforce, a simulation of the demographic change in the Group companies, and the analysis of existing measures and those to adopt in the future to address the consequences of the ageing of the workforce in the main areas of activity of human resources, such as: selection, working hours, knowledge transfer, company culture, lifelong learning and health management in the workplace.

In the Netherlands, Generali Netherland published a study on this issue, **Generali's Generations demographic trends and their impact on Generali's workforce**, which underlined how demographic change is an unavoidable phenomenon that companies will have to address in the coming decades.

In Italy, in 2012 Generali carried out an analysis on the entire population of over-55's mapping the resources which, in terms of motivation and technical expertise, will be exploited via knowledge management initiatives to create an internal faculty and a partnership between the various generations.

In France, Generali France launched the **Ambition Province Project**, a structured strategic project which, in order to address the issue of the ageing population, will seek to rejuvenate the workforce via: a policy for recruiting staff of under 30 years old; an Apprenticeship Policy which, for 2011-2013, involves a plan to permanently hire 25% of trainees in the company; a policy to establish relationships with those universities that provide the best training as well as professional development plans for specific roles. Beginning with an age analysis of the back office staff that work in French cities, a plan for the future management of human resources will also be established.

Remuneration, incentives, assessment

The Group's remuneration strategy is inextricably linked to its mission, values, governance and sustainability strategy, which prioritises the pursuit of sustainable growth over time and the growth of the workforce. In turn, this entails acknowledging individual contributions to the Group's success, also through appropriate remuneration. At the same time, this remuneration policy supports the Group's mission, values, governance and sustainability, resulting in an inextricable relationship that constantly improves the remuneration practices adopted whilst consolidating the aforementioned issues.

The Group's remuneration policy aims to reward sustainable performances with appropriate remuneration. To this end, it is based on the following key principles: internal equality, competitiveness, consistency and meritocracy.

The application of these principles also makes it possible to strengthen the motivation and loyalty of the workforce, particularly those in strategic roles or those regarded as having strong potential, so Generali can continue to consolidate its reputation as a best employer capable of attracting the brightest talent, both in Italy and abroad.

As regards the CEO and the Group management, the tools currently in use are the Balanced Scorecard for short-term variable remuneration and the Long-Term Incentive Plan for long-term variable remuneration.



More detailed information on the Group's Top Management remuneration policies can be found in the Remuneration Report available on the website www.generali.com/Governance

The allocation of a score to managers and some middle managers, based on the **Hay method**, enables the Group to define remuneration policies that take account of the need for internal equality and competitiveness. Incentive systems award results achieved in the short- and mid-long term. Performances are evaluated through a multitemporal and multidimensional approach that takes account - in

accordance with the category of the population and the timeframe under consideration - of the results achieved by individuals, the departments in which they operate and, as regards the Top Management, the overall results of the company/Group as well as those of competitors, who constitute the peer panel of reference. More specifically, the systems are based on the attainment of annual goals (attributed through the Balanced Scorecard) and three-year goals (attributed through the Long Term Incentive Plan).

The basic salary of most employees in non-managerial positions is linked to National Collective Bargaining Agreements and complementary agreements in force in the individual countries, where applicable.

The remuneration package consists of a fixed sum, a variable sum and a series of benefits, which include a supplementary pension scheme, a welfare package and other benefits for employees and their families, although there are differences from company to company.

Generally speaking, as part of the workforce assessment systems in the various countries managers periodically evaluate the results attained by employees according to the following parameters: working performance (in terms of quality and quantity of work, commitment, punctuality and conduct); development of knowledge and skills; professional development, also collecting comments and suggestions with a view to defining professional goals and future training plans.

In 2012, in the area considered by the Sustainability Report, an average of **83.5% of Group employees** were **subject to performance and career-development assessments**. This percentage is close to 100% in the Czech Republic, Switzerland, Germany and Austria, but is below average in France (73.4%) and Italy (60.5%). More specifically, 94.6% of managers, 82% of middle managers, 75.8% of office workers and 99.9% of the sales force on the payroll in the Group were subject to performance and career-development assessments. There was no discrimination against the female workforce in the assessments: this is demonstrated by the fact that,



Generali Survival, Czech Republic



International Meeting, Berlin, Germany

on average, **82.2% of women** underwent performance and career development assessment.

Below we outline the **individual performance assessment systems** and relative performance indicators used for each category of worker at the Generali Group in Italy, although the same approach is adopted in all of the main countries under consideration:

- **Managers:** in terms of the management of resources the focus for the Group is a system of values and skills that places the emphasis on generating value for stakeholders (shareholders and the market, clients, employees and the local community). This comprises of 4 values (Reliability, Pride of belonging, Commitment to constant improvement, Professional responsibility) and 5 managerial competencies (Strategy execution, Change management, Decision-making responsibility, Organisational integration, People development). The system outlines a straightforward and consistent series of successful behavioural approaches that must be adopted by Group managers according to a logic of integration and common goals, and which seek to consolidate a distinctive Generali Style. Therefore, as part of the annual Balanced Scorecard systems there is also a managerial performance indicator which, through the analysis of behavioural indicators, evaluates the adherence to, dissemination and enhancement of Group values and skills. The Group values make explicit reference to the issue of sustainability, particularly in terms of the concept of

Reliability. In addition, the slogan of the overarching system is “Values and competencies generating sustainable value” for stakeholders.

Managers and middle managers are also periodically involved in assessment and managerial skill development processes.

- **Middle managers:** the Performance and Development Dialogue is a performance management system based on the assessment of qualitative/quantitative results and compliance with the company's values which, in turn, are linked to Group managerial competencies. It is an annual process with 3 instances of dialogue between managers and employees: definition and setting of targets, interim review and goals assessment.

In order to boost performances there is an annual development plan that is updated when the goals are set and which seeks to consolidate technical knowledge and managerial skills and encourage the adoption of conduct that is consistent with the Group's social and environmental commitment.

The development plan aims to consolidate the results and does not contribute to the overall assessment of the performance indicator. This process involves the creation of a calibration committee in both the objective identification and results assessment phases. In 2012, around 700 middle managers from companies in the Italian insurance sector and Head Office were involved and the system is expected to be extended further in 2013.

- **Office workers:** a qualitative system that involves the annual assessment of basic behavioural skills with regard to performance and compliance with the Group's values is active in some Group companies and will be extended to other companies in the next few years. The system also involves the updating of the annual development plan designed to boost performances.
- **Sales force on payroll:** a series of qualitative and quantitative checks is envisioned for the purpose of assessing results and skills, recognising merit and determining avenues of professional growth. For the annual assessments, a system is used that takes account of the ability to meet production goals and evaluates performances on the basis of commercial business indicators (life and non-life), technical know-how (knowledge of products and standards, work organisation) and behavioural skills (fundamental group skills defined according to clients, sales planning, focus on results, customer orientation and problem-solving skills).

In Italy, both the Balanced Scorecard system and the Performance and development dialogue (for the part relating to the development plan) involve the attainment of a social/environmental goal. In Germany, incentives connected with the attainment of environmental targets were introduced for managers in 2011.

Diversity and inclusion

The Group seeks to improve its employees and regards diversity as an opportunity for enrichment because of the contribution it can make to the company.

As outlined in the Group Code of Conduct, Generali guarantees a working environment free of all types of discrimination and harassment, promoting the diversity and inclusion of its employees in the belief that cooperation between people from different cultural backgrounds, with different skills, opinions and experience, is an essential prerequisite for attracting talent and guaranteeing business growth and innovation.

Employees in positions of responsibility are asked to play an active role in creating and promoting a welcoming and supportive working environment where the values of integrity, respect, cooperation, diversity and inclusion are genuinely pursued. To this end, the training courses for new managers in Austria also examine issues such as equal opportunities and the prevention of all types of discrimination.

All decisions regarding the workforce, including selection, recruitment, training, assessment and professional growth, are based on merit and performance and cannot be influenced by factors such as race, ethnicity, religion/creed, sexual orientation, marital status or political beliefs.

In the majority of Group companies there are Equal Opportunities Committees; detailed information on the goals and activities of these bodies can be found in a special area of the company intranet sites.

The **Gender Balance** project continues in Germany with the aim of ensuring equal opportunities for employees at all levels of the company, in terms of leadership roles, communications, internal human resources processes and external processes targeted at clients.

In France, in order to guard against remuneration discrimination, Generali France signed an agreement (2011-2013) to guarantee equal remunerations for both male and female employees, allocating a budget for achieving this goal and for guaranteeing equal opportunities in selection, recruitment and career processes. Measures have also been taken to improve the work-life balance policies and the goal is to increase the number of women in managerial positions.

Mandatory maternity leave, applicable to all Group employees based on the laws in force in the various countries, varies between 14 weeks in Germany and Switzerland and 28 in the Czech Republic. In 2012, 2,299 employees, 1,887 of whom women (82.1%), took mandatory leave.



Senior partner in School, Germany



Senior partner in School, Germany



Senior partner in School, Germany

In Italy and France, when returning from maternity leave an orientation interview is held so mothers can be reintroduced into the company in the most effective way possible. In Germany, as well as the interview, recent mothers are also asked whether they would like help from an assistance centre in finding a crèche for their children.

In addition, in Italy focus groups have been set up in the main towns in which the Group is present in order to more accurately assess the real needs of female employees returning to work after maternity and to define a more structured form of support and assistance for them. Elsewhere, Europ Assistance has taken part in the Un Fiocco in Azienda project, an initiative of the Women Managers Group of Manageritalia, with the contribution of the Municipality of Milan, developed in order to help parents and businesses cope more smoothly with maternity, emphasise the importance of parenthood, facilitate the return of mothers to the workplace and support them also to avoid post-natal depression. The programme provides information on all bureaucratic procedures and involves an informative training course so those women who so desire can still feel a part of company life in the months they are away.

To guarantee **equal opportunities for people with disabilities**, the Group companies comply with the legislation in place that protects this category from both a social and employment perspective. This legislation which, in particular, regulates employment opportunities and establishes various protective measures during employment, differs from one country to the next, as do the requisites in terms of being classified as disabled, which makes it impossible to provide consistent data; more specifically, there are differences in terms of the percentage reduction in working capacity established in order to fall in this category. In 2012, the number of disabled people employed in the Group companies came to 1,773 (+1.4% compared to 2011), 818 of whom were women (46.1%).

To enable the differently-abled to carry out their jobs, in the majority of Group company premises there are: wheelchair-friendly bathroom facilities, sliding doors, lifts and workstations fitted with oversized monitors and special equipment for employees with hearing, speech and sight disabilities. Refurbishment works are planned at offices that are not yet accessible for people with disabilities in order to eliminate architectural barriers. Some Group companies provide application systems in order to assist with working activities (audio and visual systems, specially-designed PC programmes), special training courses, reserved parking spaces for the disabled or free parking in pay and display parking bays in the immediate vicinity of the premises.

In each country the Group's workforce consists almost entirely of local people as Generali has always valued the contribution that the local population can make in terms

of market knowledge and business development. This is also valid for positions of responsibility: in fact, **98.5% of managers are from the country in which they work** with only 1.5% hailing from overseas.

Thanks also to a policy that encourages and promotes national and international mobility within the Group, employees of all nationalities can enjoy equal opportunities in terms of their careers and professional growth. To promote cultural exchange, training programmes have been set up that are specifically aimed at employees that are transferred abroad for a period of over six months and the companies that host them. The Marco Polo programme is aimed at employees that work abroad and seeks to help them find their feet and adapt to their new social and working context, as well as to develop expertise and a mentality befitting of an international leader, in order to exploit this diversity for the benefit of the Group. Since 2011 the programme has been enriched by the **Cultural Diversity at Work** e-learning course aimed at HR and Line Managers that welcome employees from abroad. The programme seeks to promote the development of an open and multicultural mindset in order to help ex-pat colleagues settle quickly and effectively into their new role and new company/country.

GenerAzione Project

In Italy, Assicurazioni Generali, Ina Assitalia, Fata, AlleanzaToro and Genertel participated in the GenerAzione Project, an award/certification for insurance industry companies that carry out positive work in the area of gender equal opportunities. The initiative was promoted by the National Joint Committee for Equal Opportunities created by ANIA with the aim of promoting a culture and awareness of equal opportunity issues in the sector, also through the sharing of best practices that already exist in some businesses, and of certifying those companies that have stood out for their promotion of gender equal opportunities. The GenerAzione Project was outlined in a booklet financed by the European Commission as an example of an international best practice in terms of social dialogue in the industry.

In order to identify the best measures adopted by the businesses, the GenerAzione Project evaluated five thematic areas: 1. Management/training data; 2. Company and Group equal opportunities committees - Activities and Communications; 3. Company initiatives and financed projects; 4. Reconciliation (services - CIA regulations: e.g. part-time, flexibility); 5. Documentation (ethical code, sustainability report, etc.).

In 2012 all participating Group companies were acknowledged for their commitment to promoting gender equal opportunities; Assicurazioni Generali and Ina Assitalia, certified and acknowledged in all five areas of the Project, stood out in particular.

Work life balance

To balance their working commitments with their family and personal lives, Generali Group employees can take advantage of **flexible working hours, part-time roles and company crèches**. In some overseas Group companies **telecommuting** is also a possibility.

In the countries considered by the Sustainability Report, the working week ranges from 37 hours in Italy (administrative staff that adhere to the National Collective Bargaining Agreement for the insurance sector) to 42 hours at Banca Svizzera Italiana. A range of flexible start and finish times and lunch hours are available. Furthermore, in France workers can choose from different options involving variable combinations of working days and holidays.



Generali Rainbow Life, Hong Kong

Shift work is used in Europ Assistance group companies that provide policyholders with a 24/7 service and in some Group call centres that provide assistance until 10:00 p.m.. More specifically, at Europ Assistance employees work shifts of around 8 hours a day, 5 days a week, and/or shifts of no less than 4 hours a day.

Although there are differences from country to country, in accordance with the law, National Collective Bargaining Agreements and supplementary agreements in force at each company, Group employees are entitled to take **paid leave** for: marriage, the death of a relative, pregnancy, breastfeeding, maternity/paternity leave, children's illnesses/birthdays, medical appointments and tests, study, care for disabled relatives and giving blood. In line with the company's organisational requirements, workers are usually also granted **paid leave, leave with compensatory working time and working-hours bank**, which can be taken in hours or fractions of working days, to boost flexibility. More specifically, in the Italian insurance sector, the number of hours of paid leave granted to employees with disabilities and employees with children under three years of age or with serious disabilities is doubled (in the Czech Republic this entitlement continues until the disabled child has reached the age of 26, provided he/she is not being cared for social services), without prejudice to the provisions of the legislation in force with regard to leave for people with disabilities and their careers. The conditions as regards leave for medical appointments and care and study leave are also more favourable than those provided by the laws in force and the sector National Collective Bargaining Agreements. Employees are also entitled to periods of **unpaid leave** of a maximum of 12 months for justified personal or family reasons.

In the Sustainability Report countries forms of vertical and/or horizontal **part-time** work have been regulated. The number of working hours is usually reduced by 50%, but smaller or greater reductions are often possible, varying between a maximum of 80% (in France) and a minimum of 20% (in Switzerland) in the area under consideration.

Part-time contracts are generally granted for family reasons, such as the need to provide care for close relatives (parents, children, spouse or other members of the household) who are ill or disabled, to look after children, or in the event of serious personal reasons. In France, workers over 55 years of age are encouraged to request a part-time role in preparation for retirement. A similar contractual provision is in place for older workers in Germany. The granting of a part-time contract always depends on the compatibility of such a request with the company's technical, organisational and production needs. Where it is not possible, employees may however be granted reduced working hours if they are willing to carry out a similar role or be transferred to a different department at the same company site. Employees

normally have the option, often guaranteed for a certain number of years, to return to full-time work (**reversible part-time work**). After this time has elapsed, the company can still decide whether or not to accept requests to return to work on a full-time basis.

As regards the work life balance initiatives, there has been an increase in the number of **company crèches** and/or infants' schools for the children of employees:

- in Italy, at the Trieste, Mogliano Veneto and Rome offices, there are company crèches for a total of 110 children of between 3 months and 3 years old;
- in Germany, at the Cologne and Munich offices employees can use the company crèches for their children of between 6 months and 3 years old; in Munich there is also a nursery school with 72 places for children of 3 to 6 years old. Meanwhile, Europ Assistance has entered into partnerships with local crèches to ensure that the children of its employees are given priority when new places are assigned;
- in the Czech Republic, since 2013 employees at the Prague office have been able to send their children of between 18 months and 6 years to infant schools;
- in Switzerland, at the Adliswil and Nyon offices, there are two crèches that can accommodate a total of 69 children.

In 2012, Generali Group Austria was certified as family-friendly because of its advanced work life balance policies. In Germany, Generali Deutschland Holding AG, Generali Versicherung, Aechen Munchener Versicherung Generali Deutschland Investments and Dialog have been awarded the Audit Beruf und Familie (family-friendly certificate), a quality mark that the not-for-profit Hertie Foundation, with the endorsement of the Federal Ministry of the Economy, awards to companies with outstanding work life balance policies.



Environmental Class For Children, Romania

Training

The Generali Group regards learning and knowledge sharing as crucial elements for meeting its improvement goals, maximising business value and implementing its new strategy based on its core insurance business, on a customer-led business approach and on the strengthening of its capital solidity and profitability.

Human capital enhancement is supported by the **Generali Group Innovation Academy (GGIA)** - the Group Corporate University - which meets the professional growth needs of employees with training activities that are consistent with the Group's objectives and strategies. The GGIA organises and coordinates Group training initiatives for the workforce in all of the Group's companies across the world and provides support and consultancy for the activities of the training centres in European, Asian and South American countries.

One of the Group's most noteworthy international training initiatives is the Ulysses Programme. Targeted at senior and middle managers, this programme examines the issue of the competitiveness of the Group through the analysis of the markets and the various different contexts, following the learning journey model. This modular course (in 2012 one of the modules focused on Corporate Social Responsibility) offers participants the opportunity to carry out benchmarking and to exchange ideas and experiences with experts and specialists in various fields and from different parts of the world. The other training programmes include: the Marco Polo programme (already mentioned in the section Diversity and inclusion), aimed at international mobility employees; the Solvency II Group Training Programme, which seeks to provide an overview of the technical and cultural requirements for complying with the Solvency II regulation; the Internal Audit Programme, a multi-year initiative designed to improve the technical knowledge and management skills of the Internal Auditors in the Group's various offices across the world.

At local level, in all of the countries in which the Group operates, there are language, IT, legal (privacy, anti-money laundering, administrative responsibility, health and safety, etc.) and business training programmes, as well as initiatives for developing technical expertise and management and behavioural skills. More specifically, in Italy the training of the administrative workforce at the individual companies is managed by the GGIA, which also provides consultancy regarding the training courses for the sales force not on the payroll, promoted by the management teams of the individual companies.

In Germany, Absolventa GmbH awarded Generali Group Deutschland with the prestigious Official Trainee Seal in 2012 in recognition of the international programmes it provides for its workforce.



Further information on Training, see the website www.generali.com/Careers.

HEALTH AND SAFETY IN THE WORKPLACE



The Group guarantees working conditions that respect the dignity of every individual, providing its employees with healthy, safe and protected working environments in accordance with current health and safety regulations. It pays particular attention to pregnant women, mothers and workers with disabilities.

Legislative Decree no. 81 of 9 April 2008, *Testo Unico in materia di tutela della salute e della sicurezza nei luoghi di lavoro*, is in force in Italy and in the insurance industry is joined by the Agreement for the Protection of Health and Safety in the Workplace (Attachment to National Collective Bargaining Agreement 7 March 2012) which regulates the Representation of Workers in terms of Safety. In most Group companies (except in Germany and Switzerland), there are protocols of understanding or formal agreements in place with the trade unions that govern health and safety issues in the National Collective Bargaining Agreements, such as the participation of employee representatives in: inspections and audits on the health and safety of employees, investigations into accidents, training, commitments regarding performance goals or the level of practices to adopt, periodic inspections and the presence of joint health and safety committees.

Most of the Group companies have a Health and Safety Committee or a Group Risk Prevention Service designed to evaluate risk, monitor and manage problems relating to risk prevention and protection of the health of employees as they go about their professional activities. On average, 70% of the Group employees are represented by joint company/employee committees.

Employees are trained in and informed about regulations in force in the area of health and safety, risk prevention and what to do in the event of an emergency or a fire through various materials (brochures, pamphlets, dedicated notice boards, e-learning courses and the corporate intranet). At the end of the courses, there are tests to find out how much the participants have learned. Ad hoc training and refresher courses are also organised for employees with special responsibilities in the event of medical emergencies or fires. In 2012, 15,076 employees had medical **check-ups** (eye tests, ergonomic and posture assessments).

The Group also evaluates the risks and identifies the causes of **work-related stress**. To prevent this occupational illness, the Group has: set up training courses, workshops and surveys, created dedicated teams, reduced overtime, introduced flexible working hours and taken action as regards its various worksites in order to make sure that the workplaces are able to ensure employee safety, to provide more comfortable working conditions and to increase the efficiency and reliability of machinery and equipment. In Germany and Spain the Group also monitors absenteeism caused by work-related stress.

During the year, the **costs** incurred by the Group **for the health and safety** of its employees - including health monitoring costs, first-aid and fire-fighting classroom training costs, the costs of equipping emergency teams, medical check-ups (eye tests, ergonomic and posture assessments), the costs of making working conditions more comfortable, etc. - came to 28.8 million euros, the same as the previous year.

There were 609 accidents in 2012 compared with 682 in 2011 (-10.7%). Of these, 327 were commuting accidents, one of which fatal, caused by traffic accidents on the route between home and work. The remaining 282 happened at work, with most accidents in Italy consisting of falls down stairs and minor cuts. Overseas, most accidents involved sales staff out in the field, one of which was fatal and two of which resulted in serious disability. The number of accidents involving women came to 220 (36.1%), none of which were fatal or serious.

In 2012, **absenteeism** as a result of accidents, calculated as the ratio of days off work as a result of accidents to the total number of working days in the year multiplied by the size of the workforce at year-end, fell from 0.11% in 2011 to **0.09%**.

Absenteeism
rate at
0.09%

UNION RELATIONS AND TRANSNATIONAL SOCIAL DIALOGUE

The Group recognises the right of its employees to join a trade union, to appoint workers' representatives and to exercise the relative functions (including the right to collective bargaining), in accordance with freedom of association and with local regulations and practices.

The Group's employees are free to join trade unions. In Italy, 38.9% of employees are union members; meanwhile, figures on trade union membership in other countries are not available because registration to trade unions takes place externally and companies are not informed for reasons of privacy. In France, companies are specifically

forbidden by law from asking their employees to disclose such information.

During business combinations and corporate restructuring activities, the Group protects the value of each employee by providing, where necessary, training and professional requalification that takes into account the skills and experience of each person. This training aims to facilitate intercompany integration and the assignment of new tasks. Corporate restructuring may also be accompanied by voluntary redundancies, relocation (seeking to obtain the consent of interested parties) and transfers to other Group companies.

Employee representatives are suitably informed of significant organisational changes at least 30 days prior to the implementation of such changes (25 days in the event of company transfers). The only exception is France, where the minimum notice period for these initiatives is eight days before the meeting at which they are fully communicated to employee representatives.

Transnational social dialogue takes place with the **European Works Council (EWC)**, a body that represents the Group's European workers and which consists of 43 delegates from the 17 Member States of the European Union, and through relations with the Select Committee, an 8-member body that represents the EWC. In 2012, **61,719 of the Group employees, or 77.7% of the entire workforce**, were represented by the EWC.

In 2012 the Agreement that regulates the role and method of the EWC was renewed; more specifically, the concept of informing and consulting workers' representatives with regard to transnational issues and projects of significant interest to employees was redefined. Five ordinary meetings took place (three with the Select Committee and two plenary meetings) together with two extraordinary meetings to discuss the renegotiation of the Agreement and ongoing transnational projects. Members of the Group's Top Management and the Parent Company's Top Management attended the meetings, underlining the importance that the company places on issues of social interest to its employees. Finally, this year the EWC delegates' training project co-financed by the European Commission - DG Employment, Social Affairs and Inclusion - came to a conclusion.



For further information on the EWC and the European Social Charter, see the website www.generali.com/Careers

HUMAN RIGHTS

Respect for human rights, the responsibility for which is entrusted to the Group CEO, is central to the strategy of the Group which guarantees its employees a working environment free of all types of discrimination and harassment, recognises freedom of association and collective bargaining, and prohibits any kind of illicit work or exploitation, as well as all types of compulsory, forced or child labour.

The principles and fundamental rights of employees are outlined in the Generali Group Code of Conduct and reiterated in the Generali Group European Social Charter.

Compliance with the core international standards of the International Labour Organisation (ILO) is monitored by the Corporate Social Responsibility department of Assicurazioni Generali, which every year sends out a written questionnaire to the Generali Group companies across the world.

In 2012, this **monitoring** covered 98.5% of the Group's workforce and produced the following results:

- **child labour:** to ensure respect for this regulation, the companies verify the age of employees when they are hired. No Group employee is younger than 16 years of age;
- **forced labour:** there are no cases of forced, compulsory or otherwise irregular labour within the Group. All employees are free to rescind their employment contract, observing the notice period established by law. In no case does the Group withhold the personal documents of its employees in order to limit their freedom of movement and their freedom to change jobs;
- **non discrimination:** no cases of discrimination of any kind have been reported in the selection, management and remuneration of the workforce;
- **freedom of association and collective bargaining:** 84.4% of employees work at Group companies where there is employee representation. 76.9% of employees are covered by collective bargaining agreements; where such agreements are not in force, employees are hired with a formal written employment contract. 2.8% of employees work at companies located in countries where freedom of association and collective bargaining are legally restricted.

Breaches or suspected breaches of these rights can be reported in person or anonymously to the Group Compliance department of Assicurazioni Generali, which will evaluate such reports applying the procedures established by the Group Rules of the Group Code of Conduct.

In order to raise awareness about fundamental human rights a **training** programme has been developed which included an e-learning course lasting approximately an hour held in association with Generali Group Innovation Academy. The training programme has so far involved 18,944 employees at the companies in the following countries: Austria, Argentina, Brazil, China, Colombia, Ecuador, United Arab

Emirates, the Philippines, Guatemala, Hong Kong, India, Indonesia, Italy, Mexico, Panama, Portugal, Switzerland, Thailand and Vietnam.

A brief overview of how the Group guarantees the abovementioned rights of its workforce in countries not included in the Sustainability Report scope is provided below.

Other European countries

Generali also carries out insurance business activities in Belgium, Greece, Guernsey, Ireland, Liechtenstein, Portugal, the Netherlands, the United Kingdom, Turkey and the countries of Central-Eastern Europe under Generali PPF Holding (Belarus, Bulgaria, Croatia, Hungary, Kazakhstan, Montenegro, Poland, Romania, Russia, Serbia, Slovakia, Slovenia and the Ukraine).



Let's Clean, Bulgaria

Child labour - In these countries, all employees are over 18 years of age.

Employment contracts - All employees are hired with written contracts that reflect national collective bargaining agreements, where present. The minimum notice period for the unilateral termination of an employment contract by the employee is at least 30 days in most of the countries and 14-15 days in Greece, Poland, Russia and the Ukraine. Remuneration is generally in line with the average figures in the national insurance industry. Most Group companies offer flexible working hours with the working week consisting of between a minimum of 35 hours (Belgium, Guernsey and Portugal) and a maximum of 40 hours (Kazakhstan, Montenegro, Poland, Romania, Russia, Serbia, Slovenia, the Ukraine, Hungary). Overtime - not permitted in Montenegro and Serbia - is voluntary and cannot exceed 12 hours per week; it is remunerated everywhere with the exception of Kazakhstan, Slovakia, Turkey and the Ukraine.

Trade Unions - Employees are free to elect their own representative or to become members of trade union organisations, even if the number of enrolled employees is not known. In the countries of the European Union, transnational social dialogue takes place via meetings with

the European Works Council, a body that represents the Group's 61,719 European Union employees.

Employee Health and Safety - The Group complies with local regulations on the health and safety of employees and most Group companies have a Health and Safety Committee. Although there are differences from country to country, as well as healthcare and work accident insurance policies the Group generally offers its employees the following benefits: accident insurance and supplementary coverage that enables employees to enjoy quality healthcare services such as hospital admissions due to illness, accidents, surgery and medical assistance.

Asia

The Group operates in China, Hong Kong, India, Indonesia, Japan, Thailand, the Philippines, the United Arab Emirates and Vietnam.

Child labour - In these countries, all employees are over 18 years of age.

Employment contracts - In these countries there is no national collective bargaining agreement; in accordance with local laws, the employment contracts of Group employees are individual and are formalised with a written letter. In the Group companies, there are rules of conduct (Code of Conduct, Sale and Staff Management Policy, etc.) and regulations for the termination of the working relationship between the parties by mutual consent (Staff Dismissal Management Policy in China, India and Thailand). Employees are free to unilaterally terminate their contract but must observe the minimum notice period of at least 30 days (at least 7 days in Hong Kong). Remuneration is in line with the national average in the sector. The working week ranges from 36.25 hours in Japan to 44 hours in India and the Philippines. Working hours are not flexible in the Asian companies. Overtime is voluntary and is generally remunerated (with the exception of Hong Kong), and may exceed 12 hours per week in Hong Kong, Indonesia, Japan and the Philippines. The concept of overtime for employees does not exist in India.

Trade Unions - Employees are free to become members of organisations, to elect their own representative and to discuss issues such as working conditions, remuneration and benefits without being intimidated or pressured.



Day trip at the organic farm, Hong Kong

Employee Health and Safety - The Group respects the safety and health of its employees in the workplace, providing the highest possible standards of quality. Only in the Philippines is there a Health and Safety Committee. Employees are covered by healthcare and work accident insurance policies, pursuant to local laws. Although there are differences from country to country, employees can also enjoy additional benefits such as quality healthcare, which includes hospital stays, term insurance, disability and accident insurance.



Generali Rainbow Life, Hong Kong

The Americas

In the Americas, the Group operates in Argentina, Brazil, Canada, Colombia, Ecuador, Guatemala, Mexico, Panama and the United States.

Child labour - In these countries, all employees are over 16 years of age. In Brazil, Generali Brazil Seguros participates in the government's Menor Aprendiz apprentice programme, hosting in their offices young apprentices of over 16 years of age who undergo a professional apprenticeship and preparatory experience with a view to their future insertion in the labour market.

Employment contracts - The picture is quite varied: in Argentina the Group applies the national collective bargaining agreement and in Brazil it complies with the regulations set forth by the Constitution and by the Collective Employment Convention for each category of employees. In Colombia, 84% of employees are covered by collective bargaining agreements. In the other countries, the employment contracts are based on individual written agreements. The minimum notice period for the unilateral termination of an employment contract by an employee is at least 5 days in Mexico, at least 15 days in Guatemala and Panama, and at least 30 days in the other countries. Remuneration is in line or above the average of the national sector. The working week ranges from 37.5 hours in Argentina to 44 hours in Panama. Flexible working hours are possible in Canada, Guatemala and Panama. Overtime is voluntary, as a rule does not exceed 12 hours a week, and is remunerated in most countries.

Trade Unions - In no country does the Group place restrictions on the right of the workers to appoint their own representatives or to freely join a trade union.

Employee Health and Safety - The Group complies with workplace health and safety regulations in all countries and guarantees employees insurance coverage against illness and work accidents that goes beyond the minimum levels guaranteed by law. Most companies have a Health and Safety Committee. The Group companies offer their employees one or more of the following additional insurance policies at reduced cost or for free: quality healthcare, coverage for hospital stays due to illness or accident, term insurance and permanent invalidity or disability insurance.

Africa

The Group operates in South Africa through the company Europ Assistance.

Human and labour rights - The **HIV/AIDS Policy** is adopted, which ensures that people carrying the HIV virus are not discriminated against during the employee recruitment process and, if hired, are not made redundant when the illness sets in.

Child labour - The minimum age of employees is 18 years.

Employment contracts - Employment contracts are based on individual written agreements. The minimum notice period for the unilateral termination of an employment contract varies from one week, for workers employed for less than six months, to 30 days for those employed for more than twelve months. The working week comprises of 40 hours and offers flexible starting and finishing times for administrative personnel. Call centre and customer service staff are contracted to work in shifts for a maximum of 45 hours per week. Overtime is voluntary, does not exceed 10 hours per week and is remunerated following the authorisation of the employee's immediate manager.

Trade Unions - There are no restrictions regarding the rights of employees to appoint their own representatives or to freely join a trade union.

Employee Health and Safety - Workplace health and safety regulations are respected and there is a Health and Safety Committee. Employee benefits include the following insurance policies: life insurance, dread disease insurance, and insurance against disability, illness and work accidents.

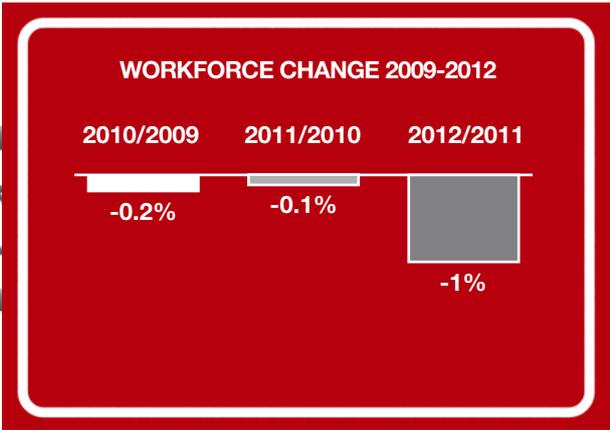
SIZE AND CHARACTERISTICS OF THE WORKFORCE

WORKFORCE

Country	2011	2012	CHANGE
Italy	16,804	16,871	0.4%
Austria	4,996	4,946	-1.0%
Czech Republic	4,711	4,615	-2.0%
France	8,217	8,065	-1.8%
Germany	15,123	14,696	-2.8%
Spain	2,560	2,659	3.9%
Switzerland	3,742	3,743	0.0%
Total	56,153	55,595	-1.0%

At the end of 2012, the total number of Group employees in the Sustainability Report area came to 55,595. Although there was an overall reduction of 558 employees (-1% compared with 2011), in the various countries there were differing trends as regards the workforce:

- there was an increase in the number of employees in Spain (+3.9%) because of new hires;
- there were falls in Austria (-1%), France (-1.8%), the Czech Republic (-2%) and Germany (-2.8%) where restructuring plans have been adopted in some companies with regard to sales staff;
- the size of the workforce remained largely the same in Italy (+0.4%) and Switzerland (0%).



Based on the trends observed in the last three years, which saw the workforce remain largely unchanged in 2010 and 2011 before reducing slightly in the last year, one can see that, even in an economic context still characterised by uncertainty, stagnation and growing competition, in which structural changes are required to maintain the competitiveness of the business, the Group has been able to keep employment levels practically unchanged.

In addition, in some countries the Group has taken an active role in helping to overcome this period of economic difficulty, particularly in relation to the serious problem of unemployment amongst the young. In France, Generali France has adopted the **Apprenticeship Policy** which, for the 2011-2013 three-year period, plans to permanently hire

25% of the interns working at the company. Generali has signed a partnership agreement with the Second Change School of Saint-Denis which, through a series of specific re-education and employment programmes, helps the unemployed and unqualified people who leave school early to become part of the working population.

In Austria and Switzerland, to help young people enter the world of employment some Group companies take on interns of between 16 and 18 years of age, giving them the chance to acquire the professional experience they need so they find it easier to get work once they have completed their studies.

WORKFORCE BY LEVEL

Country	Managers		Middle Managers		Office workers		Sales Force on payroll		Other		Total	
	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012
Italy	340	334	2,024	2,104	8,578	8,548	5,820	5,857	42	28	16,804	16,871
Austria	57	56	191	187	2,891	2,842	1,842	1,852	15	9	4,996	4,946
Czech Republic	58	56	366	307	3,415	3,481	864	766	8	5	4,711	4,615
France	149	141	3,155	3,229	2,798	2,627	2,115	2,068	0	0	8,217	8,065
Germany	227	231	751	710	10,532	10,655	3,523	3,032	90	68	15,123	14,696
Spain	74	72	352	338	1,327	1,446	797	792	10	11	2,560	2,659
Switzerland	239	254	538	574	2,339	2,277	578	592	48	46	3,742	3,743
TOTAL	1,144	1,144	7,377	7,449	31,880	31,876	15,539	14,959	213	167	56,153	55,595
Incidence %	2.0%	2.1%	13.1%	13.4%	56.8%	57.3%	27.7%	26.9%	0.4%	0.3%	100.0%	100.0%

- The breakdown of the Group's total workforce by level is not significantly different in terms of the proportion represented by individual levels.
- There have been many internal promotions as a result of professional growth in Switzerland, where there has been an increase in both the number of managers (+6.3%) and the number of middle managers (+6.7%). In Germany there was a 1.8% rise in the number of managers, while in Italy and France the number of middle managers increased by 4.0% and 2.3% respectively. In the other countries there were falls in both categories, particularly in the Czech Republic where there was a drop in both the number of managers (-3.4%) and middle managers (-16.1%) because of the high staff turnover in this country.
- At 41.8%, the proportion of managers and middle managers in France remained well above the Group average of 15.5%. The proportion of staff in managerial roles was also above average in Switzerland (22.1%), yet was particularly low in Austria (4.9%) and Germany (6.4%).
- The proportion of office workers in the Czech Republic (75.4%) and Germany (72.5%) was considerably higher than the Group average (57.3%).
- There was an increase in the number of office workers in Germany (+1.2%), the Czech Republic (+1.9%) and, in particular, Spain (+9%), due to the recruitment of new staff in the call centres. Conversely, there was a fall in the number of office workers most notably in France (-6.1%) and Switzerland (-2.7%).
- The number of the sales force on payroll fell by 3.7% overall with peaks in Germany (-13.9%) and the Czech Republic (-11.3%) due to the restructuring plans; conversely, it grew in Switzerland (+2.4%) and, to a lesser degree, in Italy (+0.6%) and Austria (+0.5%).

At the end of 2012 there were 3,998 **call centre** employees (3,962 in 2011), equivalent to 7.2% of the total workforce and to 12.5% of all office workers. The number of call centre employees grew significantly in Germany (+6%), Spain (+10.5%) and Switzerland (+12.6%), reflecting the fact that a growing number of customer services are also now carried out over the phone. The number of call centre workers is particularly high in Spain, where they represent 33.7% of the Group's total workforce and 61.9% of the office workers, the level at which they are hired. Because of the specific services they provide, the call centres are vitally important to the companies of the Europ Assistance group.

FEMALE WORKFORCE BY LEVEL

Country	Managers		Middle Managers		Office workers		Sales Force on payroll		Other		Total	
	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012
Italy	40	40	426	452	4,478	4,469	2,171	2,255	7	6	7,122	7,222
Austria	5	4	40	39	1,578	1,563	233	236	5	3	1,861	1,845
Czech Republic	6	5	143	122	2,161	2,175	781	695	3	1	3,094	2,998
France	39	35	1,653	1,721	1,905	1,800	475	479	0	0	4,072	4,035
Germany	25	28	152	142	5,718	5,757	706	569	45	20	6,646	6,516
Spain	8	7	91	91	741	828	252	252	3	3	1,095	1,181
Switzerland	26	39	123	144	1,381	1,340	25	28	8	13	1,563	1,564
TOTAL	149	158	2,628	2,711	17,962	17,932	4,643	4,514	71	46	25,453	25,361
Incidence %	0.6%	0.6%	10.3%	10.7%	70.6%	70.7%	18.2%	17.8%	0.3%	0.2%	100.0%	100.0%

- On average, women represent 45.6% of the Group's total workforce (45.3% in 2011). The only countries with significant variations on this figure were the Czech Republic and France, where women represent a higher proportion of the local workforce (65% and 50% respectively), and Austria, where this figure is just 37.3%. In Italy, women represent 42.8% of the workforce.
- In 2012 there was an increase in the number of female managers (+6%) and middle managers (+3.2%) and a fall in the number of female sales force staff on payroll (-2.8%). In terms of office workers - the category which accounts for the overriding majority of the Group's female employees (70.7%) - the figure remained largely unchanged (-0.2%). The concentration of women in the office worker category was significantly above average in Germany (88.4%), Switzerland (85.7%) and Austria (84.7%), whilst in France it accounted for just 44.6%.

- On average, a third (33.4%) of positions of responsibility (managers and middle managers) are covered by women (32.6% in 2011), with an increase of 92 (+3.3%) compared with 2011. However, the situation varies greatly from one country to the next: in France there is a higher percentage of women in managerial positions (52.1%) than men, and in the Czech Republic this figure is above average (35%); at the same time, in other countries the percentage of women in positions of responsibility is below the average with lows in Austria (17.7%) and Germany (18.1%). The general increase in the number of women in management and middle management positions includes an increase of 64 in France (+3.8%) and an increase of 34 in Switzerland (+22.8%).
- The percentage of women in Executive/Top Management positions, equal to 8.2%, was largely unchanged.
- In the call centres the number of female workers, equal to 2,572, fell by 4.6% compared with 2011, with a reduction also in the percentage weight which, despite falling from 68.1% to 64.3%, still accounts for the majority of women employees. This percentage was only below the average in Germany (48.6%) while in all other countries it was above average with peaks in the Czech Republic (80.7%), Switzerland (78.5%) and Italy (69.4%).

The characteristics of the workforce, as described above, show that women still represent a minority of all employees and an even smaller proportion of those in managerial positions due to past recruitment and career-development policies that penalised women. The situation has changed in recent years, however, and is constantly improving.

WORKFORCE BY TYPE OF CONTRACT

Country	Full-time permanent employees		Full-time fixed-term employees		Part-time permanent employees		Part-time fixed-term employees		Total	
	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012
Italy	14,492	14,559	541	445	1,471	1,526	300	341	16,804	16,871
Austria	4,359	4,291	0	0	637	655	0	0	4,996	4,946
Czech Republic	3,792	3,720	784	770	116	112	19	13	4,711	4,615
France	6,604	6,473	609	595	994	982	10	15	8,217	8,065
Germany	12,517	11,910	158	246	2,415	2,497	33	43	15,123	14,696
Spain	2,370	2,311	31	60	156	242	3	46	2,560	2,659
Switzerland	3,107	3,056	68	74	539	566	28	47	3,742	3,743
TOTAL	47,241	46,320	2,191	2,190	6,328	6,580	393	505	56,153	55,595
Incidence %	84.1%	83.3%	3.9%	3.9%	11.3%	11.8%	0.7%	0.9%	100.0%	100.0%

- 95.2% of the workforce in the Sustainability Report area have permanent contracts, a percentage that rises to 100% in Austria. However, France (92.4%) and the Czech Republic (83%) fall below this average. 93.1% of female employees have permanent contracts.
- There are 7,085 part-time employees, 5.4% up compared with the previous year, and they represent 12.7% of the total (12% in 2011). Germany is one of the countries where the proportion of these workers is highest (17.3%), along with Switzerland (16.4%) and Austria (13.2%), while the Czech Republic has the lowest percentage of part-time employees (2.7%).
- 87.4% of part-time employees are women, confirmation that this type of contract is a typically female choice: in the Group around one in four women (24.4%) have a part-time contract compared with just 2.9% of men.
- The Group companies also use temporary or project workers with fixed-term contracts for limited periods to cover peaks of work, one-off projects and temporary staff absences (due to maternity leave, sick leave, etc.), as well as trainees. 127 project workers, 594 temporary workers and 186 trainees - the equivalent of 1.6% of the total workforce - were employed in 2012, 300 of which in Germany, 284 in the Czech Republic and 112 in Italy; 551 of these employees, equal to 60.7%, are women.

The number of Group employees with graduate or postgraduate qualifications continued to increase due to the Group's recruitment policy: for example, only graduates are normally hired in Italy.

In the Sustainability Report area as a whole 32.9% of employees are **university graduates** (32.1% in 2011), while this figure is much higher in Spain (49.2%), France (46.4%) and Italy (43.0%), and much lower in Austria (12.4%), Switzerland (20.1%) and Germany (20.3%).

WOMAN/MAN REMUNERATION

Country	Managers		Middle Managers		Office workers		Sales Force on payroll	
	Remuneration*	Basic salary**	Remuneration	Basic salary	Remuneration	Basic salary	Remuneration	Basic salary
Italy	0.90	0.92	0.80	1.00	0.84	0.91	0.75	0.86
Austria	0.88	0.86	0.95	0.97	0.69	0.76	0.67	0.81
Czech Republic	0.95	0.88	0.81	0.79	0.74	0.77	0.50	0.53
France	0.97	0.95	0.88	0.89	1.04	1.05	0.77	0.83
Germany	0.85	0.93	0.84	0.90	0.80	0.80	0.73	0.79
Spain	0.80	0.86	0.86	0.97	0.83	0.82	0.86	0.94
Switzerland	0.93	0.93	0.86	0.85	0.75	0.75	0.56	0.56

* Annual amount paid by the Group to employees including not only what established by the National Collective Bargaining Agreement by the Company Collective Agreement, but also any other type of additional remuneration, such as company seniority, overtime work, bonuses, benefit

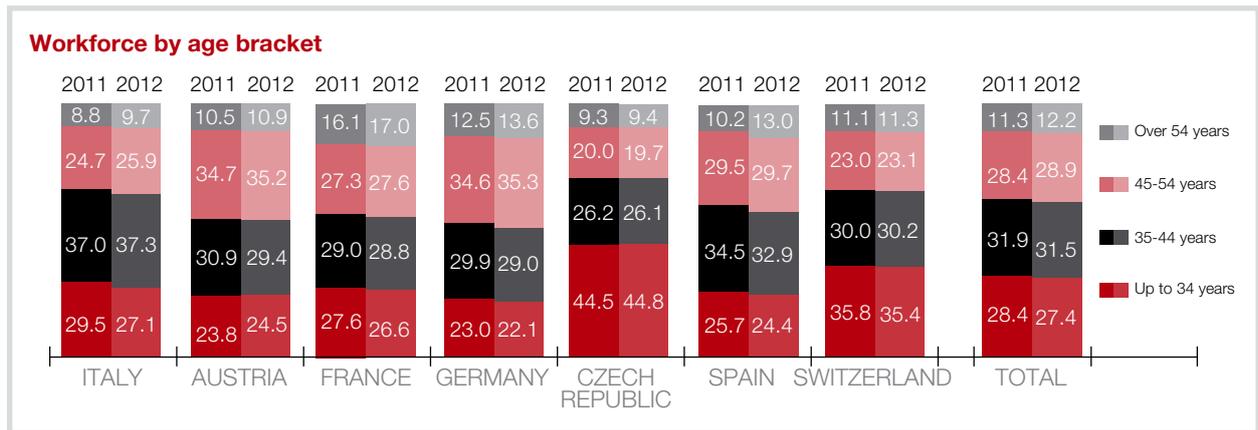
** Amount concerning just the National Collective Bargaining Agreement, without including any type of additional remuneration

- The table shows the ratio of the total gross annual remuneration of women to that of men, as well as the ratio of the gross annual basic remuneration of women to that of men for each type of level.
- In most countries and at most levels, the Group's female employees receive lower gross annual remuneration than their male counterparts, with more noticeable differences among office workers and sales force staff on the payroll. This is mainly due to the fact that women make far greater use of the leave provided for by law following the birth of a child, that they prefer part-time work contracts in order to better balance their family and working commitments, and that they have worked for the company for less time.
- Furthermore, in general, the differences are less marked at basic salary level, only increasing when additional bonuses, which are often associated with more onerous commitments in terms of working hours and transfers, are factored in. Women find it more difficult to reconcile such commitments with their role in the family.
- Only in Italy is the basic salary of female middle managers the equivalent of those of their male counterparts. In France, meanwhile, at office worker level women actually receive better remuneration than men thanks to an agreement designed to prevent remuneration discrimination.

In Italy, the gross annual remuneration paid to newly hired office workers (i.e. those at the 4th pay level according to the insurance industry national collective bargaining agreement) at Generali is 15.8% higher compared with the industry average. In France, remuneration is set according to gender: compared with the average remuneration paid for the same role by other companies in the industry, remuneration for new hires at Generali is 4.7% higher for men and 6.7% higher for women. Meanwhile, in Austria, Germany, the Czech Republic, Spain and Switzerland, the remuneration paid to new administrative staff is generally aligned with the average remuneration paid in the national insurance sector.



Bundeswettbewerb Mathematik, Germany



- At the end of 2012 the composition of the workforce in terms of age range showed a slight slant towards the older age categories, with a reduction of around a percentage point in the age range up to 34 years and a corresponding increase of a point in the age range above 54 years.
- 58.9% of the workforce is under 45 (60.4% in 2011); this age bracket includes the largest age range, that of workers between the ages of 35 and 44. The female workforce is younger: 63.9% of women are under 45 years of age and 31.6% are under 35. In Austria and Switzerland there are a total of 68 young people under the age of 18 with apprenticeship contracts, 36 of whom women.
- The Czech Republic and Switzerland have the highest percentage of staff under the age of 35. The workforce is young in Italy as well: 64.4% of employees (70.3% of women) are under 45, while the over-54's account for just 9.7% of the workforce (7.7% women) following the departures due to retirement in recent years.
- Conversely, the older age categories are much more substantial in France and in Germany, where the over-45's represent a Group high of 48.9%. In Austria, France and Germany the proportion of over-45's is at its highest, around 41-43% of the female workforce.
- In the under-35's bracket, there are more women (52.7%) than men; this proportion falls as employees get older, reaching its lowest percentage among the over-54's, where women account for 37.3% of the workforce. As well as showing that women are not discriminated against during the recruitment process, this also suggests that the male and female workforces will be of a more similar size in the future.
- The average age of the workforce is around 41. The youngest average age (38) is in the Czech Republic, while France has the highest average age (43).
- 50.6% of managers are in the 45-54 age bracket, while just 1.7% are under 35.

WORKFORCE BY SENIORITY OF SERVICE

Country	≤ 2 years		3-10 years		10-20 years		≥ 21 years		Total	
	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012
Italy	3,006	2,675	6,821	6,980	3,810	3,688	3,167	3,528	16,804	16,871
Austria	620	494	1,259	1,227	1,508	1,390	1,609	1,835	4,996	4,946
Czech Republic	1,363	1,320	2,003	1,960	868	777	477	558	4,711	4,615
France	1,858	1,681	1,984	1,937	1,974	2,045	2,401	2,402	8,217	8,065
Germany	1,929	1,651	4,829	4,198	4,803	4,901	3,562	3,946	15,123	14,696
Spain	257	453	973	863	552	525	778	818	2,560	2,659
Switzerland	1,067	1,110	1,439	1,330	721	802	515	501	3,742	3,743
TOTAL	10,100	9,384	19,308	18,495	14,236	14,128	12,509	13,588	56,153	55,595
Incidence %	18.0%	16.9%	34.4%	33.3%	25.4%	25.4%	22.3%	24.4%	100.0%	100.0%

- The Group's employees are very loyal: almost half (49.8%) have worked for the Group for over ten years and 24.4% for over twenty years.
- Austrian workers stand out for their long experience in the company with 65.2% having worked for the Group for over ten years and 37.1% for more than twenty. Seniority is also high in France, Germany and Spain, where over half of employees have worked for the Group for more than ten years.
- Employees with less than 10 years of seniority represent the majority in the Czech Republic (71.1%), Switzerland (65.2%) and Italy (57.2%).
- Average seniority varies from 15.8 years in Austria to 8.2 years in the Czech Republic.

TURNOVER

Country	≤ 34		35-54		≥ 55		Total	
	Recruitments	Terminations	Recruitments	Terminations	Recruitments	Terminations	Recruitments	Terminations
Italy	1,265	970	244	302	6	176	1,515	1,448
Austria	269	164	83	139	2	101	354	404
Czech Republic	695	550	178	350	11	90	884	990
France	866	776	272	367	14	161	1,152	1,304
Germany	661	578	455	536	33	351	1,149	1,465
Spain	302	157	124	125	1	46	427	328
Switzerland	265	246	104	180	6	79	538	505
TOTAL	4,323	3,441	1,460	1,999	73	1,004	6,019	6,444

- Of the 538 new hires in Switzerland, 163 relate to BSI, for which no age range details are available.
- The overall Generali Group average staff turnover rate - calculated as (new hires during the year + contract terminations during the year) / [(workforce at start of year + workforce at end of year)/2] - is 22.3%. In 2012, on average women accounted for 52.4% of new hires and 49.6% of contract terminations.
- The **positive staff turnover rate**, calculated as the total number of new hires as a percentage of the total workforce at the beginning of the year, was 10.7% (12.4% for women, on average).
- The **negative staff turnover rate**, calculated as the total number of contract terminations as a percentage of the total workforce at the beginning of the year, was 11.5% and 12.6% for women.
- The majority of new hires fell into the under-35 category (73.8%), as did the majority of people leaving the company, equal to 53.4% of the total; this scenario was influenced by the termination of fixed-term contracts and the greater propensity among the young to change jobs. The 35-54 age range accounted for 24.9% of new hires and 31% of contract terminations, while among the over-54's there were few new hires (1.3%) in comparison with those whose contracts came to an end (15.6%).
- In 2012, 1,452 people were hired on short-term temporary contracts and left the Group before the end of the year, 876 of whom women (60.3%).

As regards sick leave, leave following accidents in the workplace and unpaid leave, the rate of absenteeism is calculated as the ratio of the number of days of absence (total absence or for the various reasons identified) to the number of working days in the year (excluding Saturdays, Sundays and public holidays) multiplied by the number of employees at the end of the year.

The average **rate of absenteeism** in 2012 was **4.6%** (5% in 2011). Absenteeism trends differ from one country to the next: France has the highest absenteeism rate (6.5%), followed by Germany (5.1%). Switzerland (2.3%) and Spain (2.3%) have the lowest rates of absenteeism. Italy is below the average with a rate of 4.2%, as are Austria (4.1%) and the Czech Republic (3.8%).

The average rate of absenteeism among women is 5.7% due to the higher average rate of absence for illness (5%) and unpaid leave (0.7%). The female rate of absenteeism ranges from 7% in France to 1.7% in Switzerland.

LABOUR DISPUTES

NUMBER AND VALUE OF LABOUR DISPUTES

Country	Number of disputes		Value of disputes (thousand euros)	
	2011	2012	2011	2012
Italy	356	206	14,696	10,703
Austria	2	1	14	7
Czech Republic	1	2	8	51
France	251	272	15,583	8,322
Germany	151	146	7,165	1,844
Spain	18	8	368	292
Switzerland	4	8	272	331
TOTAL	783	643	38,106	21,550

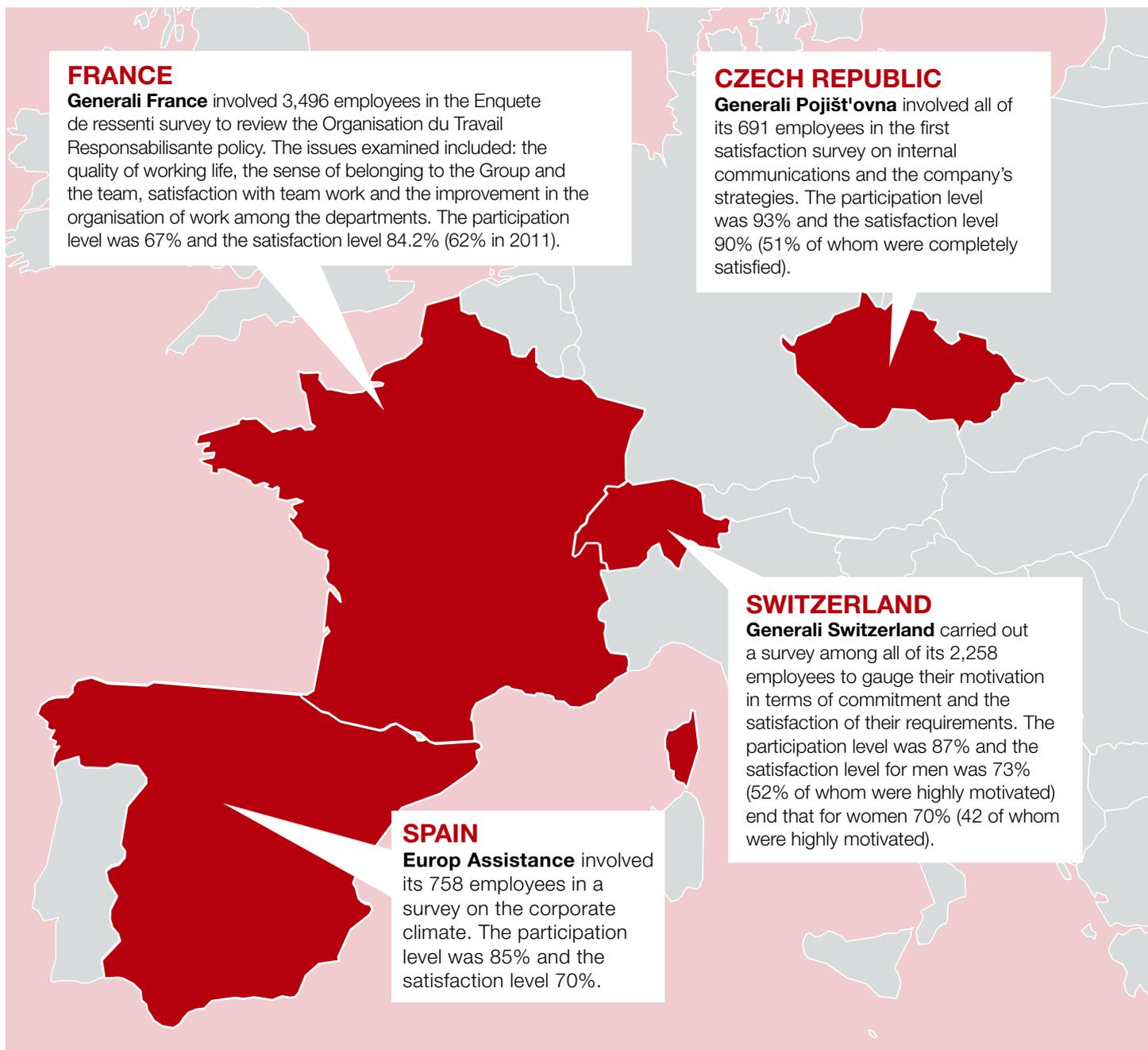
- In 2012, the number of labour disputes - which includes cases brought against the Group by employees and former employees - fell against the previous year (-17.9%). 97% of disputes were concentrated in Italy, France and Germany; in these countries, only in France there was an increase in the number of disputes - in the other two, and Italy in particular (-42.1%), the number dropped.
- The value of the labour disputes also fell significantly (-43.4%) compared with 2011, with notable reductions in all of the principal countries.
- Among the main reasons for the legal action taken by employees in the various countries were de-skilling, claims for greater responsibility and pay issues in general, the contestation of the legitimacy of individual redundancies, and the challenging of disciplinary proceedings.
- Seventeen alleged cases of mobbing were recorded in the Group in 2012, only one of which resulted in judicial proceedings. The other cases were resolved within the company.

ENGAGEMENT OF EMPLOYEES

In most countries **satisfaction surveys** on the corporate environment are carried out on a periodic basis (usually every two years) to ascertain the results of initiatives that have been launched and to identify areas for improvement and new forms of dialogue with employees. Employees are also strongly encouraged to take an active role in the workplace in order to build a corporate identity and a culture of engagement, as well as to improve internal communications within the company.

In 2012 the satisfaction surveys carried out in France (Generali France), the Czech Republic (Generali Pojišť'ovna and Europ Assistance), Spain (Europ Assistance) and Switzerland (Generali Switzerland) involved over 7,000 people. The average level of participation was 78.9% and the overall **satisfaction level** was 79.7%.

Main initiatives in 2012



To foster greater staff involvement in the pursuit of its business strategies, the Group promotes numerous **dialogue initiatives** such as workshops, conventions and meetings, the most significant of which in 2012 are outlined below.

In Italy, team building and corporate volunteering initiatives were carried out, and the 5 stages for the environment workshops (see the chapter Environment and Climate Change) were held. In addition, the Performance and development dialogue, a system for managing individual performances that involves dialogue between managers and employees (see section Remuneration, incentives, assessment), was extended to new services and companies. The surveys on the commuter journeys of Italian Group employees, carried out by the Group Mobility Manager to identify possible personalised sustainable mobility actions according to town, site and company (see the chapter Environment and Climate Change), were quite noteworthy.

In Italy, France and Germany all Generali Investments Europe SGR employees participated in the workshops organised in relation to the creation of the asset management One Company with the aim of facilitating the integration of countries/companies in terms of four priority areas (Responsibility, Delegation, Learning, Delivering).

In France, the Group continued to pursue the permanent Ambition Generali initiative, a participative-management and knowledge-sharing project that seeks to define Generali's strategy for successfully dealing with the risks and opportunities brought about by change. The plus points of the initiative, which involves the broad participation of the workforce, are the active support of

the Top Management, the customer-oriented organisation, the in-depth communication of the project and its results, and the concrete responses provided for the identified requirements. To implement the organisational change defined by Ambition Generali, developing the ability of individuals to adapt their own roles to this change, another important initiative has been launched, the Organisation du Travail Responsabilisante project, which involves the entire workforce.

In Germany the permanent Heute für Morgen: Ich unternehme Zukunft (Today for tomorrow: I am the entrepreneur of my future) initiative continues. Launched in 2009, this project involves 99% of the Generali Deutschland Group workforce. The initiative consists of an open discussion on issues relating to the future of the company, such as: business evolution trends, challenges for the future, the possibility of controlling change and improving company wellbeing through the responsible assumption of an active role at individual level.

Another important initiative pursued by the German Group is that of corporate volunteering, which in 2012 involved 300 employees in 23 different projects, which received positive feedback from all stakeholders (see chapter Community).

Finally, the workforce is also engaged via the company intranet - a tool dedicated to all employees that is designed to facilitate **internal communications** by permitting the publication of operational and regulatory information, news on projects, events and organisation notes - and e-mail, which is used to provide punctual communications on the latest company news.

SALES FORCE



Barcolana, Trieste, Italy



“Committed to innovation and diversification in distribution, the Generali Group adopts a business model that revolves around clients and their needs.”

Sales policy

In order to achieve its fundamental goal of customer satisfaction, the Group aims at high-quality products and services that are constantly updated to meet new needs and expectations, as set out in the operational objectives established in the Charter of Sustainability Commitments of the Generali Group. The definition of these commitments demonstrates the Group's approach to continuous improvement, which also includes the definition of tools to manage relationships with all stakeholders, such as the Code of Conduct. This document defines the rules of conduct for all employees and, as illustrated in the introduction, also applies to third parties acting on behalf of the Group, such as the sales forces.

As illustrated in the Code of Conduct, in relations with all stakeholders, the Group engages in conduct characterised by transparency and correctness, specifically rejecting all types of corruption. Contracts and communication with clients are based on professionalism and cooperation with a view to finding solutions that are most suited to their needs. Information provided to clients must be complete, transparent and comprehensible as for content, costs and any risks of the proposed solutions, so clients can make informed purchasing decisions. When providing the consultancy service, sales staff must also **act in the interest of potential clients**, making sure that any possible personal gains do not influence their proposals.

Managing **relationships with clients** is a key part of keeping them satisfied, meaning that sales staff have an important role to play in the promotion and distribution of products. In order to ensure that the sales force receive correct, expert training, courses are regularly organised, including classroom and e-learning activities, which are integrated with prompt communications provided through dedicated tools, such as the internet, intranet, periodic publications and circulars, featuring conduct guidelines on how they should go about their work (for data see the chapter Employees, section Training).

The management teams charged with managing sales networks are responsible for enforcing the application of guidelines and regularly verifying client feedback when conducting routine shadowing activities and random inspections. In the event of irregularities, breaches of conduct rules or non-compliance with the principles of fairness, professionalism and transparency, some Group companies impose sanctions that depend on the gravity of the offence and can include non-payment of bonuses, other measures that increase in seriousness, and even the termination of the mandate.



OPERATING MANAGEMENT OF THE SALES NETWORKS

Governance and **control** of the sales networks are conferred to management teams as defined based on local and organisational needs, in addition to structures developed on various levels and responsible for monitoring and supporting sales staff in their activities. **Coordination** and **organisation** of the sales network are assigned to each individual company. The level of service offered is monitored regularly by area managers, who check that sales staff are conducting themselves properly, meeting regulatory requirements and acquiring the skills needed to do their job. Incentive mechanisms are provided for the sales staff, linked to the quality of the service provided and the relationship with the client.



Straordinario quotidiano (Extraordinary everyday), 2012 Convention in Assicurazioni Generali, Cernobbio, Italy

SIZE AND CHARACTERISTICS OF THE SALES FORCE

The Group's commitment to constantly finding innovative solutions with the aim of meeting emerging requirements can be seen in the **multi-channel** structure adopted for the sale of insurance and financial products, which enables it to provide a service that is always aligned with clients' needs.

The focus on changes in society and the markets, and the consolidated policy of diversification have resulted in the development of the services provided. Specifically, on the basis of the specific characteristics and context of each local area, the Group supports the traditional distribution networks with innovative solutions that satisfy customer preferences indicated in terms of access methods.



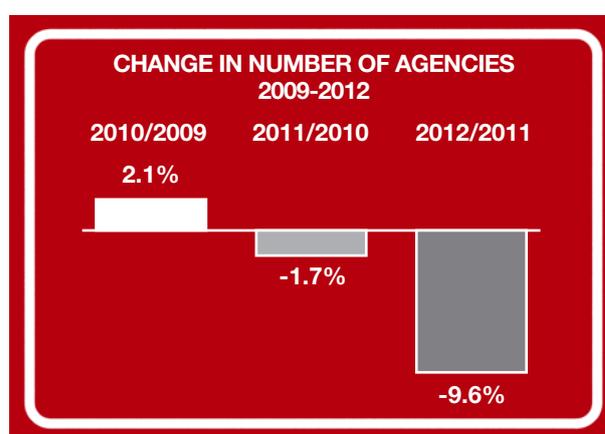
Barcolana, Trieste, Italy

Insurance company sales networks

In 2012 an important process of strategic change was initiated, based on **customer centricity**, in which the multi-channel approach plays a key role, and is expressed through:

TRADITIONAL CHANNELS which feature a physical intermediary, including agencies, bancassurance agreements and other broking methods.

Agencies continue to be the main channel for the distribution of products, despite the processes for rationalising the Group's presence in the area, with a view to efficiency, in place in certain countries, with the resulting closing down and/or absorption of smaller agencies which are not economically sustainable into larger agencies.



AGENCIES BY PREMIUM BRACKET

Country	< 1 million per year		1-2 millions per year		2-4 millions per year		4-6 millions per year		> 6 millions per year		Total	
	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012
Italy	165	167	270	272	428	425	366	361	939	908	2,168	2,133
Austria	102	95	19	22	1	1	1	1	0	0	123	119
Czech Republic	254	222	42	43	24	15	1	0	0	0	321	280
France	309	169	282	226	163	227	26	64	14	38	794	724
Germany	3,060	2,381	146	157	39	46	1	2	1	1	3,247	2,587
Spain	1,228	1,252	110	128	25	28	3	3	1	1	1,367	1,412
Switzerland	0	0	0	0	0	0	0	0	56	49	56	49
TOTAL	5,118	4,286	869	848	680	742	398	431	1,011	997	8,076	7,304
Incidence %	63.4%	58.7%	10.8%	11.6%	8.4%	10.2%	4.9%	5.9%	12.5%	13.7%	100.0%	100.0%

■ The overall number of agencies declined by 772 in 2012.

■ The reduction is concentrated in the lowest premium brackets. Specifically, the number of agencies with revenues under 1 million euros per year decreased by 832, while agencies with revenues between 2 million and 6 million euros increased by 95. This reflects the reorganisation processes underway in Germany (Central Krankenversicherung and Generali Versicherung) and France.

■ Conversely, in Spain the additional increase in agencies with revenues of less than 2 million euros confirmed the expansion of the networks underway.

A sales force of 82,247 operate in the agencies, composed of:

- 18,818 agents (21,320 in 2011), mainly entrepreneurs and primarily one-firm agents (14,933), meaning agents who distribute solely products from Group companies. Multi-firm agents, totalling 3,885, operate mainly in Germany. They totalled 631 in Italy, and most belong to the Europ Assistance distribution network.
- In 2012, agent loyalty was strengthened, with an increase in the percentage of agents with seniority of more than 10 years, though the majority have less seniority (67.7%).
- 23,527 subagents (24,643), who, based on assignments from the agent, manage the business in specifically defined parts of the agent's allocated area, at their own risk and expense.
- 24,943 self-employed agency workers (25,940), who find new business for agents.
- 14,959 sales force on payroll (15,539), who are directly on the payroll of Group companies and mainly focus on the retail segment.

Recruitment of the sales force involves selection through the careful assessment of unsolicited applications, made in response to job postings or at careers days i.e. career guidance days to put companies in contact with students and graduates, and continues with an internal process of career development, which can vary from several months to several years, and may lead to classification in the position of agent.

Through **bancassurance** agreements, Group companies expand the methods for contacting clients, also distributing insurance products through banking networks. This channel is underdeveloped in relation to the market potential. However, given that it plays a

crucial role in the multi-channel strategy adopted by the Group, it will see sharp development in the near future, with the goal of satisfying all client preferences indicated in terms of access methods. In 2012, in the Sustainability Report scope, 145 agreements were operational, for a total of 6,360 branches.

Insurance products are also offered through **other networks** of intermediaries, which supplement the traditional sales force. Specifically, approximately 47,900 financial advisors and almost 30,000 brokers work for the Group, in addition to more than 24,000 points of sale, comprising travel agencies, tour operators, hotels, airline companies, car showrooms, car hire companies and body shops, with whom partnership agreements have been signed.

With a view to increasing the efficiency and effectiveness of traditional channels and improving the quality of service focused on client needs, in 2012 the **Distribution Network Program** was developed. This programme, coordinated by the Head Office, aims at sharing competencies and best practices within the Group, and mainly concerns the one-firm agent and bancassurance networks. For agents, this programme is focused in improving the operational models for network management (recruitment, training, and incentives) to increase productivity through actions on the organisation and processes. For the bancassurance agreements, the initiative is aimed at both strengthening current partnerships, expanding distribution potential, and searching for and assessing new potential partnerships to develop additional agreements and identify the best operational methods, also to provide custom-made offers.



SOS Children Village, Austria

DIRECT CHANNELS, with no intermediaries, developed through a series of innovative business models.

“Classic” direct sales through companies that distribute products primarily through contact centres and the web. In Italy, the Group operates through the hub comprised of Genertel and Genertellife, and in Germany CosmosDirekt is the market leader in on-line sales.

Direct channel developed by traditional companies which support the direct channel with distribution channels in local areas, such as in Switzerland and in Spain, where in 2011 the Canal Cliente distribution project was launched to supplement the service offered by traditional channels.

Cooperation with partner portals, as in France, where E-Cie Vie (Generali France) is the leader in direct sales, offering life insurance products on several highly successful financial portals.

Business development via on-line aggregators, web applications that gather information which, in response to specific requests from users, can search the internet for offers concerning a specific product and aggregate all of them for the end users to compare. This distribution method is used in Germany, Spain and Switzerland, for example.

Multi-channel strategies are implemented outside the Sustainability Report scope. Specifically:

Other European countries: Genertel.hu, launched several years ago on the Hungarian market, is the leading insurance company in the country, focused mainly on motor products. In 2010, the company also launched Genertel.sk, an innovative company for the Slovak market, which uses Genertel.hu's IT platform and process. In Poland, Generali PPF has entered into an agreement to acquire Proama, which features multi-channel platform distribution model which offers policies via internet, telephone and through multi-firm agents. The Group uses the direct sales channel also in the Netherlands and, in a test phase, in Belgium, Bulgaria and Slovenia.

Latin America: La Caja in Argentina and Banorte-Generali in Mexico are two companies which use multi-channel strategies to distribute products in South America, mainly targeting banking clients.

Asia: the Group has launched the direct distribution channel as part of a multi-channel model in Thailand and, recently, in China, using a telemarketing approach.



Barcolana, Trieste, Italy

For distribution through direct channels, the **Canal Grande** programme was launched, coordinated by the Head Office. It aims at increasing and improving the customer service through the development of new distribution models that provide direct access to insurance company services through innovative channels. The programme will be developed through three main lines: supporting existing initiatives of the Group, also through the constant exchange of best practices, developing feasibility studies to launch new modern distribution initiatives, and promoting the launch of new direct sales activities. In this context, new types of distribution were tested, such as kotelezo.hu in Hungary in 2009 and mefirst.be in Belgium in 2010.

Bank sales networks

The banks in the Sustainability Report scope use different methods to distribute financial products, based on the type of clients they target. The traditional channel is used by Banca Generali in Italy (43 branches) and by BSI in Switzerland (13 branches), supplemented by other contact methods in both banks. All banks operate through financial advisors, and a total of 645 brokers are used, specifically in Austria by Generali Bank, and in Germany by Deutsche Bausparkasse Badenia.

To meet the needs of all types of clients, Banca Generali and Generali Bank also operate through call centres and internet sites, while BSI has set up an e-banking system for BSI-Connect clients. These three banks provide on-line home banking services and the option to send requests for direct advisory services.



SOS Children Village, Austria

DIALOGUE WITH SALES FORCE

Group companies provide the sales force with various tools for facilitating dialogue and enabling accurate and up-to-date communication with management teams tasked with organising and managing the sales network. The development of various channels enables constant and effective communication for continual training on regulations, operating methods, rules and conduct with clients, with a view to facilitating product distribution and improving customer service.

The entire Group's sales force can access dedicated **intranets**, which are constantly updated with news concerning regulations, sales and customer relationship management initiatives. A **newsletter** service is also provided on the intranet, which is used primarily to announce the launch of new products and provide updates on commercial initiatives. Sales force have email addresses, provided and managed by Group companies, to enable timely one-to-one communication and daily updates.

In some countries, sales networks are provided with print **publications** of the major commercial initiatives, insurance and/or financial market trends and certain regional success stories.

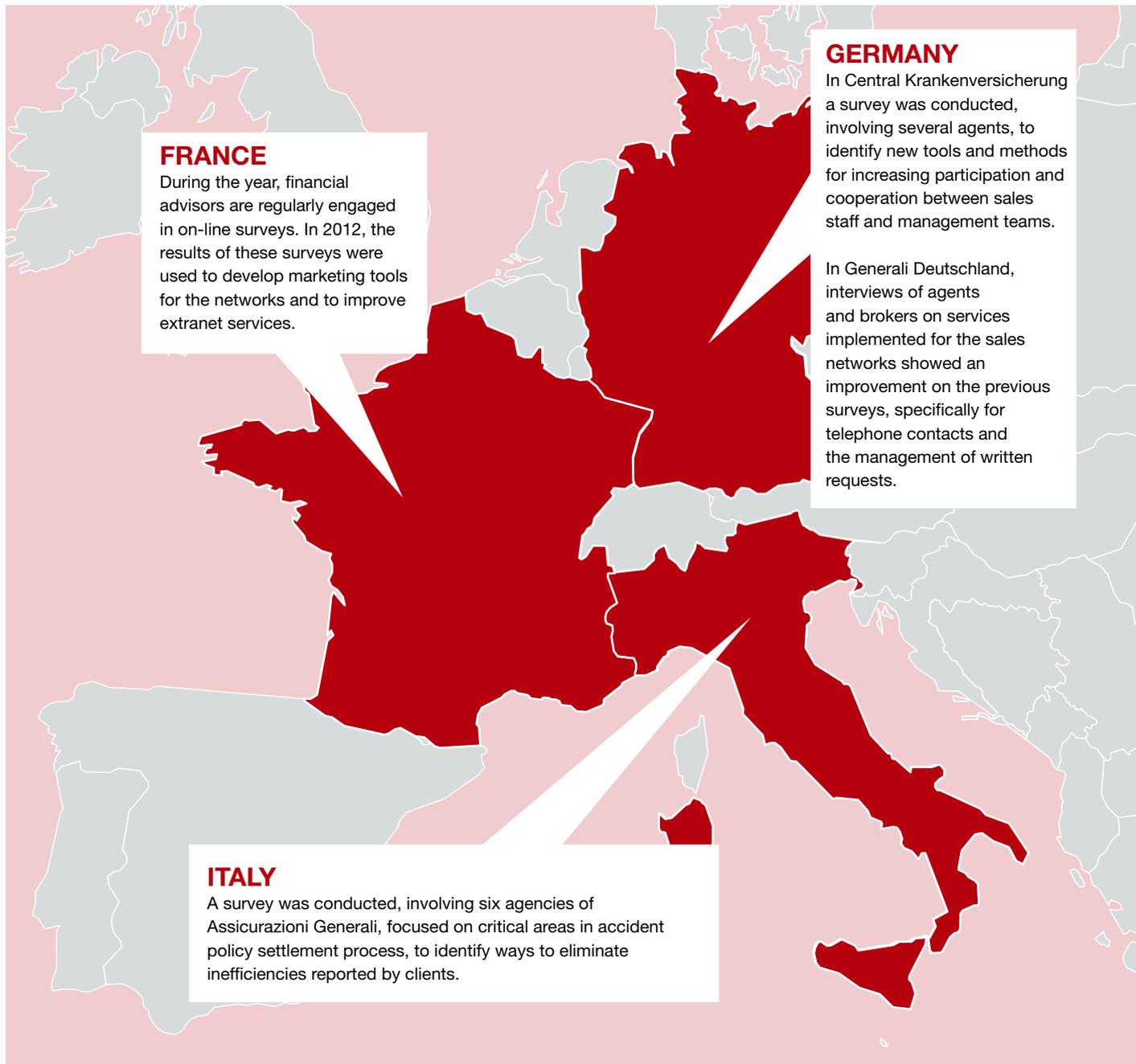
Surveys and other forms of dialogue

With the aim of developing the relationship with the sales networks and improving involvement in the business strategies, the Group promotes numerous initiatives for dialogue with the sales force who, having direct contact with the entities in the market, can provide important information for developing products and improving service. The main objectives of the dialogue with the networks focus on checking sales force satisfaction, investigating possible areas for improvement and providing clients with a service that is always in line with expectations.

In all countries, Group companies conduct annual or biennial surveys on the satisfaction of the sales network, using on-line or hard copy questionnaires. The surveys conducted in 2012 showed a **good level of satisfaction of the sales force**, which remained stable compared to the previous surveys.

In order to improve relationships with the sales network, the level of satisfaction is also monitored in relation to services set up by the company for ordinary operations of the sales staff. In this view, in Italy and Spain **applications** have been developed for smartphones, next generation mobile phones and, in some cases, also for tablets, which simplify the management of client portfolios, accurately update the network and provide constant information concerning the performance of the markets.

Satisfaction surveys on services provided to the sales networks



Group companies also organise focus groups and meetings at various levels with the sales network to gather suggestions and information to guide innovation of products and services toward the new demands. Workshops are also frequently organised with the sales force, which illustrate the results obtained and the new products in the market launch phase. This is a chance for sales networks to become involved in business strategies and for sales staff to provide direct initial feedback on the new product offering.

In all countries Group companies regularly organise conventions and meetings to bring Top Management and operational departments closer to sales staff. These initiatives are designed to share results and future growth objectives and to create opportunities for worthwhile relationship development. The meetings provide an opportunity to incentivise sales staff so they feel part of business strategies. During these meetings the best agents and sales staff are often awarded in order to develop team spirit and a sense of belonging.

FINANCIAL COMMUNITY



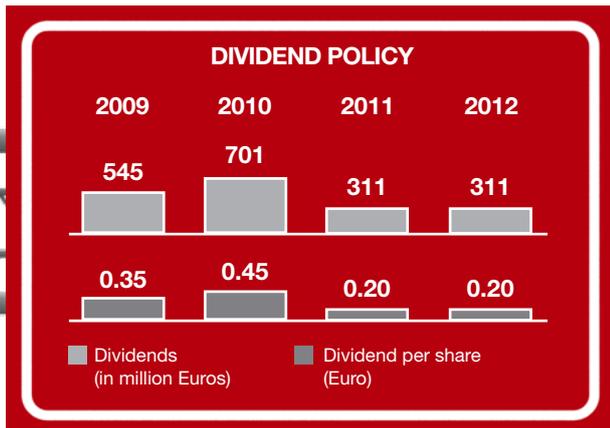


“ Along with the commitment to strengthen capital, the Group holds to the commitment to ensure satisfactory returns for its shareholders. ”

Shareholders policies

Making the best use of its shareholders' investment has proven to be one of the priority interests of the Group, which pursues this with a business policy that assures shareholders a satisfactory economic return over time. Despite an international macroeconomic and financial scenario that remains uncertain, Generali has demonstrated the quality of its business.

In light of the increase in the operating result, the capital strengthening actions - which will continue in the next few years - and the new strategy based on the introduction of discipline, simplicity and a focus on the core business of insurance, the Board of Directors proposed to the Shareholders' Meeting a dividend of 0.20 euro, amounting to a total dividend of 311 million euros, unchanged on the previous year. This demonstrates the Group's significant effort to provide shareholders with satisfactory returns, also in a phase of capital strengthening.

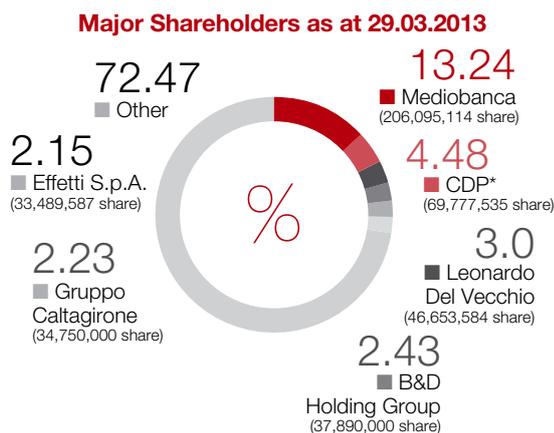


SIZE AND CHARACTERISTICS OF THE SHAREHOLDERS

As at 31 December 2012, the share capital of Assicurazioni Generali S.p.A., amounted to 1,556,873,283 euros, divided into the same number of ordinary shares with a nominal value of 1 euro each, of which 15,996,870 held by the Parent Company and the other Group companies.

Shareholders of the Parent Company amount to approximately 280,000, of which 73.4% are Italian. Group employees hold a total stake of 0.35% (5,474,936 shares); Italian employees hold the majority stake, equal to 0.29%.

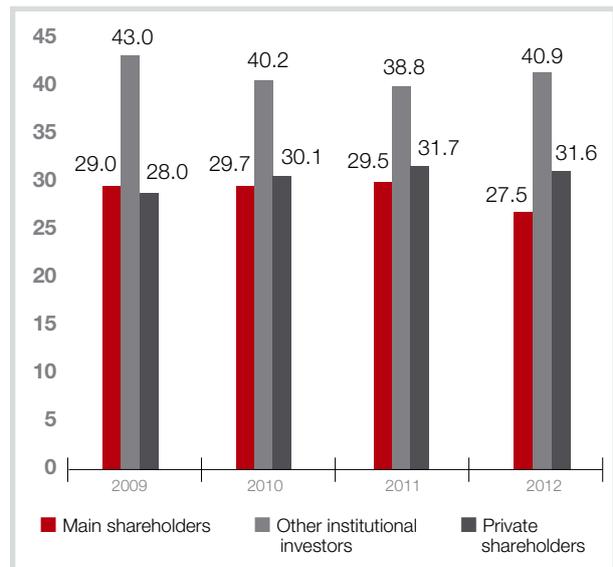
Only six shareholders have a direct and/or indirect (held through a third party, trustees or subsidiaries) stake equal to or more than 2%. Known as the major shareholders, they hold a combined 27.53% interest in the share capital.



* Cassa Depositi e Prestiti (through Fondo strategico Italiano).

The breakdown of major shareholders has changed compared to 2011: these no longer include the Blackrock Group, while Bank of Italy's stake was sold to Fondo Strategico Italiano, a subsidiary of Cassa Depositi e Prestiti. This latter transaction was conducted in order to prevent any potential conflict of interests which could derive from the governance of the new supervisory body for insurance (IVASS), in which the Top Management of the Bank of Italy participates.

Shareholders by type (%)



The decrease in the share held by major shareholders in 2012 can be attributed to the changes in the composition of these shareholders.

The shareholders of the Company also include investors who adopt ethical criteria for investment. The main one is the **Norwegian Government Pension Fund - Global**, which alone holds 1.79% of the share capital of Assicurazioni Generali with 27,414,308 shares, followed by Stichting Pensioenfond ABP, the Dutch pension fund for employees in the government, public and education sectors, which holds 1,570,363 shares (approximately 0.10% of shares issued). There are also other institutional investors (pension funds and mutual funds) oriented toward a socially responsible investment policy, which invest in the Generali share totalling about 1.20% of the share capital (updated as of October 2012).

The geographical breakdown of "ethical" investors in Generali is as follows: Norway 58%, the Netherlands 16%, USA 12%, France 5%, Sweden 4%, the rest of Europe 2%, the rest of the world 3%.

FINANCIAL AND SUSTAINABILITY PERFORMANCE

The following charts present and describe the main financial benchmarks for the results obtained by the Group, compared with the performance of the financial markets. Information is also provided concerning Assicurazioni Generali's inclusion in leading ethical indices, and the rating obtained from several SRI (Socially Responsible Investment) rating agencies specialising in the analysis of environmental, social and governance (ESG) performance of companies in order to assess whether the share meets social responsibility requirements.

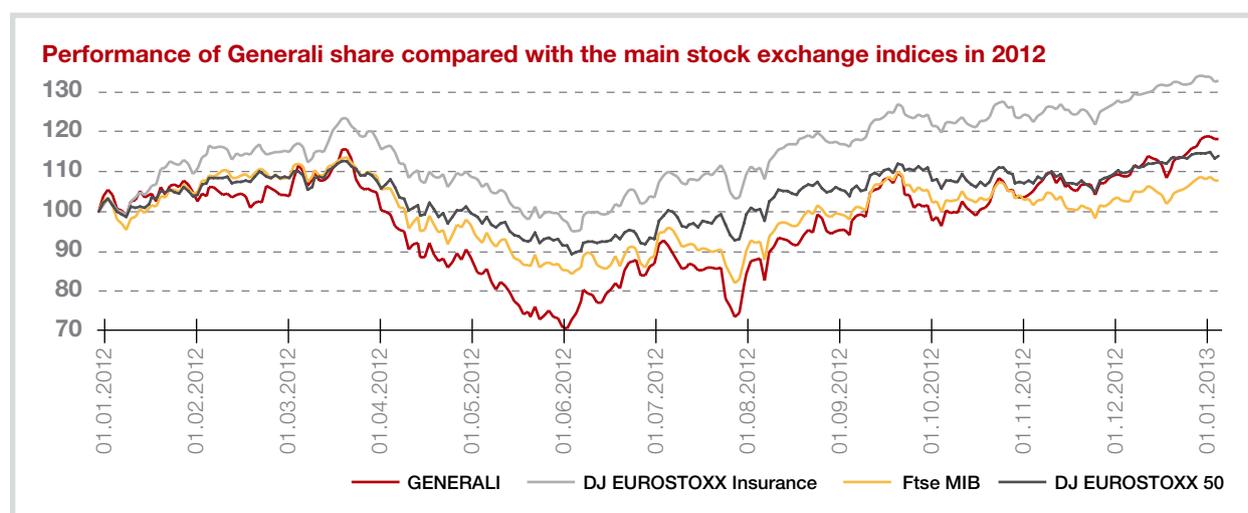
FINANCIAL PERFORMANCE

	2009	2010	2011	2012	Change 2012/2011	Average change 2012/2009
Shareholders' equity* (in million Euros)	16,652	17,490	15,486	19,828	28.0%	6.0%
Stock market capitalization (in million Euros)	29,300	22,123	18,106	21,391	18.1%	-10.0%
Price of Generali shares (Euro)**	18.82	14.21	11.63	13.74	18.1%	-10.0%
Dividend yield	1.9%	3.2%	1.7%	1.5%		

* Shareholders' equity attributable to the Group, including the related result of the period.

** Adjusted to account for the free increases of capital.

- Market capitalisation as at 31 December 2012 was 21,391 million euros, confirming Assicurazioni Generali S.p.A. as one of the major European insurers by market capitalisation. The market capitalisation, which is the market value of a listed company, is calculated by multiplying the number of shares by their market price.
- The dividend yield, i.e. the ratio of final unit cash dividend to final share price, decreased in 2012 (1.5%), due to the increase in the value of the share on which it is calculated during the year. This is a return indicator that allows the dividend to be compared with that of other stocks.



- In 2012, Generali's share price fluctuated between a low of 8.22 euros (on 31 May 2012) and a high of 13.82 euros (on 21 December 2012), amounting to 13.74 euros at year-end, appreciating by 18.1% on the end of 2011.
- The performance of the Generali share at the end of 2012 (+18.1%), mainly the result of a significant recovery in the second half of the year, outperformed the Borsa Italiana FTSE MIB index (+7.8%) and the Eurozone blue-chip index DJ Eurostoxx 50 (+13.8%) while it underperformed the Eurozone insurance index DJ Eurostoxx Insurance (+32.9%).
- The Generali share is listed on 61 stock market indices, including the most important: Euro Stoxx 50, Stoxx Europe 600, FTSE MIB, Euro Stoxx, MCSI Euro and Euro Stoxx Insurance.



Generali Investor Day 2013, London, United Kingdom

Furthermore, the Generali Group is also listed on numerous **ethical indices**, i.e. stock market indices composed of baskets of companies with the best environmental, social and corporate governance (ESG) characteristics. These indices are used as criteria to assess the performance of a specific “ethical” investment in relation to what may

be considered the average market performance as a benchmark for investors and fund managers intending to select shares of companies considered socially responsible. As demonstrated in the literature on the issue, in the medium/long-term, these indices achieve, on average, performance that is no lower than the performance of traditional indices.

The main results of the Generali Group in 2012 are shown below:



Assicurazioni Generali’s position on the FTSE4Good index was reconfirmed, with a rating of 97/100, placing it in 5th place globally in the ranking of the best companies in the insurance industry (**Supersector Leaders**).



Assicurazioni Generali was included in the ESI (Ethibel Sustainability Index) **Excellence Global**, following its inclusion in the ESI Excellence Europe and ESI Excellence Euro indices, which were confirmed.



Assicurazioni Generali was included in the **ESG Leaders** indices of STOXX Ltd., which selects the companies included in STOXX Global 1800 through ESG “best in class” criteria.



Assicurazioni Generali has been included in the Vigeo Europe 120 index, in a new series of indices created by the social and environmental rating agency Vigeo, in partnership with NYSE Euronext. These indices include companies on the Stox 1800 index which achieve the best performance in the analysis of 330 indicators, organised into 38 sustainability drivers.

Furthermore, Assicurazioni Generali’s position in indices it was previously ranked in was reconfirmed. These include: FTSE ECPI Italia SRI, ASPI (Advanced Sustainable Performance Indices) Eurozone, MSCI ESG Indices, STOXX Europe Sustainability, ECPI Global Ethical Equity and Axia Global Sustainability Index.

RATING

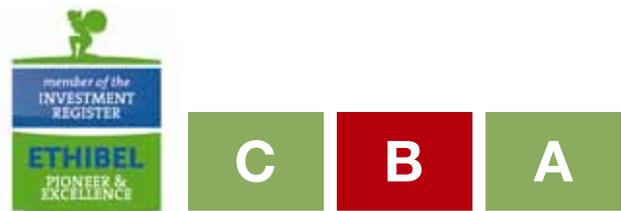
Rating agency	Rating*
A.M.Best	A
Standard & Poor's	A
Fitch	A-
Moody's	Baa1

* Updated as of January 2013.

As the result of maintaining a strong competitive position, the sound operating results and the management's commitment to strengthening the capital position, Generali confirmed its financial soundness even in a phase where several rating agencies had put it under surveillance due to the ongoing restructuring.

Moody's downgraded Generali's rating from A1 to Baa1, following the downgrade of the rating of Italy's sovereign debt. The outlook (negative) was also affected by the outlook for Italy.

As regards the **SRI** (Socially Responsible Investment) rating:



With the assignment of a B rating by the Forum ETHIBEL, Generali has joined the Ethibel PIONEER register, which provides access to top-level SRI investment funds.



The German rating agency Oekom Research AG also upgraded Generali's rating, from a C to a C+ and maintaining its "PRIME" classification, which designates bonds and shares issued by Generali as responsible investments.



For further and updated information on the Group's financial performance, see the website www.generali.com/Investor_Relations. For information on the ethical indices and SRI ratings, see the website www.generali.com/Sustainability

ENGAGEMENT OF ANALYSTS AND INVESTORS

The Generali Group believes maximum transparency is crucial to its relationship with the financial community.

Every year and whenever there is a significant change to the ownership structure, the Parent Company publishes. The Corporate Governance and Share Ownership Report which describes, among other things, how the corporate bodies function, their composition and their term of office.

To enable investors to base their decisions on an accurate assessment of corporate policies, operational performance and projected return on invested capital, the Group goes beyond the disclosure requirements established by law. Upon major issues of financial reports and extraordinary transactions, the Group complements these statutory disclosures with presentations to institutional investors and analysts. Price-sensitive information is disclosed in the form of timely and thorough press releases.

Generali Investor Day 2013, London, United Kingdom



In terms of dialogue with and engagement of analysts and investors, 2012 and the first few months of 2013 was an unusual period compared to the previous periods, mainly due to the change in the composition of the Top Management and, as a result, the management of the Company.

If, up to the presentation of the new Group business plan to the financial markets (January 2013) the day-to-day communication with the financial markets had slowed compared to the previous year, in the last few months the number of meetings with the financial community rose sharply, bringing the number of contacts in 2012 to **282** (268 in 2011). These included conferences, presentations, roadshows and individual meetings, in addition to telephone conversations and conference calls managed on a daily basis by the Investor Relations department.

On 14 January 2013, Generali held an **Investor Day** in London. At this meeting, the Top Management presented the international financial community with the strategy for transformation of the Group, based on the main objectives of improving returns for shareholders and maximising the value of the core business of insurance, strengthening capital soundness and profitability, and implementing a business approach guided by customers.

The event had widespread international media coverage, which was also the result of the logistical choice of a highly visible financial market such as London.

The breakdown of meetings by type of participant (62% institutional investors, 38% analysts) again shows significant interest from financial analysts, specifically credit analysts, also due to the meetings organised for the bond issue in December 2012.

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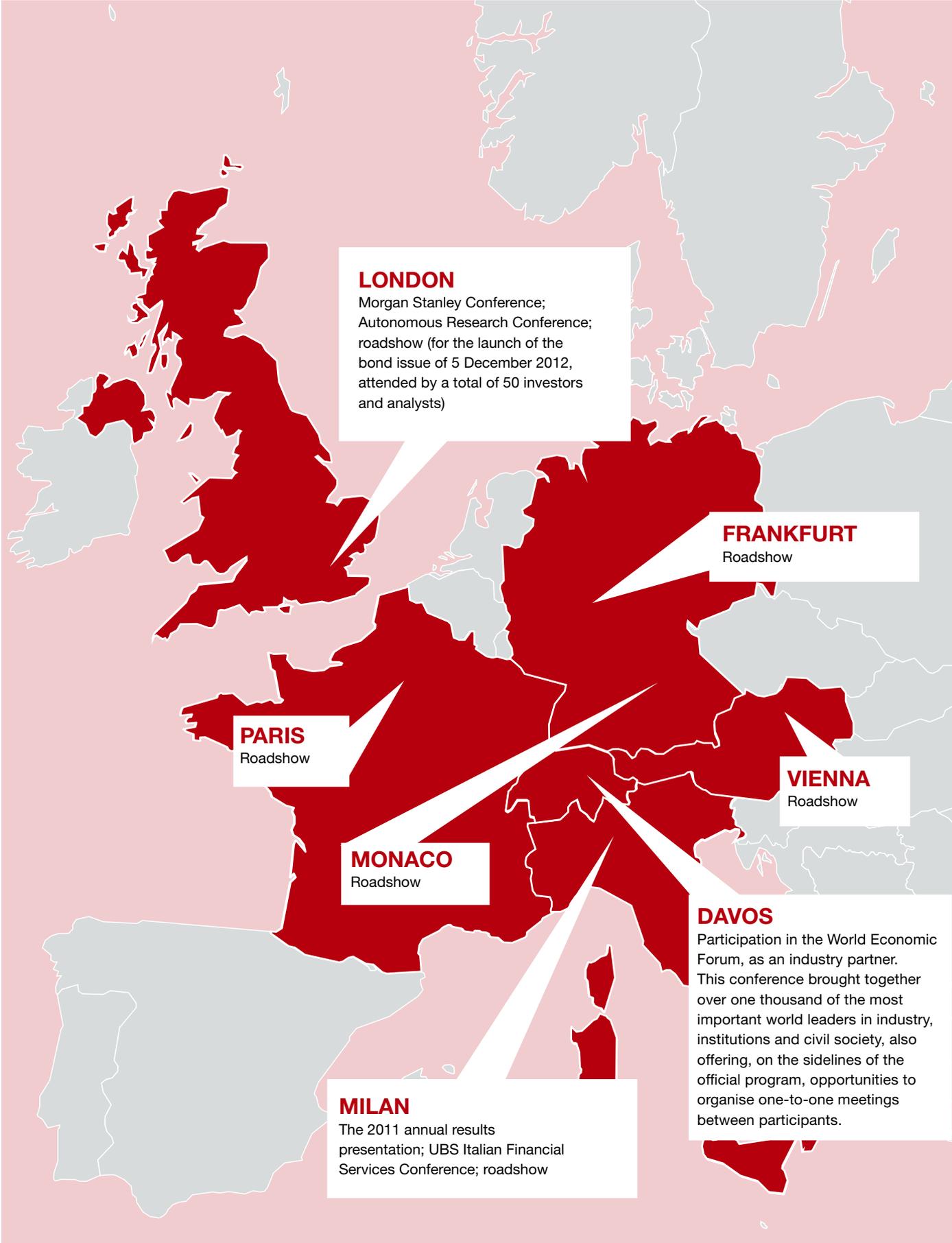
Lastly, it is important to note that over the year the Company received numerous contact requests from ESG analysts with a view to obtaining more details on the Group's social and environmental commitment and performance.

Increasing requests concerning SRI issues were also received from investors, in order to assess the Group's compliance with the criteria defined to consider the investment in the Generali share as socially responsible. Dialogue with analysts, investors and "ethical" rating agencies, managed with support from the Corporate Social Responsibility department was mainly conducted through conference calls and requests to fill out questionnaires.

In this sense, the Group was a speaker at the Settimana dell'Investimento Sostenibile e Responsabile (week for sustainable and responsible investing) in Italy, in June 2012, in the presence of the leading players in Italian traditional and ethical finance.

The financial community is able to communicate directly and at any time with the Company via the section Investor Relations on the Group's website, which provides contact details for the offices dealing with private and institutional investors. This section also includes all information on Shareholders' Meetings, corporate governance and, more generally, the economic and financial performance of the Parent Company and the Group by way of annual reports and interim financial statements.

Main meetings with analysts and investors involving the Top Management



CLIENTS



Barcolana, Trieste, Italy



“The creation of value for customers as a precondition for the creation of value for the company is the basis of Generali Group's customer centric strategic vision, which is also achieved through the provision of multi-channel access to products and services.”

Client policies

Customer satisfaction plays a key role in the strategic vision of the Group, which is committed to developing its products and services according to a customer-driven business approach, in line with the Generali Group 2013-2015 growth strategy. The Customer as an asset programme initiated in 2010, as well as innovation teams, which will be discussed later in this chapter, are based on this approach.

PRODUCT POLICIES

Customer loyalty is a priority for the Group and its ability to constantly meet actual client needs and expectations is a prerequisite for creating and maintaining trust in order to build lasting relationships. In everyday insurance and banking operations, adherence to shared commitments and principles is achieved through:

- simplified processes and consumer involvement in product innovation;
- developing products that meet the interests and needs of stakeholders;
- providing appropriate product information that is readily available and directly accessible so that it can be understood by all stakeholders;
- transparency in the conduct of all operations;
- continuous and timely training of sales networks;
- performance monitoring, checking the results achieved and planning required service improvement activities.

The evaluation of opportunities to develop innovative products is based on emerging needs, the results of market analysis and any changes introduced by the law. Once the characteristics of a new product have been identified, the content of the product offering is outlined and translated into **clear and transparent contractual texts** that are easy for the customer to understand and designed to prevent disputes in the early after-sales stage. The contractual material is then examined by the company's legal department, which verifies that it complies with national laws and industry regulations.

Products with particular social value

Insurance products, by their very nature, have a social value as they respond to the welfare and protection needs of clients: in this context, insurance products linked to socio-demographic changes and the gradual reduction in public services are of particular importance.

In 2012, **products with particular social value** amounting to **over 1,130 million euros** were distributed, an increase of almost 23% over the previous year (for the Czech Republic, the figure includes Česká Pojišť'ovna data only). The following are the most significant insurance policy types:

Dread Disease Policies:

- products with a high social insurance content that involve the payment of a lump sum or annuity upon the occurrence of one of the serious illnesses covered by the policy to cover the cost of care and loss of income resulting from the inability to work.

In Italy, Assicurazioni Generali introduced a safeguard clause into these contracts which, in the event of job loss, separation or divorce, allows the policyholder to request a special interest-free loan equal to a single annuity premium, thereby protecting the plan and its guarantees.

Long Term Care Policies:

- policies that involve the payment of a lump sum or annuity to cover the cost of assistance in the event of the loss of self-sufficiency and the inability to perform daily tasks, which may simply be the result of old age.

Policies that respond to the needs of specific categories:

- products for young people, which include accumulation plans that can be integrated with various types of insurance cover and financial protection in the event of the premature death of a parent, the waiving of service costs for the first two years of the policy to encourage the under 40s to invest in supplementary pension schemes, and capital appreciation based on academic merit and loyalty;
- products for the elderly, targeting the specific needs of people over the age of 50;
- products for couples which, responding to the needs of a changing society, also focus on non-traditional family arrangements;
- products for the disabled, including roadside assistance for drivers of adapted vehicles and the possibility to extend household insurance policies to cover home automation systems;
- products for immigrants which, in case of death, provide for the reimbursement of all expenses related to the event, including the repatriation of the deceased;
- products for the unemployed which cover existing loan or mortgage repayments for a few months;
- occupational disability insurance policies for young entrepreneurs;
- liability insurance policies for those engaged in voluntary activities.

Policies that reward the virtuous conduct of the policyholder:

- products that encourage the adoption of healthy lifestyles, such as life insurance policies with reduced premiums for non-smokers and/or the application of a higher premium for smokers, or products that provide an assessment of the risk of obesity by calculating the policyholder's Body Mass Index;
- motor insurance products aimed at promoting careful and responsible driving in order to reduce accidents, such as policies combined with the installation of a black box which reward responsible driving and protect policyholders through telemobility;
- car insurance policies which, to encourage respect for the rules of the road, include contractual terms that provide for limitations on insurance benefits in the event of the non-use of seat belts or driving while under the influence of alcohol or drugs. Other policies discourage alcohol consumption by providing for the revocation of the initial discount applied or the application of an excess in the event that the policyholder drives while intoxicated.

Healthcare policies:

- health insurance policies that provide for regular physical check-ups to prevent the most common illnesses and promote health protection. In some cases, to meet the requirements of people/families in need, measures have been introduced that allow unemployed workers to stop paying health insurance premiums for a few months and still maintain their cover;
- policies aimed at women that include prevention programmes with a complete check-up every two years and a range of support services in the event of accident or illness;
- policies that provide broader insurance coverage including the reimbursement of medical expenses incurred for holistic therapies.

In 2012, in order to make an innovative contribution in the context of the difficult economic situation, Europ Assistance Spain launched a product for job seekers offering a range of services, including assistance in CV preparation, coaching sessions and contact with head-hunters seeking qualified candidates based on specific customer requirements.

The Group's banking products include accounts for certain not-for-profit associations which are highly accessible, secure and customisable and offer reduced financial terms and simplified management methods.

Microinsurance

In order to contribute to the social and economic development of the poorest members of society and to provide access to insurance products to those who would otherwise be excluded from the market, the Generali Group has developed microinsurance projects in some countries that do not fall within the scope of the Sustainability Report.

Nearly
218,000
people
insured

The Americas

In Brazil, the Proteção Premiada initiative was launched in 2012 to sell life products via SMS, targeting low income earners; in case of accidental death, these policies cover related expenses and, in particular, provide comprehensive assistance in the event that the policyholder is a victim of crime. In 2012, 11,242 people were covered by this product.

In Colombia, a life insurance product aimed at female small entrepreneurs was launched, which also covers partial and total disability and, in case of death, all related expenses. In 2012, 72,250 women subscribed to this policy.

In Guatemala, a life and accident insurance policy is currently being rolled out with the assistance of Fundea, a microcredit cooperative. In 2012, 30,410 people took out individual policies.

Asia

In India, established in support of the UN Millennium Development Goals, the Generali Millennium project continued with the aim of emancipating from poverty the poorest sections of the Indian population. The project is being developed along two lines: financial support for microbusinesses, especially favouring Dalit women, and the definition of microinsurance plans sold through its subsidiary, Future Generali India Insurance Company Ltd. In relation to the latter, agreements have already been signed with BWDA Finance Limited, a leading microfinance institution based in Tamil Nadu; Swabhimaan, a social business that provides products, services and benefits of various types to the poorest sections throughout the country (which can be purchased online using a prepaid card); and Swasth India, a social business that operates health centres in the slums of Mumbai. To these, an additional two initiatives were added in 2012: the first, with Growing Opportunity Finance Ltd, a microfinance institution based in Tamil Nadu, is aimed at individuals and families in the poorest sections of society, offering products to cover hospitalization costs as a result of illness and accident; the second, developed in conjunction with IFMR Rural Finance and Services, a microcredit institution that provides financial services targeted at low-income individuals and entrepreneurs, is aimed at artisans, small shopkeepers and farmers, with policies covering the risks that could cause damage to the work environment, products and equipment.

Overall, the number of individuals insured under the aforementioned agreements of the Generali Millennium project exceeds 103,000 units.

In 2012, Future Generali also launched Future Sampoorna Suraksha, a microinsurance product developed for the specific needs of people living in rural and peri-urban areas. The policy includes safeguards to cover the costs of hospitalization, accidents, buildings and contents, (agricultural equipment, bicycles, etc.). In just a few months, 354 people have taken out this insurance policy.

Products with particular environmental value

The Group aims to encourage environmentally sustainable behaviour among its clients through the design and distribution of **products and services with particular environmental value**. In 2012, the distribution of such products totalled in excess of 1,484 million euros. This significant increase compared to the previous year's results was due both to an actual increase in the sale of these products and the refinement of the data collection process (for the Czech Republic, data is only available for Česká Pojišťovna).

In the **corporate** segment, the Group aims to encourage insured companies to comply with environmental protection laws and to undertake effective risk prevention measures, making the provision of insurance cover subject to the implementation of certain minimum measures and adapting the insurance rates according to the extent of the precautions taken. To this end, the underwriting policy for property and third party liability risks requires the careful assessment of companies with high risk socio-environmental profiles and the provision of advice with a view to assisting customers to implement safety measures to reduce risk exposure. Where formal and/or substantive weaknesses are identified in the preventive measures taken, premiums may be increased and, in more serious cases, the Group company may actually refuse to provide insurance cover.



Gentlemen on the Road, Czech Republic

Pollution liability policies:

- products, which cover the reimbursement of costs for emergency or temporary measures to prevent or limit

compensable damage and non-recoverable losses arising from failure to comply with the provisions of the law or intentional failure to prevent the damage.

In 2012, Fata Assicurazioni launched an environmental responsibility policy for industrial facilities in Italy, which provides a number of innovations including: the extent of coverage for pollution damage caused by asbestos as a result of fire or explosion and damage of dangerous goods entrusted to a third party during rail or road transport.

Policies for financial losses as a result of pollution damage:

- policies covering the financial consequences of damage caused by general environmental pollution and specific guarantees for economic losses due to water pollution.

Policies covering equipment for the production of renewable energy:

- products covering special structures such as hydroelectric plants, wind farms and biomass plants. These policies can also be supplemented by additional riders covering damages caused by fire, theft or the breakdown of mechanical equipment used for the production of energy.

In order to encourage the spread of eco-sustainable behaviours, some Group companies grant **discounted rates** to businesses that are certified under EMAS and ISO 14001.

The attention paid by Group companies to eco-sustainable behaviour is also mirrored in the **individual client** segment.

Third party liability insurance for vehicles:

- discounted rates of up to 50% of the annual premium are offered to clients that insure "green" vehicles (i.e. electric, hybrid, gas, etc.), vehicles with low CO₂ emissions and vehicles with low annual mileage;
- special discounts relating to third party liability insurance may be applied locally for clients with an annual public transport subscription.

Policies covering equipment for the production of renewable energy:

- in the area of traditional household insurance coverage, specific guarantees have been developed covering weather damage to solar or photovoltaic panels, or similar systems. In some cases, these products are supplemented to include cover for indirect damage, i.e. for any loss of profit arising from interruption to or reduction in the production of electricity.

Policies covering damage due to catastrophic events:

- as a result of analysis conducted on climate risks, some Group companies have developed specific policies (and/or guarantees) to cover losses caused by natural disasters.

Initiatives to promote the adoption of eco-friendly behaviour:

- free consultations provided to clients to identify ways of optimizing the energy consumption of housing, thus reducing emissions that are harmful to the environment.

Deutsche Bausparkasse Badenia covers the payment of special **loans** to homeowners to support the costs of **installing photovoltaic systems**.

Socially responsible investment products

In order to meet the increasing demands of customers and the international market, Generali has, for a few years now, been offering investment products that meet Socially Responsible Investment (SRI) criteria.

For the selection of socially responsible investments, a proprietary methodology has been developed - the same that is used to apply ethical guidelines to all Group investments. For each company analysed, this methodology provides:

- analysis of 34 environmental, social and governance (ESG) criteria, reviewed and updated annually, with the allocation of scores;
- the mapping of non-financial risks that may have an impact on the price of company shares (e.g. reputational risk and damage to brand image, class action, legislative pressure, competitive advantage, intangible capital and carbon footprint) and the way in which they are regarded by corporate policies;
- the comparison of previous analysis results with the benchmark SRI universe, consisting of more than 200 European companies, resulting in the selection of the most virtuous companies;
- integration of financial criteria for the final selection of the companies identified.

A team of five analysts, supported by a scientific committee, then selects the best companies with regard to corporate social responsibility and sustainable development policies, also by means of a process of dialogue aimed at improving the performance of the companies considered, as appropriate.

This approach led to the creation of an internal database, called S.A.R.A. (Sustainability Analysis of Responsible Asset), through which dedicated funds have been established, including the fund under Luxembourg law - Generali Investments SICAV SARA SRI.

Also of note is the range of savings products, AIR (Agir pour l'Investissement Responsable), developed in collaboration with Generali Patrimoine on the basis of



Un Campione per Amico (A champion as a friend), Italy

a selection of six thematic, long-term funds, selected following a rigorous and transparent assessment process which also considered non-financial risks.

Currently, the value of Generali's SRI investments is **about 6.3 billion euros**, managed by Group companies in France, Italy, Austria and Switzerland.

Collaboration in the interest of consumers

In addition to offering a range of products that promote healthy lifestyles, encourage careful and responsible driving and promote the adoption of environmentally sustainable behaviours, the Generali Group is engaged in risk prevention in various ways, including through partnerships with industry associations and other organizations promoting the interests of consumers.

With regard to **health and safety in the home**, in France, in partnership with the national trade association **Fédération Française des Sociétés d'Assurances** (FFSA), Generali France was one of the founding companies of the insurers' health and prevention association (APS), which also publishes illustrated guides on the main topics related to health and the prevention of accidents in the home. In addition, as a member of the Association Française de l'Assurance (AFA), Generali France participated in the drafting of La Charte développement durable des assureurs (Insurers' sustainable development charter). The AERAS convention (s'assurer et emprunter avec un risque aggravé de santé) was also established in 2007 - supported by the Government, banking and insurance associations, patients and consumer groups - to facilitate access to insurance and loans by people who have or have had serious health problems in the past.

Over the last few years, various **road traffic** initiatives have also been carried out within the Generali Group.

In Italy, in order to act on the behavioural patterns of young drivers, the **Associazione Nazionale Imprese Assicuratrici** (ANIA), the Traffic Police and consumer groups signed the *Patto per i giovani* initiative, supported by Group companies which provide discounted rates for young people in certain age brackets who agree to comply with the code of conduct established in the policy. The Italian Group companies are also part of the *Fondazione per la Sicurezza Stradale* (FSS) - established within ANIA on a voluntary basis by insurance companies - which carries out traffic risk prevention activities, promoting the education of responsible driving. To this end, the website www.smaniadisicurezza.it includes a driving simulator with virtual routes which teaches users how to anticipate the dangers of the road. At the end of 2012, the Foundation launched *Pensaci*, a new social communication campaign that sends reminders about the responsibility of drivers. It is an invitation to reflect on the fact that dangerous behaviour can lead to accidents affecting both the driver and others.

In Germany, Generali Versicherung, the industry association **Gesamtverband der Deutschen Versicherungswirtschaft** (GDV) and the committee of the German road safety **Deutscher Verkehrssicherheitsrat e.V.**, work together on initiatives to raise awareness about traffic risks.

In Spain, the Group participates in a project run by the national trade association **Unión Española de Entidades Aseguradoras y Reaseguradoras es la Asociación Empresarial del Seguro** (UNESPA) to provide clear product information. The Group also works with the association by supporting road safety campaigns and participating in research programmes sponsored by the Centro Zaragoza, UNESPA's research institute for vehicle repair and safety.

SERVICE POLICIES

Generali Group's commitment to increasing customer satisfaction levels is also reflected in the continuous development of solutions and initiatives to improve the services it provides. The Group continuously checks the initiatives implemented by analysing processes and monitoring activities in order to identify the areas for improvement.

In order to consistently maintain a high quality service that is attentive to the needs of the customer, the Group provides:

- simplified access to products and services;
- clear and transparent information on the services it provides, in accordance with professional ethics;
- appropriate and comprehensive advice throughout the various stages of the contractual relationship;
- timely responses to any anomaly reports.

In recent years, the Group's range of traditional communication tools has been expanded to include the internet and contact centres, allowing a greater number of users to be reached and making it easier to communicate.

All Group companies have created and are constantly updating their own **websites** which, depending on the type of products, offer different functionality and applications.

The websites of the main Group companies provide:

- search tools to identify the agencies and settlement offices by area, bank branches and details of the main contact channels for the customer;
- information on products, cover and operations;
- glossary, contractual terms with explanatory notes and a section dedicated to frequently asked questions (FAQs);
- latest stock prices and the performance of shares, managed funds and indices.

In addition, the websites of some companies also offer:

- information on claims handling procedures;
- specific applications for submitting claim reports with photographs and useful information on local authorized body shops;
- estimate calculators and simulations of supplementary pension products;
- online payment of insurance policies;
- insurance and/or legal advisory services;
- possibility to download apps for smartphones and tablets that allow clients to integrate the services offered by the website with the functionality accessible through these mobile devices;
- member areas where clients can manage their own insurance or banking details. The absolute security and confidentiality of data and transactions is ensured by an access system with a user ID and personalised password.

In 2012, in Italy, Assicurazioni Generali's Web Project, in addition to carrying out a complete graphical and functional redesign of the website www.generali.it, developed a joint initiative with 643 agencies, focusing on the following objectives: to give direct online visibility to all agencies, each of which will have their own personalised member area; to improve the provision of advice and assistance by the sales staff; to increase customer loyalty by means of immediate access to relevant information and new services offered and; to provide useful support tools to agencies to facilitate administrative tasks. In Germany, the *CosmosDirekt* website has been updated to include a dedicated navigation technical support section and Central introduced a section including a search tool to identify pharmacies in the local area. In the Czech Republic, *Česká Pojišť'ovna* has enhanced its members area

with new features that include the payment of policy premiums and claims reporting. Finally, in Spain, functionality has been added to allow the direct online payment of premiums by credit card.

In the banking sector, in 2012 Banca Generali in Italy enhanced the members area of its website with functionality aimed at protecting investments through conditional orders that allow investors to limit their losses. The company also introduced the Secure Call service, which uses the latest and best technologies available to combat computer fraud in the banking sector. In Austria, Generali Bank completely redesigned its website to make it more suited to the needs of its clients and, in Switzerland, BSI introduced a financial newsletter for clients.



Alerta Vial (road warning), Argentina

Most of the websites' pages have been designed in accordance with the main World Wide Web Consortium (W3C) accessibility guidelines.

In the majority of the Group companies, the services available to clients are supplemented by an additional means of contact: the **call centre**. This telephone service provides the client with remote support and extended opening hours, which may also be extended through the night.

The call centres provide the following:

- information and assistance on products and the conditions applied;
- insurance and financial advisory services;
- information on after-sales services;
- company website navigation support;
- timely responses to reports of poor service.

In addition, through this channel, some companies also offer:

- estimates and/or quotation simulations;
- assistance in completing the claim report and related documentation;
- provisions on current accounts and requests relating to credit cards and debit cards;
- securities trading.

In 2012, in Italy, Genertel further expanded its range of services with the establishment of contact centres and the activation of the Easy Quote system, attached to a database which, based on the date of birth of the policyholder and the licence plate of the vehicle, provides the requestor with his/her insurance history and technical data relating to the vehicle. Finally, Genertel introduced the Virtual Hold system, which reduces waiting times for customers calling from mobile phones by booking a subsequent consultation within a time window estimated by the system and automatically communicated to the customer. Genertellife activated the following: an online insurance chat facility, providing direct insurance advice and ensuring visual recognition of the customer via Skype, a communication method that reduces the time required to complete investment procedures required by anti-money laundering standards. In Germany, CosmosDirekt extended its co-browsing service, i.e. the support provided by simultaneous navigation, also in the meinCosmosDirekt platform, created to allow the client to maintain their insurance profile autonomously and independently. In the Czech Republic, Generali Pojišť'ovna implemented a telephone line supplemented by an email service which is dedicated to requests from brokers. In Switzerland, BSI expanded its services offered to clients by improving its portfolio and payment operations.

In recent years, the changing needs of customers and continuous developments in mobile technology have encouraged the Generali Group companies to develop IT projects focused on making communication with customers more immediate and offering a service that is readily accessible in terms of space, time and functionality. In order to provide new contact tools and to facilitate the operations of the sales networks, certain Group companies have developed **applications for smartphones and tablets** that allow the user to perform certain insurance or bank-related tasks from a mobile device.

Using this method, the customer is able to:

- report claims and submit the related documentation, including photographs;
- locate the nearest authorized body shop;
- request roadside assistance;
- obtain useful information and updates on legislation;

- fill out questionnaires with a view to identifying the most suitable insurance coverage;
- view his/her financial situation;
- complete current account transactions and monitor the performance of securities.

In addition, customers can take advantage of additional services that are not directly related to its insurance and financial positions, such as the ability to:

- access calendars that allow the user to enter the desired deadlines;
- estimate blood-alcohol limits by entering certain physical data and the number of drinks consumed;
- measure the fuel consumption of the user's vehicle and record the position of the same via geolocation.

In 2012 the ePolizza application in Italy was enhanced with new features for calculating pensions with a view to familiarising users with supplementary pension schemes. The tablet version of the application was also optimised. Assicurazioni Generali launched an application allowing stakeholders to follow the Group's financial results and Genertel teamed up with Europ Assistance to develop an application for travel insurance policies. Banca Generali enhanced its app already available to financial advisors with a second one for clients to transfer self-caring activities on digital media. In Germany, Dialog developed an application for broker consulting activities, which can be downloaded from the company website.

Information and insurance/financial literacy

programmes have been implemented by the majority of Group companies by issuing newsletters and information leaflets to clients and consumers to make it easier to understand terminology related to the industry, primary insurance cover, basic financial instruments and new regulations. The glossary and FAQ sections of

the company websites provide timely and up-to-date information on policies, the most common risks, financial matters and regulatory requirements in clear, understandable language. Moreover, some companies have created dedicated microsites and online videos which, in a spirit of edutainment (education and entertainment), explain the benefits of insurance coverage in all lines of business and offer tips on how to safely deal with everyday life.

In 2012, a campaign was launched among the agencies in Italy to raise awareness on the issue of micro-injuries and potential related fraud activities, which are partly responsible for increases in insurance premiums. In Germany, CosmosDirekt published 50 Versicherungstipps (insurance tips) to provide clients and consumers with general information on certain types of insurance and the most common risks that can be covered by an insurance policy. Furthermore, in partnership with the online advice portal gutefrage.net, the company launched a chat service to answer questions on specific insurance-related topics. Generali Investments has collaborated with Bundesverband Investment und Asset Management (the German association for investment and asset management) on a campaign aimed at improving the financial knowledge of the community and to explain the advantages of mutual funds. In the Czech Republic, Česká Pojišť'ovna launched a special financial education programme in secondary schools, delivered by the company's financial advisors.

In recent years, there has been a profound change in the composition of the client base, which is becoming increasingly diverse in terms of origin and culture. This has led some Group companies to translate their company literature into the languages of some communities which have an important presence in the country concerned. In some cases, the call centre advisory staff speak the **main foreign languages**.

Corporate identity activities and sponsorship initiatives respect the Group's fundamental ethical values while maintaining the veracity of its contents and repudiating the use of coarse or offensive messages, in keeping with the provisions in the Generali Group Code of Conduct and the directives issued by the relevant supervisory authorities. The graphics and content of advertising material produced by the marketing or sales departments are examined by the Corporate Identity function in order to identify any statements that could lead to misunderstandings regarding the characteristics of the product or service. The advertising material is then validated by the legal department, which assesses the compliance of the commercial message with existing legislation, the rules dictated by the supervisory board, the basic principles enshrined in the Code of Conduct and the provisions of other self-regulatory codes.



Apple and Lemon, Serbia

The following should be noted in this regard: the Parent Company and several other important Italian companies (Alleanza Toro, Fata, INA Assitalia) adhere to the Codice di Autodisciplina Pubblicitaria (Advertising Self-regulatory Code); Česká Pojišť'ovna participates in Rada pro reklamu, the Czech Committee for the regulation of advertising; Group companies in Spain adhere to the Code of Advertising Self-discipline and Advertising Practice and the Transparency Code, and Group companies in Switzerland adhere to the Swiss Directmarketing-Verband-Ehrenkodex (Advertising Self-Regulation Code of the Swiss direct marketing association).

CUSTOMER CENTRICITY INITIATIVES

Customer centricity is one of Generali Group's main business strategies. The creation of value for customers as a precondition for the creation of value for the company is the basis of a number of existing projects and initiatives that aim to facilitate the sharing of expertise between Group companies with a view to implementing products and services that satisfy the spoken and unspoken needs of customers.

In this context, the **Customer as an asset** programme, launched in 2010 and constantly developed since then, aims to guide the Group companies towards a customer-driven approach with a view to increasing customer loyalty and improving satisfaction. The Group's eight main countries of operation participating in the programme are: Italy (through Assicurazioni Generali), Austria, France, Germany, Portugal, the Czech Republic, Spain and Switzerland. The programme has four main objectives:

- to create an active network of senior managers and professionals in each country with a view to measuring and monitoring activities related to the creation of value for the client and the company, identifying new initiatives, coordinating activities related to the programme's objectives and facilitating the exchange of information with regard to experiences, methodologies and results achieved with other team members in order to foster the exchange of knowledge and best practices between Group companies;
- to prepare a manual (updated on an annual basis) containing the latest versions of all of the levers for action identified within the different aspects of value creation. The identification of a common methodology for conducting customer satisfaction surveys also falls within this remit;
- based on the manual, to identify actions aimed at increasing the strategic expectations of all Group companies;
- to constantly monitor performance using the most relevant periodic measurement indicators.

Innovation projects

As mentioned in the chapter The Group, the Central Innovation Team is responsible for facilitating collaboration and expertise sharing, providing ongoing theoretical and practical advice and managing innovation projects by systematically adopting a customer-centric approach. These activities form the basis of **Generali Innovation Infrastructure**, an approach developed at Group level to operate with a common, shared working method that is flexible with regard to specific local requirements and is based on existing processes, resulting in the seamless management of innovation projects.

Once the ideas with the potential to generate insurance solutions that would meet the needs of customers or specific markets in an innovative way have been identified, the individuals who will participate in the design phase are identified. Through regular meetings and online platforms, team members from different areas of the Group exchange information and discuss the opportunities and issues of real cases compared to the target market. The customer is involved from the outset of the project, initially through surveys to identify the areas of greatest interest, then in the co-creation of the product or service, and finally to understand if the customer's needs have been fully satisfied.



Vacanze al Museo (Holydays at the Museum), Switzerland

The most significant innovation projects include the following:

- Emotions and pension planning: mistrust and lack of knowledge regarding supplementary pensions were the starting point for the working group that examined customer expertise in relation to pensions, doubts regarding pension products, methods of communication and payment systems. This analysis allowed Generali to highlight the barriers to listening related to a topic that is perceived as complex and the difficulties in understanding the effectiveness

of pre-packaged solutions. As part of the project, an innovative approach to supplementary pension schemes was identified by providing simple, flexible tools that give the customer clear and comprehensive information, versatile payment methods and multiple contact channels.

- **Family feeling:** this project resulted from a survey of new families and their lifestyles as seen through the eyes of the customer. During the survey evaluation process, the concept of family was considered extensively, encompassing the specific natures of traditional, cohabiting (premarital, de facto and same-sex families), single-parent and multi-ethnic families. In the approach adopted, the customer is no longer considered as a single individual but is viewed in a broader sense as part of a family: thus, in light of this new context, the customer's protection needs also change, with mutuality and trust becoming more important.
- **Social insurance:** this project is the result of the observation of the current economic environment, the need for transparency expressed by consumers and the existence of new technologies that offer opportunities to build a virtual network consisting of real members. On this basis, the working group is studying the sharing and communication possibilities offered by social networks in order to develop innovative and self-managed settlement systems which promote simplicity, clarity and transparency as the founding pillars of innovation with regard to products and processes.
- **Women project:** this innovation project was established following the results of the Observatory on the situation of women and insurance in France. As part of the French initiative, carried out as a result of the decision of the European Community to abolish gender differences with regard to the prices of insurance products, the expectations, perceptions and especially the needs of women in the current context were measured in order to understand the selection criteria for insurance coverage. The working group has undertaken to determine whether the conclusions recorded by the Observatory are the same in other European countries in order to identify potential similarities that would allow a study of global insurance solutions for the current and future needs of women.

ENGAGEMENT OF CLIENTS

The Group pays particular attention to dialogue with clients and analysing of the results of the numerous surveys it conducts on a regular basis. The surveys relating to brand perception and customer satisfaction with the products and services offered, as well as surveys on client/consumer expectations and the reasons behind their decisions, are the starting point for developing and adding to the product range, internal organizational processes and communication.

Surveys aimed at identifying the level of customer satisfaction at the various stages of the relationship are conducted by all Group companies. Telephone interviews are usually carried out with frequencies ranging from monthly, as in Switzerland, to once every three years, in the case of Austria. The surveys conducted in 2012 showed a **good level of customer satisfaction**, remaining generally stable compared to previous surveys, while in Germany, satisfaction levels increased. Switzerland was the only country to record a decrease in satisfaction, which resulted in action being taken in the following areas of concern identified: response times, complaints management and advisory services.

Europ Assistance companies are particularly active in the area of client dialogue, partly due to the specific nature of their business and the manner in which it is conducted. On a monthly basis, the Europ Assistance companies conduct interviews with representative samples of clients that have used the **support services**. The satisfaction index for these companies was high in all countries considered. Specifically, satisfaction levels increased in Spain and Italy where, in the second half of the year, online and telephone interviews were conducted in relation to the on-demand services provided, which recorded a 92% customer satisfaction rate. In France, the surveys revealed a satisfaction level of over 80% for all services (medical assistance - 84%, roadside assistance - 86%, and home and family assistance - 85%), identifying waiting times and client communication as among the critical issues to be resolved.

In 2012, a survey of support services was also conducted among Česká Pojišť'ovna clients in the Czech Republic which showed a satisfaction rating of 78%, an increase compared to previous surveys.

Generali Group companies regularly conduct customer **satisfaction surveys on claims management and settlement services**, which represent a critical moment and a particularly important one with regard to customer relationship management. In Italy, monthly surveys are conducted with clients who were involved in an accident and whose claims have been settled in the previous months, the results of which have identified consistently good satisfaction levels; similar results have been found in interviews conducted annually in both Austria and Spain. Satisfaction levels were higher than in previous surveys conducted in the Czech Republic by Česká Pojišť'ovna and Generali Pojišť'ovna, both with regard to the management of motor accidents and the settlement of claims.

Brand perception surveys

Surveys on the perception of the brand, company image and advertising are conducted in all countries. Surveys are conducted on consumers drawn from representative population samples, generally selected by age and

sometimes by more specific criteria (gender, occupation, region, etc.); occasionally, the sales networks are also involved.

Surveys on **brand perception** are carried out at varying intervals, depending on the country, and they are often associated with events such as the launch of a new product, a marketing communication or a merger/acquisition. The surveys show an improvement in brand perception in Italy (for D.A.S., Genertel, Genertellife and Banca Generali), Germany, the Czech Republic and Spain, while it remains stable in surveys conducted in Austria. In France, surveys conducted through individual meetings recorded a drop in brand perception.

Company image and advertising surveys are only conducted in certain countries and involve different methods and target populations. In Italy, Genertel and Genertellife conducted online surveys involving about

1,500 respondents including existing and potential consumers which revealed an innovative, solid and dynamic image. Moreover, with regard to advertising activities, the types of consumers most affected by the advertising campaign were identified. In Austria, annual and quarterly surveys were conducted which show an image perception in line with previous results. In Germany, annual analyses performed with a view to improving and planning communication strategies directed at agents and brokers showed an unchanged image perception. In addition, monthly surveys were also conducted on representative samples which showed a positive reaction among consumers to the Group's advertising initiatives. In the Czech Republic, weekly surveys show an improvement in image and the satisfaction level of advertising campaigns. In Spain, telephone surveys conducted both before and after the launch of the company's advertising campaign showed an improved positioning of the company's image.

Other survey activities

In 2012, initiatives specifically targeted at understanding the needs, aspirations and attitudes of clients/consumers continued in order to develop and further improve the products and services of all Group companies.

Below is a summary of the most significant surveys conducted in 2012.

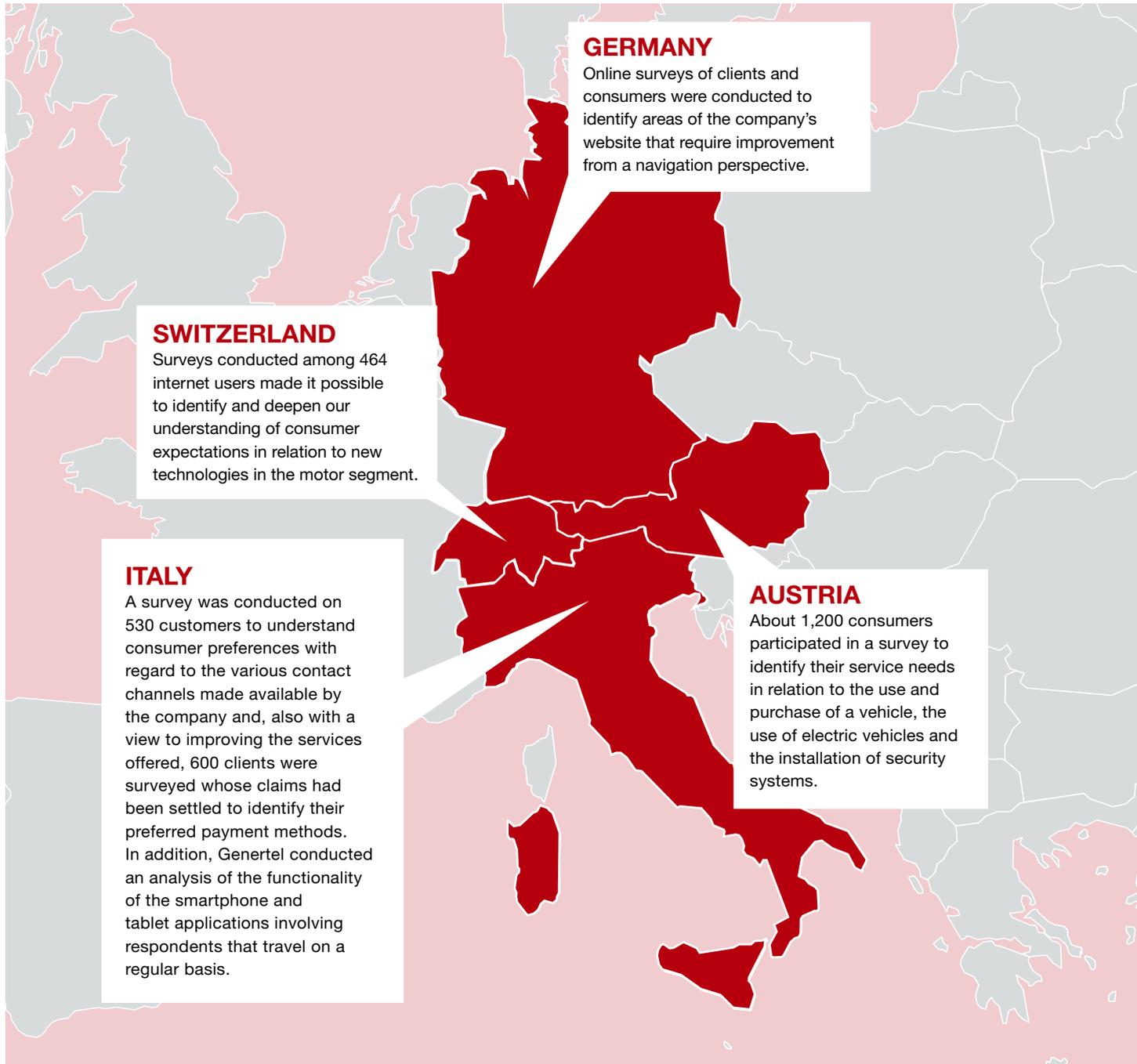
Surveys to identify consumer needs and expectations:

COUNTRY	INITIATIVE DESCRIPTION
Italy	Consumers aged between 30 and 60 years were involved in an initiative to understand their expectations, preferences, needs and priorities with regard to life insurance products. In particular, attention was paid to identifying the differences between the basic objectives of consumers who purchase a policy for saving purposes and those who purchase one for investment purposes. In addition, a survey was conducted to understand consumers' attitudes towards motor insurance policies that reward environmentally sustainable behaviour, showing high popularity for this type of product.
Austria	A survey on supplementary pension plans was conducted among workers aged over 16 years and allowed to analyse attitudes towards the existing products offered, knowledge and the attractiveness of pension schemes.
France	Telephone interviews conducted with 950 adult consumers on their insurance needs allowed to map customer needs with regard to health, pensions and the risks associated with daily activities.
Czech Republic	500 consumers aged between 18 and 65 years were interviewed on corporate social responsibility and the manner in which it fits within large organizations. The results show that Česká Pojišť'ovna is perceived as a company that pays attention to this area.
Switzerland	Taking advantage of new communication trends, surveys were conducted on over 500 facebook users and allowed to identify the topics of greatest interest, potential functionality to be developed and the tools to be implemented. Remaining on the subject of improving communication and client proximity, a number of clients who had taken out at least one policy in the last 4 years were contacted to identify their preferences for relationship management and contact with the company.

Surveys on financial decisions by consumers

Italy	The financial decisions made by consumers were analysed to understand their investment horizons and preferred distribution channels.
Austria	1,280 consumers were surveyed on their budgeting habits to identify their priorities and the purchases they regard as essential.

Surveys on services

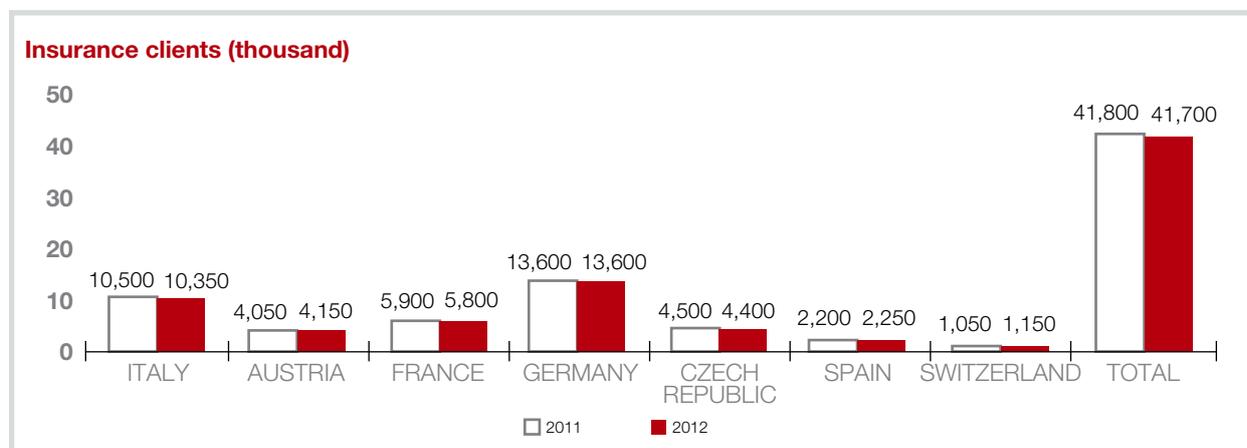


In 2012, a number of surveys were conducted that specifically aimed at understanding the needs, desires and **behaviours** of **specific groups** of clients/consumers in order to develop new products and services with these groups in mind. Of particular importance is the survey conducted in France on the needs and expectations of **women** in terms of life insurance policies and their related benefits, involving 403 women aged between 18 and 65 years. The survey revealed important considerations for health insurance programmes. In Switzerland, a paper-based questionnaire was prepared for clients and consumers in the **50+ age bracket** to assess their difficulties in understanding pension products in order to make them easily accessible to everyone and to improve communication.

GENERALI GROUP BUSINESS SECTORS

The total number of **clients** in the Sustainability Report area is estimated at almost 44 million, including 41.7 million insurance clients and over 1.5 million banking clients.

Insurance business



■ In 2012, the number of clients remained generally stable, decreasing in Italy (-1.4%), France (-1.7%) and the Czech Republic (-2.2%) and increasing in Austria (2.5%), Spain (2.3%) and especially in Switzerland (9.5%).

■ The share of Group insurance clients that are medium to large companies remained stable at 3.9%, with a higher incidence in Switzerland (6.9%) and Italy (6.5%) and negligible values in France and Spain.

NUMBER OF CLIENTS BY LINE OF BUSINESS

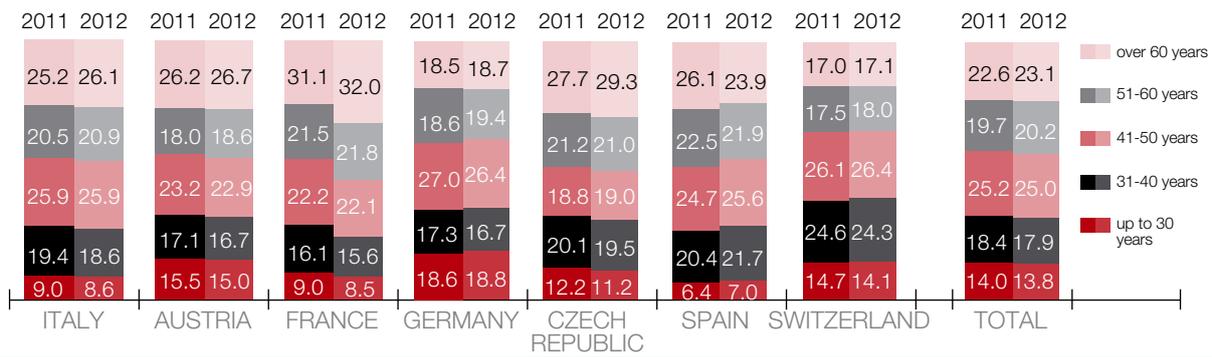
Country	Life		Health		Motor		Other non-life lines	
	2011	2012	2011	2012	2011	2012	2011	2012
Italy	3,800,619	3,783,604	249,904	225,596	4,757,939	4,642,799	3,680,841	3,605,700
Austria	738,237	782,890	409,399	438,207	722,961	746,855	2,974,297	3,073,265
Czech Republic	1,909,557	1,817,183	361,554	318,496	1,410,289	1,382,882	2,292,591	2,297,935
France	1,284,863	1,298,732	541,054	536,682	1,775,083	1,714,295	2,832,930	2,749,518
Germany	6,954,994	7,082,314	2,356,582	2,332,072	2,019,335	2,061,812	6,588,036	6,503,829
Spain	596,870	699,712	72,196	76,733	832,347	946,065	1,239,768	1,341,655
Switzerland	462,831	472,511	9,343	9,702	308,823	305,693	447,735	458,800
TOTAL	15,747,971	15,936,946	4,000,032	3,937,488	11,826,777	11,800,401	20,056,198	20,030,702
incidence %	30.5%	30.8%	7.7%	7.6%	22.9%	22.8%	38.8%	38.7%

■ The total number of clients by line of business (LoB) is greater than the total number of clients, as some clients may have taken out multiple policies with Group companies to cover different risks.

■ The life LoB remains the highest in terms of client numbers, growing by 1.2% in 2012. The number of clients in the health LoB decreased overall (-1.6%) despite good growth in Austria (+7%), Spain (+6.3%) and Switzerland (+3.8%), while numbers in the motor and non-life LoB remained substantially stable.

■ Client numbers increased mainly in Spain, in all LoB and with particularly high peaks in the life (+17.2%) and motor (+13.7%) LoB, and in Austria, especially in the life (+6%) and health (+7%) LoB. Conversely, client numbers fell in the Czech Republic, especially in the life (-4.8%) and health (-11.9%) LoB, and to a lesser extent in Italy, with a peak of 9.7% in the health LoB.

Percentage of clients by age bracket



- There is no significant change in the distribution of Group clients compared to 2011, although there has been a slight shift towards older age brackets. This confirms a higher concentration - one quarter of the total - in the central age bracket aged between 41 and 50 years.
- The youngest age bracket, consisting of clients under the age of 30 years, has the lowest number of policyholders; Germany is the exception, with clients distributed almost uniformly in all age brackets except the central one (between 41 and 50 years), in which more than a quarter of clients are concentrated.
- In France and the Czech Republic, more than half of clients are over 50 years, with most of them in the over 60 age bracket.

POLICIES BY LINE OF BUSINESS

Country	Life		Health		Motor		Other non-life lines		Total	
	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012
Italy	5,265,031	5,269,223	272,858	248,415	6,714,899	6,408,568	4,876,266	4,811,146	17,129,054	16,737,352
Austria	1,086,725	1,076,038	764,185	771,575	2,310,127	2,299,412	4,293,574	4,351,125	8,454,611	8,498,150
Czech Republic	2,131,061	2,023,515	354,967	310,440	2,966,900	2,835,249	4,107,688	4,062,657	9,560,616	9,231,861
France	2,139,855	2,152,243	805,681	788,164	2,090,392	2,064,359	2,897,248	2,833,382	7,933,176	7,838,148
Germany	12,266,565	12,142,441	1,622,028	1,607,556	4,672,324	4,850,662	12,770,489	12,836,027	31,331,406	31,436,686
Spain	670,757	709,343	81,559	67,996	1,184,417	1,311,662	1,849,666	1,994,388	3,786,399	4,083,389
Switzerland	536,443	549,742	9,413	9,796	363,373	362,376	555,779	567,583	1,465,008	1,489,497
TOTAL	24,096,437	23,922,545	3,910,691	3,803,942	20,302,432	20,132,289	31,350,710	31,456,308	79,660,270	79,315,083
incidence %	30.2%	30.2%	4.9%	4.8%	25.5%	25.4%	39.4%	39.7%	100.0%	100.0%

CHANGE IN NUMBER OF POLICIES 2009-2012



- The number of policies fell by 0.4% compared to 2011, with higher decreases in the Czech Republic (-3.4%), Italy (-2.3%) and France (-1.2%), while the number of policies increased in Spain (+7.8%) and Switzerland (+1.7%). The decrease experienced in 2012 brings the number of policies back to 2010 levels following the slight recovery experienced last year.
- The greatest decrease was observed in the health LoB (-2.7%), mainly as a result of contractions in the Czech Republic (-12.5%) and Spain (-16.6%). However, significant growth was recorded in Spain in the life (+5.8%), motor (+10.7%) and other non-life (+7.8%) LoB.
- A comparison of the number of policies with the number of clients shows that, on average, clients hold more than one insurance contract with Group companies. More specifically, each client has an average of 1.5 life policies, 1.6 other non-life policies and 1.7 motor policies, consistent with the previous year's figures.

- The breakdown of the insured portfolio in each country - calculated as the ratio between the number of policies taken out in the individual lines of business in each country and the total number of policies for the country - reveals significant differences. There is a general predominance of non-life contracts (taken as the sum of motor, health and other non-life policies) with a particularly high concentration in Austria and Spain, at 87.3% and 82.6% respectively.
- In the non-life LoB, other non-life policies constitute the largest share representing, on average, 39.7% of the portfolio, with peaks in Austria (51.2%) and Spain (48.8%). The share in the motor LoB is particularly high in Italy (38.3%), Spain (32.1%) and the Czech Republic (30.7%), while, conversely, it is very low in Germany (15.4%).
- Finally, a significant share of life policies are in Germany (38.6%) and Switzerland (37.9%).
- Collective policies represent 1.6% of the total.

Management of non-life claims

In the non-life insurance segment, the quality of customer service is mainly measured at the claim settlement stage.

The Group has shared facilities in all countries to optimise claim management procedures and to facilitate the settlement of claims, although independent management procedures still exist in certain companies. In order to improve customer service and, in particular, to reduce claim assessment timelines, the Group companies have introduced streamlined procedures for managing “straightforward” claims, i.e. claims for damage only to goods that receive moderate reimbursement.

With regard to the different stages of claims management, most Group companies have developed services for handling customer needs.

In particular, based on specific local requirements and the services developed by individual Group companies, clients can:

- **receive information and assistance** at the agency, through the call centres or the website, at approved body repair shops or independent brokers which use IT systems that can provide full automated responses including all useful references;
- **report an accident** via an agency, call centre (which can provide customer support or assistance to the sales network for reports received by the agency), website (using the appropriate online forms), or smartphone application;
- obtain the **contact details of an assessor** via the agency when reporting the claim, by contacting the call centre, or by SMS. Furthermore, in Austria, France and

Switzerland, a remote assessment system is available which, in addition to limiting travel demands on assessors and therefore benefitting the environment, it also reduces the inconvenience to the client. In 2012, a drive-in service as a result of special weather events such as hail was launched in Switzerland, which simplifies and speed of claims assessments on a collective basis, thus significantly reducing the timelines for claim settlement.

In 2012, a project was completed involving Group companies based in Italy and Generali Business Solutions settlements area. The project’s objectives were to review the wording of communications sent to clients following a claim with a view to making all information fully understandable and readily accessible and to ensure the prompt and correct handling of claims.

Agreements and conventions with healthcare facilities, doctors, roadside-assistance providers, body shops, car hire firms, etc. are in place to facilitate customer access to the services provided. The supplier selection procedures adopted by Group companies are aimed at ensuring high service levels for the customer. In particular, agreements with body shops, in addition to ensuring excellent service and keeping the cost of claims to a minimum, may also include the provision of a courtesy vehicle, warranty on repairs and the provision of the service without advance payment and/or the total refund of the claim without charging the excess. Similarly, agreements are in place with companies specializing in the repair and replacement of windscreens, which offer a high quality service and manage claims directly with the companies without asking the client for advance payment.

NON-LIFE CLAIMS

Country	Number of claims reported		Number of claims settled		Sums paid for claims (thousand euros)	
	2011	2012	2011	2012	2011	2012
Italy	1,801,376	1,563,546	1,655,496	1,433,691	4,060,030	3,708,157
Austria	812,871	846,033	878,066	903,064	881,350	932,779
Czech Republic	503,073	491,063	445,269	411,665	542,440	496,140
France	708,075	675,796	673,529	669,561	1,654,582	1,479,402
Germany	3,685,917	3,739,967	3,128,146	3,072,065	2,711,634	2,769,060
Spain	1,783,868	1,833,037	1,927,388	2,033,788	909,389	897,508
Switzerland	246,279	256,902	245,214	277,608	402,000	421,727
TOTAL	9,541,459	9,406,344	8,953,108	8,801,442	11,161,424	10,704,773

CHANGE IN NUMBER OF CLAIMS 2009-2012



- In 2012, Group companies received over 9.4 million claims, with a decrease of 1.4% compared to 2011. A marked decrease in claims reported was recorded in Italy (-13.2%).
- The distribution of claims reported in different countries shows a concentration in Germany (39.8%), Spain (19.5%) and Italy (16.6%).
- In 2012, the Group settled more than 8.8 million claims (-1.7% compared to 2011), paying out a total in excess of 10.7 billion euros (-4.1% compared to 2011). Only a portion of claims paid were reported during the year under review, while the remainder refers to claims filed in previous years.
- 37.5% of claims were reported via call centres with a decrease in the overall share of 1.4% compared to 2011. This communication method is particularly strong in Spain, where 99.1% of all claims are reported by telephone.

SPEED OF SETTLING MOTOR CLAIMS

	2011	2012
Italy	70.3%	71.2%
Austria	73.4%	73.8%
Czech Republic	79.6%	82.1%
France	58.3%	63.4%
Germany	81.8%	82.1%
Spain	71.5%	71.3%
Switzerland	80.9%	81.5%

One of the main factors affecting client/injured-party satisfaction at the time of claim settlement is the time taken to receive compensation. The table shows the percentage of claims reported and not cancelled during the year, which were settled in the same year. The percentage recorded in the year under review is an indicator of the time taken to handle claims through to settlement with the associated payout to the policyholder/injured-party. For the first time, the indicator has been calculated consistently for both years and for all countries, i.e. using claims data from all motor insurance types: third-party insurance and other guarantees such as fire, theft, collision, fully comprehensive, etc..

The direct companies (Genertel and CosmosDirekt) have not been included in the calculation and only Česká Pojišť'ovna is included for the Czech Republic.

The overall settlement rate has improved, particularly in France (+5.1 percentage points) and the Czech Republic (+2.5 percentage points). All countries recorded an improvement with the exception of Spain, due to greater caution in claims management given the increase in speculation and fraud as a result of the current crisis.

The settlement rate has improved for the following reasons:

- more efficient IT procedures and/or the strengthening of centralized management (Italy, France, the Czech Republic);
- more stringent use of cash settlements, i.e. the payment of claims based on the estimate provided by a company or third-party assessor, or a company or authorised third-party body shop (Austria, Germany, the Czech Republic);
- stronger active claims management strategies, such as the Garantie 7 service in Switzerland which guarantees that claims will be paid within 7 days from the date on which the company has received all of the necessary information and documents, and the Go for 100 initiative in Germany, aimed at reducing repair costs and improving service to clients through partnership agreements with authorized body shops and companies specializing in windscreen repair and replacement;
- increased number of fully comprehensive policyholders in Italy and related claims, the management of which is generally is more efficient, which mitigates the increased time taken to settle injury claims, the instrumental proof of which has recently been made compulsory by law;
- the reorganization of claims in France in the last quarter of 2012, which has allowed the identification of practices ready for settlement.

For a proper evaluation of the settlement efficiency of the various companies in the different countries, more precise data on the nature of the risks insured across the various business lines (not currently available) would be necessary along with the types of claims to be settled, which would require a potentially lengthy technical assessment of the injury suffered.

Services for life insurance policyholders

The Group companies' life line of business also reached significant levels in terms of the amounts paid out to policyholders (or their beneficiaries) as a result of maturing policies or claims (death, permanent disability, etc.).

CLAIMS AND EXPIRING LIFE POLICIES

Country	Number of claims		Sums paid for claims (thousand Euros)		Number of expiring policies		Sums paid for expiring policies (thousand euros)	
	2011	2012	2011	2012	2011	2012	2011	2012
Italy	15,084	15,046	330,627	389,876	251,871	227,966	3,916,169	4,510,866
Austria	3,068	2,932	38,934	37,015	49,918	39,017	592,561	564,334
Czech Republic	166,847	206,849	72,080	76,798	132,060	116,076	207,020	185,867
France	70,506	74,006	1,591,845	1,957,108	0	0	631,336	710,125
Germany	73,976	70,719	484,373	500,460	504,612	468,293	4,673,569	4,165,011
Spain	3,906	3,796	106,423	93,794	28,073	27,670	930,411	812,169
Switzerland	3,380	2,891	67,717	66,013	7,087	7,255	248,644	248,613
TOTAL	336,767	376,239	2,691,999	3,121,064	973,621	886,277	11,199,710	11,196,985

- In 2012, over 1.2 million life insurance policies were settled, with a decrease of 3.7% over the previous year mainly due to the reduction in the number of maturing policies (-9%) accounting for more than 70% of policies settled, while the number of claims increased by 11.7%.
- In the life insurance segment, payments to policyholders/beneficiaries totalled over 14.3 billion euros (+3.1% compared to 2011); most payments were related to maturing savings policies, for which a total of nearly 11.2 billion euros was settled with a majority (86.6%) of lump sum payments. Payments for claims relating to death or permanent disability due to illness amounted to over 3.1 billion euros.

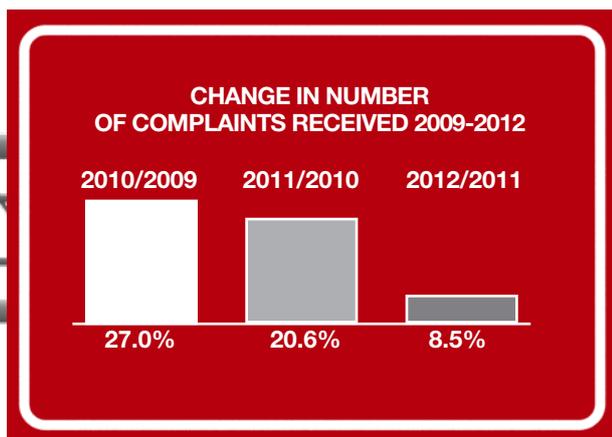
Insurance complaints

The Group's insurance companies manage complaints by applying the relevant internal procedures, in full compliance with existing regulations in the countries in which they operate.

To facilitate dialogue, multiple channels have been established through which reports may be submitted, as indicated in the contract terms and on the various Group websites. Clients may submit a complaint by letter, fax, telephone or email or by filling out the relevant form in the 'contact us' section of some company websites. All Group companies have put the necessary organization in place to manage complaints and use similar procedures to coordinate the various activities and define their commitments, objectives and responsibilities. In general, each company has an organizational unit that is responsible for complaints management and the monitoring of processing activities, working with the various business units and preparing periodic reports for Top Management.

INSURANCE COMPLAINTS

Country	Received		Accepted		Accepted/Received	
	2011	2012	2011	2012	2011	2012
Italy	30,270	30,426	9,717	9,618	32.1%	31.6%
Austria	1,110	679	1,001	623	90.2%	91.8%
Czech Republic	9,948	9,460	4,731	4,528	47.6%	47.9%
France	3,226	3,504	1,224	1,093	37.9%	31.2%
Germany	101,793	114,392	58,150	69,447	57.1%	60.7%
Spain	3,585	4,151	406	560	11.3%	13.5%
Switzerland	86	96	26	36	30.2%	37.5%
TOTAL	150,018	162,708	75,255	85,905	50.2%	52.8%



- The data for the Czech Republic do not include information relating to Generali Pojišťovna, which is not available.
- In 2012, the number of complaints received by the Group's insurance companies increased by 8.5%, continuing the upward trend of last two years, but to a much lower extent. The incidence of complaints received is 20.5 for every 10,000 policies taken out, which is reduced to 10.8 if we consider only accepted complaints, i.e. those for which the validity of the complaint has been acknowledged. It should be noted that, while recording an increase of 14.1% over the previous year, accepted complaints account for a little over half of those submitted (52.8%). Furthermore, although growing at an overall level, the number of complaints received in some countries has declined sharply during the year: 37.8% in Austria and 10.7% in France.
- Accepted complaints are highly concentrated in geographical terms: 80.8% of them relate to Germany where, in addition to claims, dissatisfaction/malfunction reports are also recorded.

Therefore, in the case of Germany and also in Spain, the increase in complaints is not mainly due to growing customer dissatisfaction, but rather to the increased openness of companies to listening and trying to resolve the problems and inefficiencies reported by clients.

In the majority of cases (93%), complaints are made by the policyholder/insured party, while only 7% of complaints are made by the injured party/beneficiary.

Considering the main reasons for complaints, over half (57.6%; 71.8% in Germany) relate to administrative activities, mainly due to shortcomings in the service provided, difficulties experienced by clients in understanding the contractual documentation and/or statements, and excessively long processing times. 29% of complaints relate to settlements, where grievances were primarily due to payment delays or what were perceived to be insufficient amounts reimbursed. Settlements represent the area with the majority of dissatisfied clients in Switzerland (94.8%), Spain (64.2%), Italy (59.6%) and France (57.1%) while, in Austria, only 1.8% of complaints relate to that area. Overall, the underwriting area received the fewest complaints (13.4% of the total, with a peak of 42.1% in Austria and 35.8% in France), relating mainly to inefficiencies in the service offered by the sales staff and client expectations of products not being met.

Insurance disputes

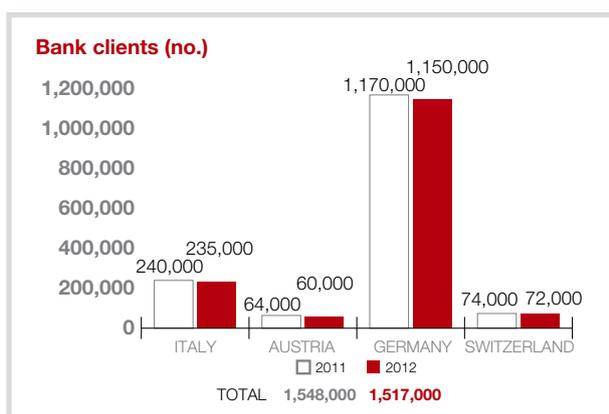
As at 31 December 2012, in the countries in the Sustainability Report area, the Group was involved in 152,495 disputes relating to its insurance business, all of which are currently in different phases of resolution. The number of disputes includes passive litigation, in which the Generali Group companies are the defendants, and cases where Group companies have initiated proceedings.

PASSIVE INSURANCE DISPUTES

Country	Number of disputes		Value of disputes (thousand euros)	
	2011	2012	2011	2012
Italy	54,230	57,943	3,054,803	3,176,344
Austria	2,944	2,944	117,057	127,456
Czech Republic	1,838	1,889	89,199	85,250
France	3,845	3,600	254,116	233,169
Germany	13,870	13,742	261,651	351,118
Spain	18,460	20,950	265,688	267,587
Switzerland	153	129	34,179	35,012
TOTAL	95,340	101,197	4,076,692	4,275,937

- The number of pending passive disputes, totalling 101,197, increased by 6.1%, mainly due to motor insurance disputes (accounting for 65.7%) and, to a lesser extent, general liability risks (21%).
- In the motor LoB, an increase of 8.3% was recorded, while disputes relating to general liability risks decreased by 2.9%.
- With regard to the value of disputes, herein taken to be the amount requested by claimants, there was an overall increase of 4.9% due to the increase in general liability risks (+4.5%) while the value of disputes related to the motor LoB fell by 3.3%.

Banking business



- In 2012, the number of the bank clients decreased by 2%, a decline that was observed in all countries.
- The vast majority of bank clients are private individuals: companies only account for 0.3% of the total.

Bank complaints

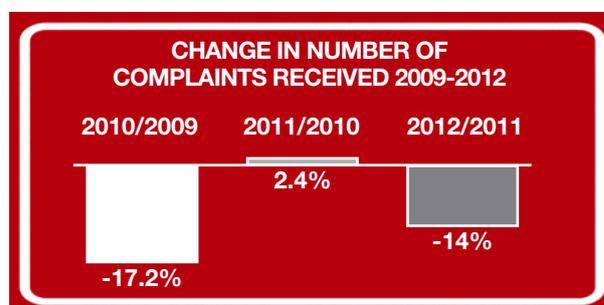
The complaints management processes of the various Group banks are organised differently, due in part to the legal requirements of the different countries. All of the banks have various methods by which clients may lodge a complaint (including by letter, fax, telephone and email) and a specific department that is responsible for handling and analysing complaints and monitoring business activities in order to

identify possible remedial actions. Complaint management procedures are very similar across all Group banks. The responsibility for management is entrusted to a department that collects, analyses and forwards the complaints to the business units concerned in order to identify an appropriate solution. This department monitors the status of complaints and prepares communications to the supervisory bodies and periodic reports to Top Management.

BANK COMPLAINTS

Country	Received		Accepted		Accepted/Received	
	2011	2012	2011	2012	2011	2012
Italy	347	317	41	52	11.8%	16.4%
Austria	142	165	142	165	100.0%	100.0%
Germany	9,134	7,780	2,416	1,994	26.5%	25.6%
Switzerland	75	70	40	16	53.3%	22.9%
TOTAL	9,698	8,332	2,639	2,227	27.2%	26.7%

- In 2012 the number of complaints received by banks declined by 14% over the previous year with a widespread reduction in all countries, except for Austria, where complaints increased by 16.2%. The number of complaints showed a fluctuating trend, with significant reductions interspersed with a slight increase in 2011.
- Only 26.7% of complaints received (a little over one in four) were accepted. 89.5% of these complaints related to Germany, where a decrease of 17.5% in the number of complaints accepted was, however, recorded.



The main reasons cited in the complaints are: operational errors or alleged operational errors committed by the bank in applying rates or delays in executing orders received; the failure of products to meet customer needs or expectations; limited or incomplete information relating to after-sales service; dissatisfaction with investment performance; lack of assistance provided by the branch, by telephone or via email; and commission expenses considered to be too high.

Bank disputes

As at 31 December 2012, the Group's banks in the area under review were involved in 644 disputes which are currently in different phases of resolution. As already noted with regard to the insurance business, this number includes both passive and active disputes.

PASSIVE BANK DISPUTES

Country	Number of disputes		Value of disputes (thousand euros)	
	2011	2012	2011	2012
Italy	17	23	2,518	5,078
Austria	0	0	0	0
Germany	312	515	31,342	56,124
Switzerland	29	nd	nd	nd
TOTAL	358	538	33,860	61,202

- The value of BSI disputes is not available for reasons of confidentiality.
- In 2012, a total of 538 cases were brought against Group banks, with an increase of 50.3%. In particular, their overall value increased by 80.8%, which for the purposes of this report is calculated as the amounts claimed by the counterparty.

The main sources of dispute relate to alleged inefficiencies in the management of bank products, alleged irregularities in operations or investment services provided by the bank and market losses, the responsibility for which has been assigned to the banking institutions by the claimants.

SUPPLIERS



Karolinen Karee, Munich, Germany



“The creation of a network based on long-lasting and mutually satisfactory relations with qualified suppliers is a strategic objective for the Group, which builds competitive success.”

Supplier policy

The Generali Group believes that, in an increasingly globalised and integrated economy, creating a network based on long-lasting and mutually satisfactory relations with qualified contractual partners - that ensure high quality products and services for the Group - is a strategic objective which builds competitive success.

Relationships with contractual partners are governed by a specific document, the **Ethical Code for suppliers of the Generali Group**, approved by the Parent Company's Board of Directors in December 2011. The main purpose of the Code is to define the methods for dealing with and managing the risks and opportunities relating to the management of relations with suppliers, in order to guarantee the integrity of the supply chain in relation to the principles concerning human and labour rights, the fight against corruption and the environment that the Group commits to complying with in all of its operations. To this end, the Ethical Code for suppliers outlines the general principles that have to underpin fruitful relations with contractual partners: correctness and honesty, the rejection of any type of corruption, transparency and impartiality, preventing conflicts of interests, fair competition, and confidentiality, and protecting workers and the environment.

Suppliers are required to follow the Group's policies while performing business and to ensure compliance also with all the levels of the relevant supply chain. Specifically, suppliers are required to comply with all national and international applicable rules and regulations, including the International Labour Organization's Declaration and the UN Universal Declaration of Human Rights.

In the countries in the Sustainability Report scope and in other European countries, clauses in supply contracts expressly require compliance with laws on labour, health and safety in the workplace and environmental protection. For violations, sanctions are also envisaged, which can even result in contract cancellation if it is not possible to resolve the problems through dialogue with suppliers.

For greater control over the supply chain, the use of subcontracting is governed by contract, and suppliers are requested to report any use of third parties in carrying out their services.

To govern relationships with suppliers in detail, several countries (Italy, Austria, France and Germany) have adopted specific codes or documents in line with the Ethical Code for suppliers of the Generali Group, while others have formalised purchasing procedures and practices in internal circulars and regulations. The new Code of Conduct also sets forth provisions concerning relationships with suppliers, which specifically cover the prevention of potential conflicts of interest and the

regulation of the acceptance/offer of gifts of any type, which are permitted only if they relate to work and their value is under a reasonable limit, also taking account of the local regulations and practice.

PURCHASING MANAGEMENT

In Italy and Germany, purchasing procedures, from searching for a supplier to entering into the contract, are carried out by a common services company, while in Austria, France, the Czech Republic and Spain they are conducted by a purchasing service centralised at the holding companies. Lastly, in Switzerland, purchasing is carried out by the individual companies.

In consideration of the specific nature of the business, which envisages the direct involvement of suppliers in the service provided to the client throughout the area on a local basis, previous contacts with suppliers and management of supplier relations are particularly important to companies of the Europ Assistance group. Also for this reason, Europ Assistance companies independently make their own purchases, and only certain countries, such as France and Italy, have a purchasing service centralised at the local holding company. Supplier information is shared at national level, through a database accessible to all group companies.

Un Campione per amico (A champion as a friend), Italy



The Ethical Code for suppliers of the Generali Group is available on the website of the Generali Group www.generali.com/Sustainability



The supplier selection process is carried out through clear, certain, non-discriminatory procedures, exclusively using objective, documentable and transparent criteria linked to the quality of products and services offered. Quality is also assessed in consideration of compliance with international ethical principles on labour and human rights, as well as considering the environmental impact of the manufacture and supply methods used.

In Italy, Austria, France, Germany and the Czech Republic, supplier accreditation is performed through IT platforms (supplier portals). Using this procedure, suppliers can enter their company data and view and sign Generali Group documents. In this phase, suppliers are also required to fill out questionnaires to verify their credentials. The information requested also includes the possession of environmental and social certifications and the existence of an environmental policy or initiatives that focus on the environment. More generally, in order to motivate suppliers to adopt responsible social and environmental conduct, in the selection process, the Group considers the possession of certifications or the existence of social and environmental policies to be preferential requirements. Specifically, the introduction of

the environment variable in supplier assessment complies with the objectives set out by in the Environmental Policy of the Generali Group, described in the chapter Environment and Climate Change.

The Group gives preference to **green procurement** for purchases of office equipment, especially of paper, toner and stationery. In France, this is also true for office cleaning products. Furthermore, suppliers that provide services for the Saint Denis complex, which has HQE (Haute Qualité Environnementale) certification, are required to comply with the standards set out by this certification.

In some countries local procurement is also used: for example, company canteens are supplied with local products in Austria and in a few sites in Italy.

In selecting suppliers, some companies give preference to social cooperatives or companies with a **social purpose** to support their activities in favour of disadvantaged people. For example, in Italy, Europ Assistance uses cooperatives for cultural mediation, disposal of special waste and purchases of promotional gifts and stationery. In Austria, companies buy PC cleaning sets from the association for the blind and printing products from companies that employ former convicts. Several social cooperatives that integrate disadvantaged people, especially the disabled, into the labour market provide goods and services to Group companies in France, the Czech Republic, Spain and Switzerland.

Taking account of the fact that the **risk analysis** has shown that for textiles and advertising materials there is a higher risk of the use of forced labour or child labour, due to the source countries, where these rights are not fully guaranteed, in Austria suppliers of these products are required to provide proof of origin and preference is given to suppliers certified according to the SA 8000 standard. This standard guarantees several aspects of company management which are significant for CSR, such as respect of human and labour rights, protection against the exploitation of minors and health and safety in the workplace.

Non-European countries

The Ethical Code for suppliers of the Generali Group is the document applied to all countries where the Group operates.

An initial analysis was conducted of non-European countries, which did not detect significant risks related to the possibility that certain suppliers could use forced labour or child labour.

However, it was found that in several countries where the Group operates, freedom of association and collective bargaining are not permitted by law (United Arab Emirates) or are permitted with limitations (China).

SIZE AND CHARACTERISTICS OF SUPPLIERS

NUMBER OF SUPPLIERS

Country	Number		Of which Europ Assistance	
	2011	2012	2011	2012
	Italy	21,904	22,480	7,706
Austria	3,204	3,287	2,884	2,963
Czech Republic	4,510	4,554		
France	6,964	6,793	5,000	5,000
Germany	121,815	109,388	106,111	97,153
Spain	20,002	20,720	19,603	20,333
Switzerland	4,396	4,304	1,464	1,464
TOTAL	182,795	171,526	142,768	134,628

- In the countries within the Sustainability Report scope, the Generali Group conducted business with 171,526 suppliers, showing a decrease of 6.2% on the previous year. This drop is attributable to both the improvement in the supplier database systems, which resulted in the elimination of duplications, and a greater use of suppliers capable of providing various types of products and/or services.
- The presence of certain companies of the Europ Assistance group, whose suppliers accounted for 78.5% of the total, is at the root of the high number of suppliers. This derives from the specific activity undertaken, which envisages the provision of various types of services and the consequent availability of suppliers (car hire companies, roadside assistance providers, plumbers, smiths, electricians, carpenters, clinics, hospitals, diagnostic centres, analysis laboratories, ambulances, doctors, nurses, physiotherapists, etc.) throughout the country.
- It is partly for this reason that most Group suppliers offer services connected with Group business, while a much smaller number of suppliers provide various services in support of company businesses (cleaning, maintenance, transport, etc.) and the supply of goods.

PROCUREMENT EXPENSES

Country	Expenses (thousand euros)		Of which with location of operation in the country	
	2011	2012	2011	2012
	Italy	645,228	616,229	90.8%
Austria	42,931	42,202	93.0%	92.1%
Czech Republic	121,937	113,341	90.8%	97.0%
France	323,000	270,519	96.6%	89.4%
Germany	361,019	364,429	97.2%	92.3%
Spain	97,430	110,169	89.8%	85.2%
Switzerland	67,900	66,908	83.3%	85.0%
TOTAL	1,659,445	1,583,797	93.0%	89.8%

- Procurement expenses decreased by a total of 4.6% in 2012.
- On average, 89.8% of procurement expenses occurred with operators located in the same country, and in many cases in the same region or town where the offices of the Group companies are located, demonstrating the fact that in selection, priority is

given to national suppliers and, specifically, enterprises capable of providing goods and/or services throughout the country. This policy also has positive effects on the social and economic fabric of the communities where Group companies operate, as it creates jobs and stimulates economic growth. At the same time, selecting local suppliers reduces the impact of company activities on the environment, an objective which in some cases also contributes to the selection of suppliers that implement ecological criteria, such as optimisation of deliveries and the use of green vehicles, or offer the possibility to offset emissions related to the services provided.

- The decrease in the percentage of expenses for local procurement was also affected by the fact that the purchases of IT goods and services are managed at Group level, by Group ICT Procurement, which is in charge of establishing commercial relationships with global suppliers, taking advantage of economies of scale.

DIALOGUE WITH SUPPLIERS

In **Germany**, the Group participated in Econsense, a **forum for sustainable development**, which German companies and organisations participate in with the goal of promoting sustainable development and corporate social responsibility. The Forum has developed a series of principles concerning the supply chain, called GASP (General Accepted Sustainable Supply Chain Principles of Econsense into the RFI - Request For Information). Generali has integrated these principles into its purchasing processes, including 30 questions in its supplier qualification questionnaire, broken down into 5 categories: governance, ecology, society, policies and management.

In **Italy**, during 2012 a meeting was organised with several of the main suppliers, where the new section of the Generali Group Italy Supplier Portal was presented. This section is dedicated to exchanging orders and invoices, in order to dematerialise documents in the order-invoice cycle, increasing transparency, providing visibility to the data shared with suppliers, and enabling on-line cooperation to manage orders and invoices. The suppliers involved were pleased with the development of the portal and satisfied with the engagement initiative, suggesting possible developments and functionalities for the platform. Another meeting was held in April 2013, involving approximately 80 suppliers. In the first part of the meeting, suppliers were provided with training on issues of environmental and social responsibility, and the Group's approach to these issues was described (purchases of green materials, energy from renewable sources, separate waste collection and respect of labour rights also applied to the supply chain). In the second part, the Supplier Portal was presented and its features were illustrated. Also in this case, suppliers were highly satisfied with the tool, and especially with the possibility of real time dialogue with the Group Procurement department and of eliminating paper in exchanging communications and information, with resulting financial savings and benefits for the environment. To assist suppliers that decide to use this tool, the Group has set up specific training courses, which will be held in the country.



Innovatis, La Plaine Saint Denis, Paris, France

Also in Italy, in the 2012-2013 heating season, Generali Real Estate tested a contract type (Energy Performance Contract) that commits persons in charge of building maintenance to reach specific energy savings targets in exchange for the guarantee of a 1-year extension in the supply contract. The purpose of the initiative is to increase suppliers' sensitivity to environmental subjects, involving them in company energy savings targets, through a personal interest.

COMMUNITY



“The Generali Group plays an active role and contributes in various ways to improving the communities in which it operates.”

Community policy

Forging relations with the local communities in which they operate has always been a priority for the companies that belong to the Group, which has capitalised on local expertise to develop its business in new areas.

As a rule, the Group employs local people at both acquired and newly created companies, the result being that Generali's global expansion and consolidation has always led to growth in the economies of the communities in which it operates.

The Group's role as a driver is not just limited to the economic sphere but also extends to the social sphere where, as detailed in its Code of Conduct, Generali wishes to tangibly contribute to a form of development based on respect for fundamental human and labour rights, and to protecting the environment.

The Group is an active citizen in its communities using its funds, expertise and other corporate resources to support public and private organisations committed to improving living conditions through initiatives in the social, cultural, environmental and sport areas.

Indeed, at times of ongoing and profound economic difficulty, such as the current one, the Group seeks to strengthen those measures designed to help those in greatest need and to mitigate the negative effects of the downturn at a social level.

The Group companies actively work alongside both national and local public institutions to develop individual projects; such partnerships are particularly common with the education authorities, with whom the initiatives aimed at schools are usually organised, and with the Ministry of the Interior and the national and/or local police, with whom they work alongside on street education campaigns.

The Group also carries out an important role during emergencies, including natural disasters such as floods and earthquakes, providing clients with any eventual damages owed to them as quickly as possible but also helping to provide first aid and/or participating in the rebuilding process, particularly as regards social infrastructure such as schools, hospitals and nursing homes.

GUIDELINES FOR COMMUNITY INITIATIVES

Four **action areas** have been identified in order to guide the choices of the Group companies.

Social area: initiatives aimed at improving all aspects of society, with a particular focus on those that seek to:

- provide assistance (covering primary needs, health and medical services, basic education, etc.) to those in difficulty (people suffering from poverty or illness, orphans, disaster- or war-stricken communities, etc.);
- integrate the disadvantaged into society and education and/or employment through rescue work and education;
- raise the awareness of the community with regard to socially relevant issues, often related to the company's business, such as road safety, health and volunteer work;
- support research, particularly medical, scientific and economic research, and educational training on topics related to the activities of the Group companies.

Cultural area: initiatives aimed at enhancing and preserving the artistic, historical and cultural heritage of the areas in which Generali operates and making it more accessible to the public.

Environmental area: initiatives aimed at protecting the environment and raising awareness about issues such as climate change, energy saving, separate waste collection and pollution.

Sports area: initiatives to support youth, amateur and professional sport.

In these areas priority is given to initiatives regarding children and young adults, the future of our society, even if the demographic changes taking place in some countries have also seen the attention focused on associations and projects for the elderly.



Explendor de Renacimiento (Renaissance splendor), Spain

The **criteria** used to choose which initiatives to support take into account the priority action areas and the social value of the proposals and the reliability of the bodies promoting them. Checks are made at a later date to ensure that the funds actually arrive at the designated destination and to ensure ongoing long-term support for those organisations that have made good use of the financial resources received and have mission and values shared by the Group or are involved in broad-reaching projects. For larger-scale initiatives, the Group companies also seek to evaluate their social impact, examining the number and type of the benefits they had on the socio-economic context.

In terms of the aforementioned criteria, the individual Group companies make their own decisions as regards their operations, concentrating the resources earmarked for the community on a single or a few large-scale initiatives, or on one specific issue, or splitting the funds between several initiatives covering various topics. In some cases, employees are also involved in choosing which organisations should benefit from the resources available.

In some countries (Austria, Germany, Italy, Mexico, the Czech Republic and Hungary) the activities are also carried out via foundations that have been specifically set up for this purpose.

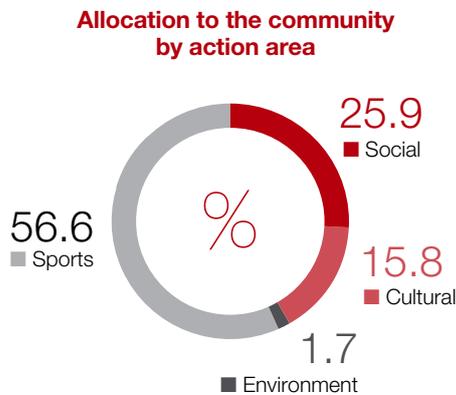
Depending on the **end goal**, which may be either philanthropic or predominantly commercial in nature, the community-oriented initiatives implemented within the action areas identified by the Group may be divided into:

- **donations**, when the funds or resources in kind destined for these communities have the sole goal of providing a public service or materials for public use. Such contributions can be made periodically or, as mentioned, on a regular basis, according to an established schedule in the event that they are to be used for the development of specific, large-scale projects. The majority of the community-oriented initiatives pursued with the participation of the Group companies fall into this bracket.
- **commercial initiatives**, i.e. the sponsorship of events and shows of significant cultural and sport value from which the community benefits, but which are also directly aimed at promoting the brand or a specific company product, or to improve its image.

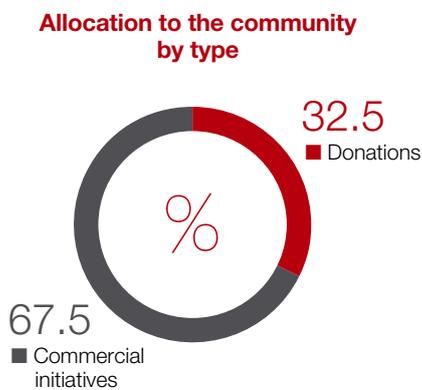
Thanks to their ability to combine commercial goals with social goals, commercial initiatives are a crucial part of the Group's communication policies which, by their very nature, are developed over time in accordance with the needs of the business, and can therefore be irregular. The Group's policy of engagement in the community therefore relates exclusively to donations.

THE 2012 FIGURES

In 2012, the Group donated 45 million euros to community-oriented initiatives (-5.9% compared with 2011).

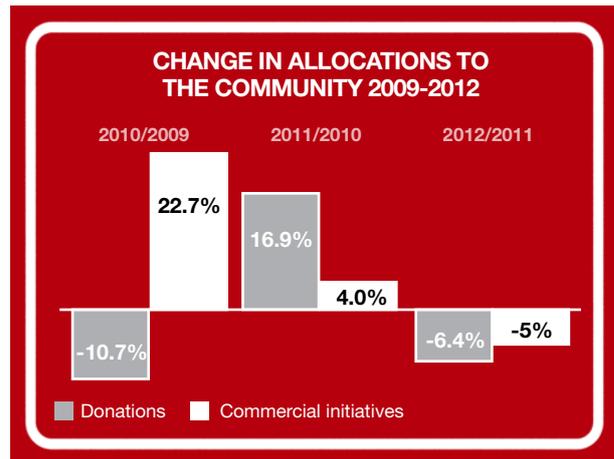


- The allocation of funds to the various action areas confirms the Group's decision to focus greater attention on the social area - to mitigate the effects of the economic downturn of the last few years - and the environmental one: indeed the sums allocated to them, in which the majority of philanthropic initiatives are concentrated, increased by 6.3% and 9.6% respectively compared with 2011.
- At the same time there was a 10.3% fall in the amount of funds allocated to the sports area. In any case, it still accounts for over half of the resources allocated to the community as it includes numerous commercial events, which often have major media visibility.



	2011	2012	%
Donations	15,371,879	14,600,582	32.5%
Commercial initiatives	32,462,650	30,393,280	67.5%
TOTAL	47,834,529	44,993,862	100.0%

- There was a decrease in both components. Specifically, donations fell by 5% and commercial initiatives by 6.4%. The smaller fall in donations is quite significant as it reflects how the Group's focus on the needs of the communities is not affected by periods of crisis such as the current one.



- The trends observed in this 3-year period underline how the effects of the negative international economic climate firstly slowed growth and then, in the last year, reduced the overall quantity of funds allocated to community-oriented initiatives.

However, despite this reduction there was an increase in the commitment of the companies to **corporate volunteering**, which consisted of various types of activities carried out by employees in favour of not-for-profit organisations during working hours. In fact, in 2012 there was a substantial increase in the number of countries that launched corporate volunteering projects, which rose from 5 in 2011 to 16 (Austria, France, Germany, Italy, the Netherlands, Portugal, Bulgaria, Croatia, Poland, the Czech Republic, Russia, Slovakia, Argentina, Panama, the Philippines and Hong Kong).

In 2012 over 1,000 employees participated in corporate volunteering activities, which accounted for 1.3% of all donations.

Particularly popular among the various types of corporate volunteering in the Group companies is skills volunteering, which sees employees participating in numerous economic and financial literacy initiatives as lecturers, sharing their time and the technical knowhow and managerial skills they have acquired.



Week of Money, Germany

For example, in 2012 the Generali Employees in the Classroom initiative was held in the **Netherlands**, in which a number of employees volunteered to teach primary school children the basic principles of healthy personal finance. This project formed part of “Money Week” organised by Wijzer in geldzaken, a platform created by the Ministry of Finance in 2008 to improve the general public’s understanding of financial issues and which boasts over 40 partners from different areas (finance sector, government, consumer associations, education sector, etc.). In **Panama**, meanwhile, 40 employees worked as volunteers at the Junior Achievement, children’s education association, holding lessons designed to teach primary and secondary school children how to be competitive in the global economy. Elsewhere, the voluntary initiatives carried out by employees covered a wide range of activities. As well as professional activities (work in organisations, training activities in the areas of IT, PR, marketing, accounting, etc.), they also entailed manual activities (cleaning of gardens, woods or rivers, refurbishment works, etc.) and relational activities (recreational activities for the elderly, assistance and care for the sick, travel guides, etc.). In **Germany**, particularly active in the corporate volunteering field since 2009, over 300 employees took part in National Corporate Volunteering Day (Freiwilligentag 2012) in June 2012. Adopting the motto ‘Helfen hilft - Gemeinsam stark’ (Helping helps - Together



Freiwilligentag 2012, Germany

we are strong), they personally contributed to 23 different projects, spending an entire day doing different types of activities in the cities of Aachen, Frankfurt, Karlsruhe, Cologne, Hamburg and Munich. To carry out the projects, the Group companies partnered with a number of voluntary associations, to whom they also made donations in money or in kind. Also linked to this initiative is the support offered, together with the Ministry



German Volunteer Award 2012

of Family Affairs, to the **German Volunteer Award 2012**, organised to support the social commitment of citizens; this award programme has 6 different categories of prizes, which the public contribute to award by voting online. In the **Czech Republic** 130 employees decided to dedicate one working day to one of the organisations featured on www.zapojimse.cz, a platform that puts businesses and citizens in contact with not-for-profit organisations. In **Hong Kong** the Generali Rainbow Life project involved employees in two initiatives: English Language Workshop Stage I, which in July and August saw 23 employees give English lessons to 21 deprived children from the The Boys’ and Girls’ Clubs Association of Hong Kong NGO; Mainland Exchange, an exchange programme that gave the opportunity for the 10 Generali Rainbow children to travel in the region of Guangzhou with 4 Group employees, providing voluntary service to local underprivileged families.

The Group companies also make **donations in kind**, supplying new or used equipment or providing services free of charge, particularly insurance policies of different types, to schools and charitable organisations.

In Austria, Argentina, Greece and the Czech Republic the companies donated IT equipment (computers, computer screens, keyboards, mice, notebooks, servers, etc.) to primary schools and NGOs, while in Canada a tablet was given to the Autism Society of Toronto, which provides education to autistic children.

In Brazil 5 cameras were donated to Projeto UERE, a model school for disadvantaged children of 4-18 years, for its photography course; some of the photos taken by the children were subsequently used by Generali for its Christmas cards.

In Colombia 300 books were donated to Fundación Promoción Humana, which assists disadvantaged children in Bogotá, and over 9,000 books to Foundation Semana for the development of a public library.

In Romania medicines and healthcare apparatus were donated to the Grigore Alexandrescu children’s hospital in Bucharest.

Finally, in various countries there was support for children’s sport with the donation of various types of sports kit and equipment.

In addition to these activities, employees within the Group have implemented a number of charitable initiatives, collecting money and/or materials and doing voluntary work to help the less fortunate. Some of these were individual projects, while others were promoted by the companies. The latter also include **payroll giving** initiatives whereby regular or one-off donations are made to charitable organisations by making deductions from employee salaries. In some countries the Group companies offer employees the chance to take part in such schemes.

THE 2012 INITIATIVES

The Group supports many different types of initiatives, ranging from occasional measures in support of specific projects to more structured initiatives requiring a long-standing commitment from the Group companies.



Social area

The Group has always prioritised its support for associations that provide assistance to those affected by poverty, disease, war, violence and social

discomfort and, as mentioned, it has strengthened this commitment in these recent years of severe economic and social hardship. In particular, the Group prioritises initiatives aimed at constructing the basis for a lasting improvement in living conditions for the disadvantaged, and backs rescue and integration projects designed to offer people in difficulty, for whatever reason, equal opportunities for development and integration into society and the job market.

In the healthcare sector, the initiatives backed by the Group this year once again mainly sought to prevent and cure illnesses, particularly those that represent the biggest causes of death or which have a major impact on people's quality of life and independence such as tumours, cardiovascular illnesses, Alzheimer's and multiple sclerosis.

Also in 2012, the Group companies in various countries worked with the authorities, schools, state and local police and various associations to organise programmes aimed at preventing road accidents caused by the failure to respect the highway code. Most of these were aimed at providing children and young people with basic knowledge so they grow up to become careful drivers in the future.

In Germany, the carefully structured promotion of voluntary work among citizens and businesses, carried out together with the institutions and associations as part of Generali Zukunftsfonds, also continued in 2012.

Finally, in numerous countries the companies continued to maintain valuable relationships with universities and postgraduate education institutions, resulting in multiple exchanges: placements, classroom talks by Group employees, the funding of study grants, etc. In this way, the companies both show their interest in and directly contribute to training a highly specialised workforce who they may later consider when looking to hire new staff.

In **Hungary** the Generali Smile Hunter project was launched a couple of years ago. This initiative seeks to provide assistance to children from traumatic backgrounds who have been cared for by children's homes since being separated from their original families. The aim of the project is to give children the chance to enjoy unique experiences and to help them develop skills and talents that will enable them to integrate in society. Before the programme was launched, together with the help of experts it was established that sharing common experiences with other children would be the best way of helping the younger children to enjoy a normal childhood. The project was then launched with children and their minders asked to express the wishes they would like to come true. Generali then sought to realise their dreams organising, for example, an unforgettable summer holiday on the shores of the Balaton, as well as trips to the zoo, adventure parks, museums, radio stations and the airport.

One of the most distinctive features of the Smile Hunter programme was the use of Facebook in all phases: firstly to raise awareness of the initiative among colleagues, insurance brokers and customers and to encourage them to take part and make a contribution exclusively in kind, not in cash. The response, again on Facebook, was immediate and enthusiastic and the propositions made in terms of sports, crafts and animal-based activities, together with the donations of equipment, holidays and toys, made it possible to realise even the smallest dreams of the children. As well as taking care of the logistics, Generali documented all of the activities, publishing them on Facebook to share them with donors and followers, together with the drawings and letters with which the children involved in the programme described their experiences.

An additional programme was subsequently launched with the aim of improving the expressiveness and the self-confidence of children through participation in group sports and artistic activities to develop their skills and talents.

Thanks to Generali, at the end of 2012 these programmes, which include art therapy, sports, music, dance, theatre and initiatives that help children to get to know and respect nature, were introduced at 6 different Hungarian institutes. The progress of the project can be followed on Facebook where there is also an application that continuously monitors the progress of 15 talented children so they can act as role models for their peers and as a stimulus for the entire community.



Cultural area

With a view to promoting knowledge sharing and healthy recreation to encourage reflection and lift the spirits, the Group has always supported activities that aim to enhance and preserve the artistic and cultural heritage of the areas in which it operates.

The Group contributed to a great many initiatives in 2012, which testify to the important role it plays in the countries. These initiatives covered a wide range of activities and were designed to support both the major cultural institutions, particularly the leading **theatres**, which increasingly need financing from private sponsors to continue with their activities, and numerous initiatives promoted by local associations and organisations, focusing particular attention on those involving **young artists**.

Generali is also involved in the world of art, both through the pieces it owns, such as the BSI collections, the works of the Generali Foundation in Vienna and the collection at the Česká Pojišťovna gallery in Prague, and by supporting the activities of museums, theatres, schools, foundations and cultural associations. The Group's commitment in this area is not just limited to top-class institutions but also extends to smaller organisations, which are key to the creation of a rich and varied cultural panorama. In 2012 the most firmly consolidated activities were the support for museum and exhibition activities and the promotion of historic and artistic heritage.

With the ultimate goal of promoting the Generali brand, once again this year various high-profile events were sponsored including exhibitions and music and theatrical events, with the participation of major artists, composers and musicians, as well as literary and artistic events of national and international interest.

Radici del Presente - In December 2012 the Radici del Presente museum was opened in Rome, **Italy**. The museum is located on the second floor of the historic head offices of Assicurazioni Generali in Piazza Venezia facing the Fori Imperiali and Trajan's Column.

The development of this museum, which exhibits the Group's collection of archaeological artefacts and is mainly targeted at the younger generations, through a significant and ongoing contribution to the national school system, is part of a broader project that stems from Generali's desire to support and promote Italy's historical and archaeological heritage. In fact, connected with the museum is an education project of the same name aimed at primary school and lower secondary school pupils in Italian state schools. The aim of the project is to promote the learning of ancient history and the understanding of Italy's historical and archaeological heritage.

In the first hall, the museum reconstructs the events that saw Piazza Venezia assume its current guise, detailing the construction of the Assicurazioni Generali building in the early 1900's before focusing on the archaeological finds uncovered during the excavation of the site. The collection is made up of over 300 exhibits, all of which Roman and dating to between the 2nd and the 5th century A.D. with the exception of a 4th century A.D. Greek relief; the most valuable pieces include a bust of the Emperor Gallienus and a fragment of relief depicting Aeneas fleeing from Troy. Thanks to the works, photos and documentary evidence, this exhibition will make it possible to discover the history of this area for the first time, an area that has been central to life in Rome since ancient times. The educational dimension was developed with the aim of bringing visitors into close contact with the exhibited materials, reconciling the fascinating complexity of the ancient artefacts with their ability to stir the curiosity of young visitors. To this end, the exhibition of the artefacts is broken up by five "living displays", spaces where the archaeological artefacts and the archive documents make it possible to immerse oneself in the past and retrace the 2,000 years that separate us from the age of Ancient Rome.

The educational project was launched in early 2013. Based on a learning methodology that prioritises a multidisciplinary approach, Radici del Presente reaches out to all teachers, and not only those that teach humanities, history and art-related subjects, proposing a course that examines the historical roots of the local area through classroom activities, in-depth materials, visits to archaeological sites and teaching activities specifically developed for the project website www.radicidelpresente.it. Teaching materials are provided to support classroom lessons and the visits to the archaeological sites of the Roman villas dotted around Italy. A team of researchers and archaeologists from Federico II University in Naples will support the teachers in the various activities proposed and a series of online seminars will offer the opportunity to discuss the teaching methods at national level. The project website will host in-depth teaching materials, documentary videos and the results of the activities carried out by the pupils.



Radici del Presente Museum, Rome, Italy



Environmental area

The Group has funded a series of activities in this area of varying type and scope, aimed at protecting the environment, developing and promoting alternative energies, and providing education on environmental subjects.

To mark special occasions in Asia, such as weddings or Lunar New Year celebrations, it is customary to give cash gifts in Red Envelope (Lai See) - in Oriental tradition the colour red symbolises good luck and keeps evil spirits at bay. In **Hong Kong** 180 million red envelopes were given as gifts in 2012, the equivalent of 9,253 trees. To encourage people not to throw away the red envelopes but to take them to the special collection centres also set up in its own POS, Generali organised an awareness campaign called Greeners Action's Lai See Reuse and Recycle program 2012. The recovered envelopes were sent to an association that employs disabled young adults in various different working activities, which divided them up according to size, shape and shade printing the wording Thank you for reusing me on the back. The envelopes were then given away so they could be used the following year.



In **Portugal** there was support for the Madeira Film Festival, the biggest independent festival in Europe where directors from all over the world come to present their documentaries and short films.

The aim of the festival is to encourage creativity in all areas of film production, regardless of the financial status, physical problems and diversity of the participants in terms of gender, age and geographical origin.

The festival also seeks to protect the natural history, flora and fauna of the Portuguese island, issues to which a special category of the competition is dedicated. The island of Madeira boasts the biggest subtropical endemic laurisilva forest in the world, a UNESCO World Heritage Site since 1999. The aim is therefore to use film to strengthen the understanding of the importance of this forest for the ecological equilibrium of the island and to support the safeguarding of the endemic flora and fauna.



Sports area

Generali regards sport as an educational and training tool that imparts sound principles and values. This is why it supports **youth and amateur sports** through numerous initiatives, often simply

consisting of providing sports kits or equipment. This enables a great many young people and communities to continue to enjoy a wide range of sporting disciplines, such as: tennis, golf, football, swimming, volleyball, basketball, rugby, sailing, triathlon, cycling, marathon running, etc..

The Group companies also play an active role in sponsoring **professional sports** and high-profile events in the areas where they operate. With the Group's assistance, communities can stage national and international events with positive effects for both the local economy and the image of the city. In developing markets, such events may be an opportunity for wider economic growth, with positive implications at various levels.

Barcolana, Trieste, Italy

As mentioned, the sponsorship of high-profile sporting events is often used by the companies to keep their clients, employees and sales force staff happy. The geographical areas with the keenest interest in sports are in Europe - the countries in the Sustainability Report scope and Central Europe countries in particular. The Group companies' main sports sponsorships of 2012 involved international professional events, federations, national teams and Olympic committees, club teams and famous athletes. In some cases the sponsored athletes were involved in initiatives aimed at promoting sport among the young, encouraging them to try and emulate their heroes.

In the **Czech Republic**, Generali Survival 2012, a 24-hour non-stop sports competition for couples, was held on the weekend of 8-10 June. The motto of the event was 'If it isn't in your legs, it must be in your head - the integration of disabled people into the outdoor non-handicapped race'.

The underlying idea of the event was the total integration of the disabled and neurotypical people in the competition, the goal being to measure their potential in multiple sporting disciplines and to show that, contrary to what many people think, a handicap is not a physical problem but a lack of desire, something which anyone can be affected by.

Thirty couples, 9 of which with a participant in a wheelchair, lined up at the start line ready to take on the same 180 km-long course in multiple disciplines (orienteering, mountain biking and handbiking, climbing, slalom canoeing, in-line skating, hurdles, swimming in a swimming-pool and open-air swimming, golf, archery, shooting, wheelchair race for neurotypical people and quad bike race for the disabled), with the aim of cutting the finish line tape within 24 hours.

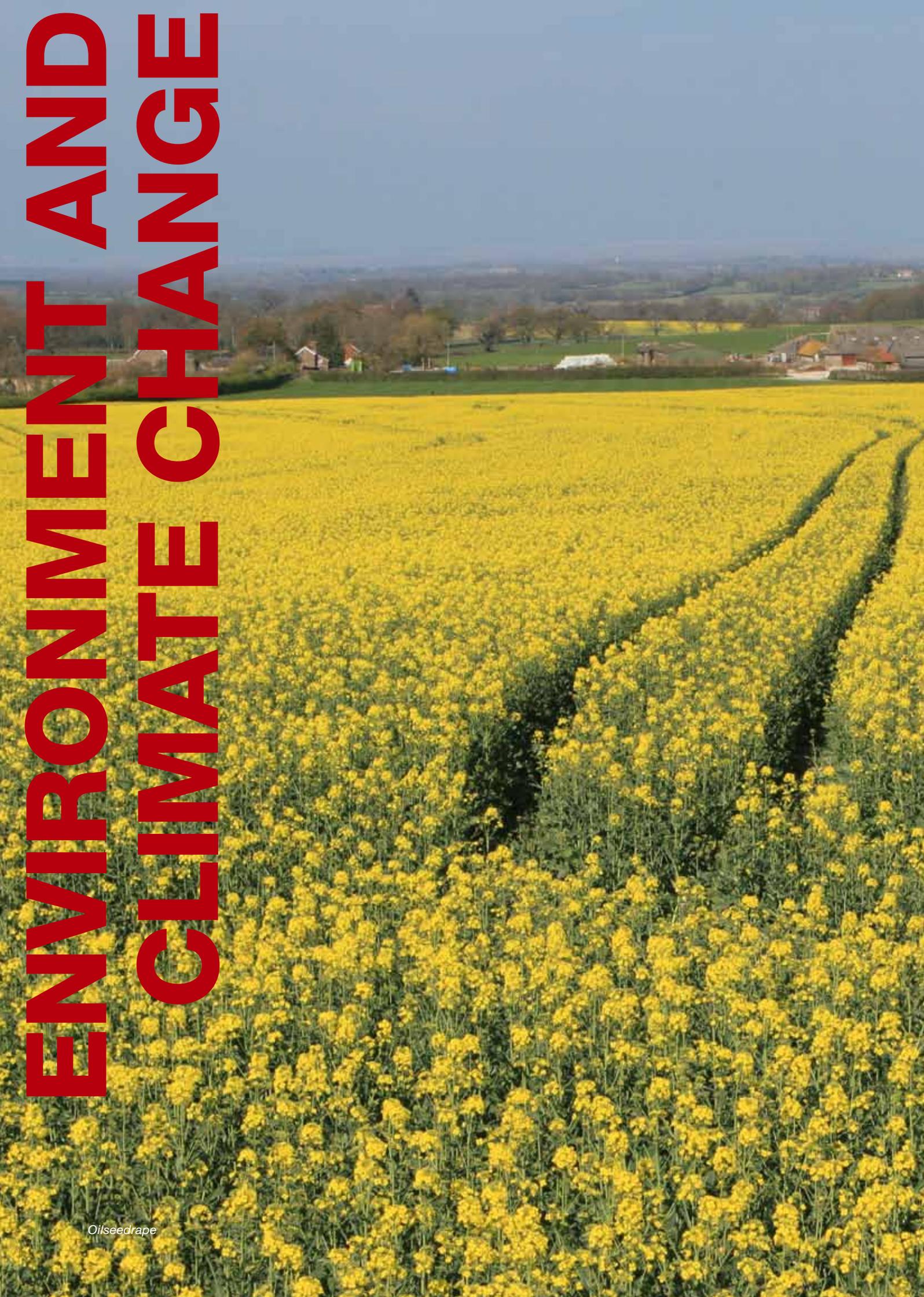
Twenty-five of the thirty couples completed the course; the fastest of the neurotypical competitors finished in 13 hours and 31 minutes, while the fastest couple with a participant in a wheelchair took 15 hours and 57 minutes.



For in-depth information, see the website www.generalisurvival.cz



Barcolana, Trieste, Italy



ENVIRONMENT AND CLIMATE CHANGE

Oilseedrape



“The Generali Group seeks to make a positive contribution to sustainable development by managing and reducing the direct and indirect environmental impact of its activities.”

Environmental Policy and Environmental Management System

Protecting the environment as a primary asset is one of the key values of the Generali Group, which seeks to tailor its choices in such a way as to reconcile business initiative with the needs of the environment.

In order to honour this commitment, in 2009 the Parent Company's Board of Directors approved the **Environmental Policy of the Generali Group**. This document, which is applicable to 100% of the employees, contains the guiding principles that the Group adheres when managing all significant instances of environmental impact stemming from its corporate activities. More specifically, the Environmental Policy defines the objectives and commitments that shape the decisions and actions of the Group with the aim of positively contributing to sustainable development. The identified objectives refer both to direct environmental impact, resulting from the Group's insurance and financial activities, and to indirect impact, related to the procurement, planning and distribution of insurance and financial products and to institutional investment activities.



In order to pursue the abovementioned objectives, the Group has implemented a **Group Environmental Management System (EMS)** that respects the requisites of the ISO 14001 standard. The main goal of the System is to manage the most significant environmental aspects, implementing the Environmental Policy.

Over 70 Group company sites in six countries (Italy, Austria, France, Germany, Spain and Switzerland) are involved in the implementation of the EMS, and these are joined by a further 245 local offices in Spain for an overall surface area of around 850,000 m². The System covers 39.1% of the Group's workforce and 80.4% of its overall gross direct premiums.

With the aim of implementing and maintaining the objectives contained in the Environmental Policy, specific

targets were established that the countries involved in the EMS made a commitment to meeting during the 2010-2012 three-year period. The initial values to which the targets refer are those reported at 31 December 2009.



The Environmental Policy of the Generali Group is available at www.generali.com/Sustainability

The table below outlines the objectives and targets that the Group set itself and the results achieved, highlighting whether or not the established goals were met.

GROUP OBJECTIVES AND TARGETS FOR IMPROVING THE ENVIRONMENT

Direct environmental aspects	Objective/Target 2010-2012	Objective/Target achieved in 2012	
Energy	5% reduction in per capita electricity consumption	-6.9%	✓
	Introduction of electricity from renewable sources	77.9% compared with 35.7% in 2009	✓
Paper	5% reduction in total paper consumption	-7.6%	✓
	10% increase in the amount of ecological paper	90.8% compared with 37.7% in 2009	✓
Water	5% reduction in per capita water consumption	-0.1%	✗
Greenhouse gas emissions	10% reduction in emissions from Scope1 (heating fuels and kilometres travelled by company fleet) and Scope2 (electricity and district heating)	-12.8%	✓
Waste	10% increase in separate waste collection	76.1% compared with 69.3% in 2009	✗

Indirect environmental aspects	Objective/Target 2010-2012	Objective/Target achieved in 2012	
Sustainable procurement	Introduction of environmental aspects s in suppliers' assessment	494 suppliers with environmental policies and/or certification	✓
Environmentally-friendly products	Development and enhancement of the range of 'green' insurance and financial products/services	Premiums for insurance products with environmental value amounted to 1,554.2 million euros compared to 203.8 million euros in 2009	✓
Environmentally sustainable investments	Exclusion of non eco-sustainable investments according to the Ethical Guidelines of the Group	No exposure since 2009	✓

In order to develop a more extensive database on which to base decisions regarding areas for improvement, the general objective of extending the scope of environmental accountability, both in terms of countries/companies and indicators, was also established.

The performances were good in all areas apart from water consumption and the increase in the amount of separately collected waste. It wasn't possible to meet the first objective because of the various leaks in the pipes at some sites in previous years, whilst the second objective wasn't met because the significant improvement in the gathering of data regarding the mixed waste collection, which was greater than the increase in separately collected waste, had a negative effect on the overall figure.

In the first months of 2013, following the verification of the results attained in the first three years of environmental management, new objectives and targets were set for the 2013-2015 three-year period.

The 2010-2012 objectives and targets were met thanks to the various initiatives launched, which are contained in the **Group Environmental Programme**. This programme outlines the specific objectives and targets that every country in the EMS has committed to meeting in order to contribute to achieving the Group's objectives and targets.

The System is supported by an **organisational structure** made up of the EMS Review Committee and the EMS Committee. The EMS Review Committee reviews the System once a year and can follow this up by proposing changes to the Environmental Policy, to the Group's objectives and targets, and to other elements of the EMS, in line with its goal of continuous improvement. The EMS Committee, meanwhile, is the operational body responsible for meeting the Group's environmental objectives. It consists of the Group EMS representative and representatives of the EMS of the individual countries involved in the project aimed at implementing an environmental management system within the Group. The Corporate Social Responsibility department is tasked with coordinating the Committees and drafting documentation for the System at Group level.

Furthermore, in certain countries, there are national support structures which have purely environmental responsibilities.

In 2012 the implementation of the System continued with the launch of the **audit** by the Group Internal Audit department, which verified the correct and complete implementation of the provisions contained in the Group's procedures in Italy also through checks on the existence of suitable operating processes and procedures; in this context, there was also an analysis of the processes implemented for the collection of the data and information required to monitor the results achieved

in relation to the objectives of the EMS. Checks were also made on the existence and effectiveness of the process of transposing the EMS objectives defined at Group level, particularly as regards the phase of defining the actions to be taken to meet these goals.

The correct implementation of the EMS and the specific meeting of its objectives are guaranteed by **periodic monitoring** and an information system that produces six-monthly reports and an annual report entitled Inventory of greenhouse gas (GHG) emissions of the Generali Group which, with reference to the EMS, quantifies, analyses and accounts for the Group's GHG emissions in a clear, detailed and transparent way. The Certification Body RINA Services S.p.A. awarded the Group **certification, in accordance with the ISO 14064 standard**, for its GHG emissions Inventory with regard to direct emissions (Scope1) and indirect emissions from energy consumption (Scope2) relating to 2011 and 2012.



For more information on the Inventory and the GHG emissions certification, see the website www.generali.com/Sustainability



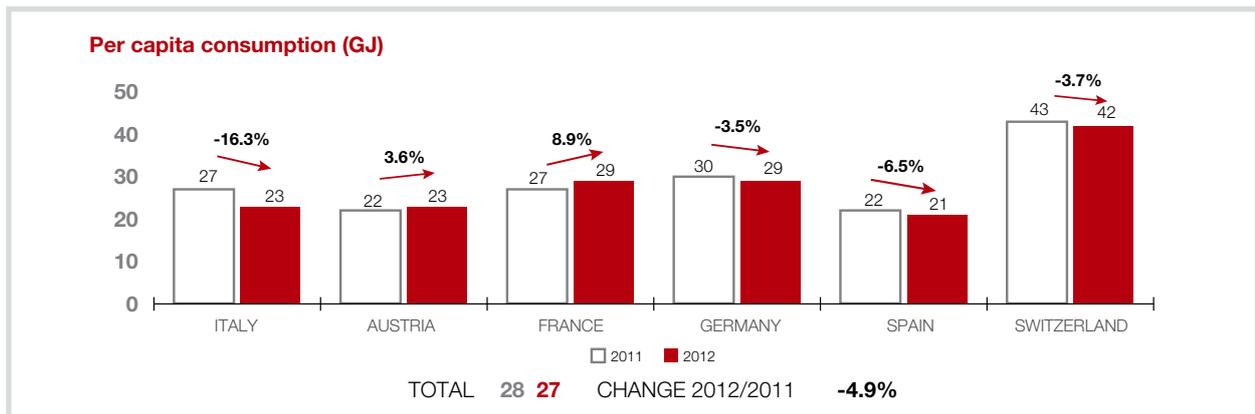
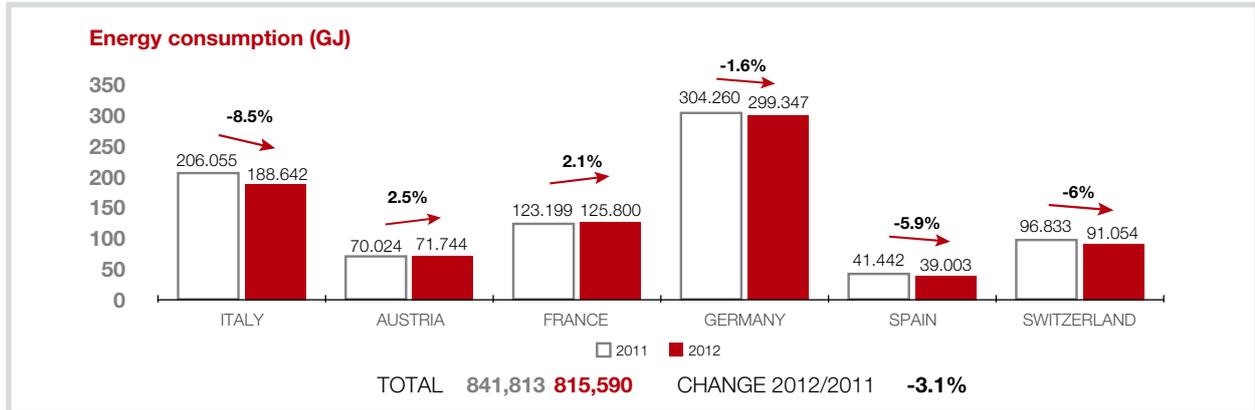
Joblinge, Germany

DIRECT ENVIRONMENTAL IMPACT

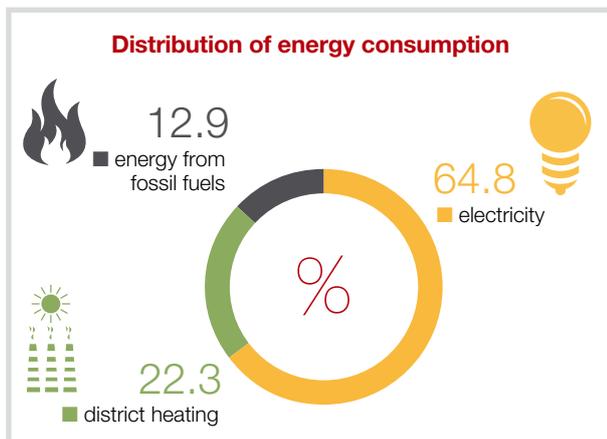
The data published in this Report refer to the **companies included in the EMS**, enabling a comparison to be made with the Group's environmental objectives and targets. For certain countries, the 2011 data may differ from the data published in the previous Sustainability Report. This is because the scope of the reporting activities was larger than the previous year and also because the process of collecting data and information was fine-tuned. For these reasons, the 2011 data were recalculated so they are consistent with those of 2012.

As regards the environmental aspects for which the Group has set itself goals, the variations on a like-for-like basis against the 2009 data are also reported.

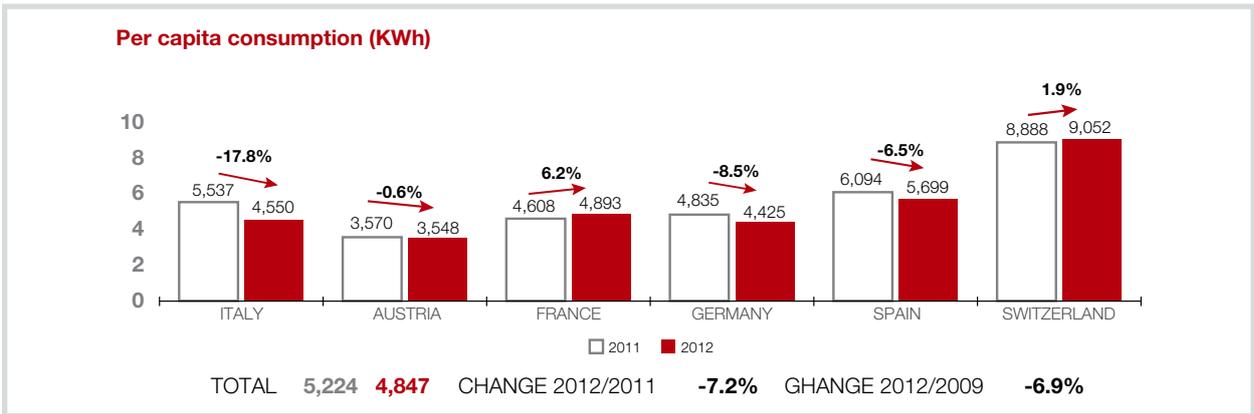
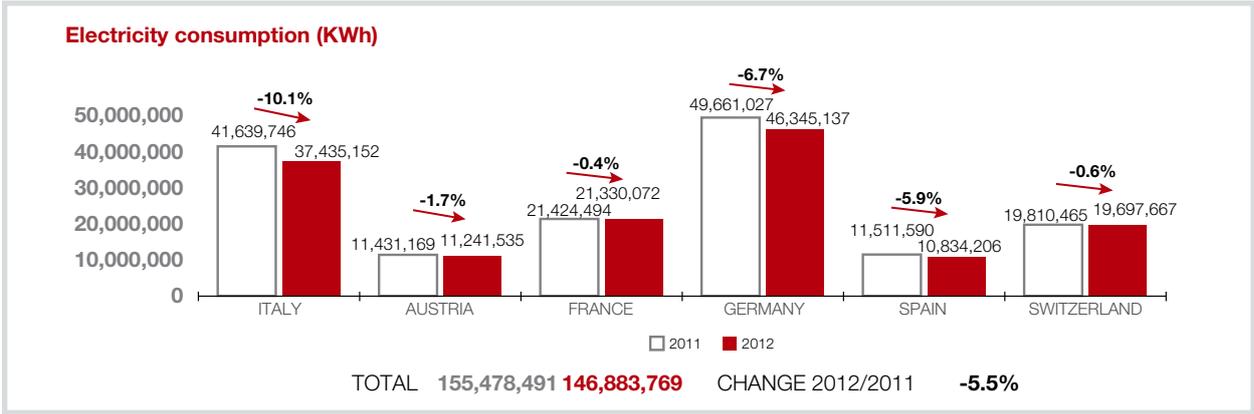
Energy



■ The 3.1% reduction in energy consumption, which all in all came to over 815,000 Gigajoules (GJ), was mainly a result of good property management, the constant monitoring and maintenance of systems, and the introduction of new technologies. Per capita energy consumption, calculated as the ratio of overall consumption to the total number of employees that work at sites monitored under the EMS, showed a 4.9% decrease, which was mainly due to the optimisation of working environments.

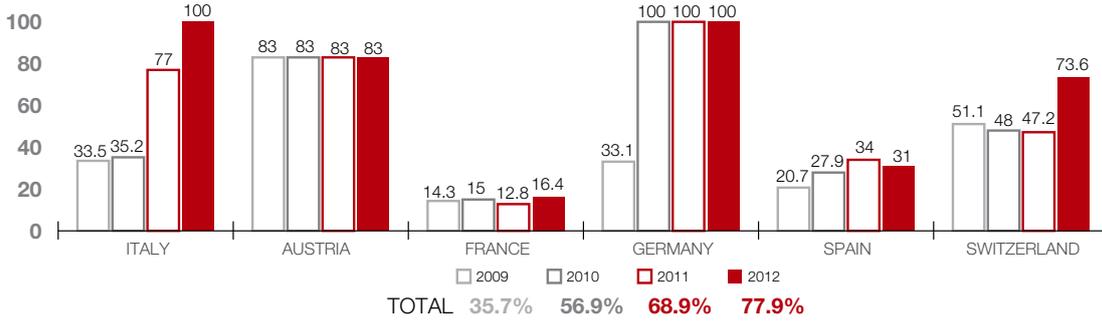


■ At the current time, no company included in the System produces its own energy, which is therefore purchased in its entirety from suppliers or directly from producers. In almost all countries a decision has been taken to use electricity produced from renewable sources and to decrease the use of the most highly-polluting fuels.



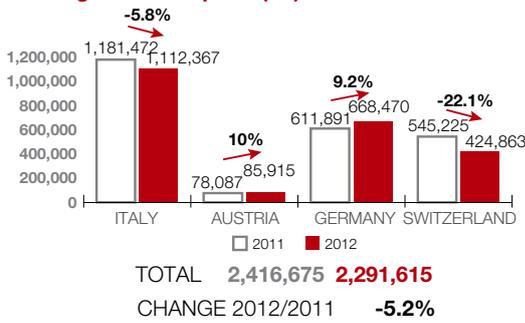
- The objective of reducing per capita electricity consumption by 5% during the 2010-2012 three-year period was achieved with a 6.9% reduction overall. This was made possible thanks to innumerable initiatives launched at the Group sites, one of the most important being the more efficient management of the Data Processing Centre (DPC) in Mogliano Veneto, Italy. The DPC's are certainly one of the biggest sources of electricity consumption within the Group, other areas including lighting, the operating of machinery, air conditioning and, in some countries, heating.
- In 2012 the DPC's consumed a total of 35.7 GWh (-10% compared with 2011), the equivalent of 24.3% of the total. Of the various company sites, the Mogliano Veneto Centre is the most energy intensive also because - like the DPC in Germany - it also carries out ancillary activities on behalf of Group companies located in other countries.
- There was also a reduction in per capita electricity consumption too, to which almost all of the countries made a contribution except for France and Switzerland. The reduction in Italy was particularly significant and stemmed from three main factors: the new Programmable Logic Controller (PLC) system installed in the Mogliano Veneto complex, which makes it possible to manage lighting and heating automatically, the optimisation of the work spaces at almost all sites and, as mentioned, the more efficient management of the DPC. There was also a significant reduction in per capita consumption in Germany following the increase in size of the workforce in the buildings monitored as a result of the launch also in this country of a project to optimise spaces. On the contrary, the increase in per capita consumption in France was mainly due to the reduction of the workforce in the sites included in the EMS.

Electricity quota from renewable sources



■ In order to reduce environmental impact, the Group also made a commitment to increasing the use of electricity from renewable sources during the 2010-2012 three-year period. Thanks largely to the efforts of Germany and Italy, this goal was met quite convincingly. In Germany, certification body TÜV SÜD certifies that all electricity used comes from a hydroelectric source, while in Italy the electricity consumed at all sites is offset with CO-FER certificates. CO-FER certificates attest to the renewable origin of the sources used by plants for the production of electricity.

Natural gas consumption (m³)

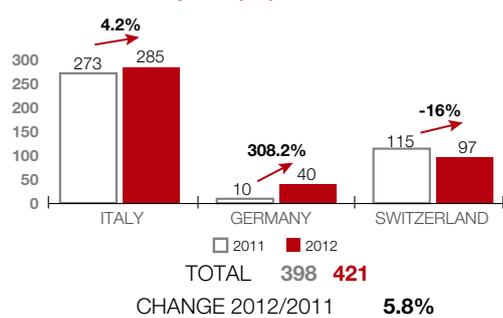


■ 35.2% of the energy consumed at EMS sites derived from the consumption of fossil fuels (natural gas and diesel oil) and district heating to heat the work spaces. With the aim of reducing energy consumption from fossil fuels, in many Group buildings there are systems such as timers, movement sensors, external temperature detectors, thermostatic valves and thermostats for controlling the switching on/off of heating and air conditioning systems, temperature and humidity levels, and ventilation speed.

■ Natural gas is the most widely used fossil fuel by Group companies. The significant reduction in the consumption of natural gas in Switzerland and Italy in 2012 was mainly due to the introduction of a new heat recovery system at the Adliswil site and the introduction of a new Programmable Logic Controller (PLC) system at the Mogliano Veneto complex.

■ The gradual replacement of diesel oil boilers with next-generation condensing gas boilers is ongoing and has almost been completed. As such, the increase in diesel oil consumption in Germany is to be regarded as an anomaly connected with the increased use of the conference room at the Generali Seminarzentrum site in Bernried during the year.

Diesel oil consumption (m³)



The management of buildings, corporate structures and property used by third parties, in full compliance with national laws in force in the various countries, is generally delegated to representatives of the main company technical departments, who are also involved in managing health and safety in the workplace and purchases.

District heating consumption (Kwh)



The management objectives of the Generali Group in the real estate sector are identical to ones it pursues in the other sectors in which it operates: growth, product enhancement and improved financial results. For this reason, the construction of new buildings and the redevelopment of existing premises are carried out with the aim of improving quality standards with a view to minimising environmental impact and consistently improving the wellbeing of those that work there.

To this end, environmentally friendly criteria are applied whenever possible, with special attention focused on energy saving, limiting greenhouse gas emissions and on the materials used. In terms of heating and cooling systems, wherever possible attempts are made to use environmentally efficient technologies such as ceiling or under-floor systems (Germany) or direct expansion systems, such as heat pumps (Italy and Germany).

In recent years there has also been greater use of building envelopes and other energy saving solutions such as insulation and thermal doors. In many offices in all countries, movement sensors or clocks/timers have been installed to control the turning on and off of lights and heating and cooling systems.

In all countries, except Switzerland, it is now common practice to replace used light bulbs with energy saving light-emitting diodes. Elsewhere, LED lighting systems have been partially introduced at some sites, guaranteeing significant advantages over traditional light sources such as greater reliability, high efficiency and a longer life.

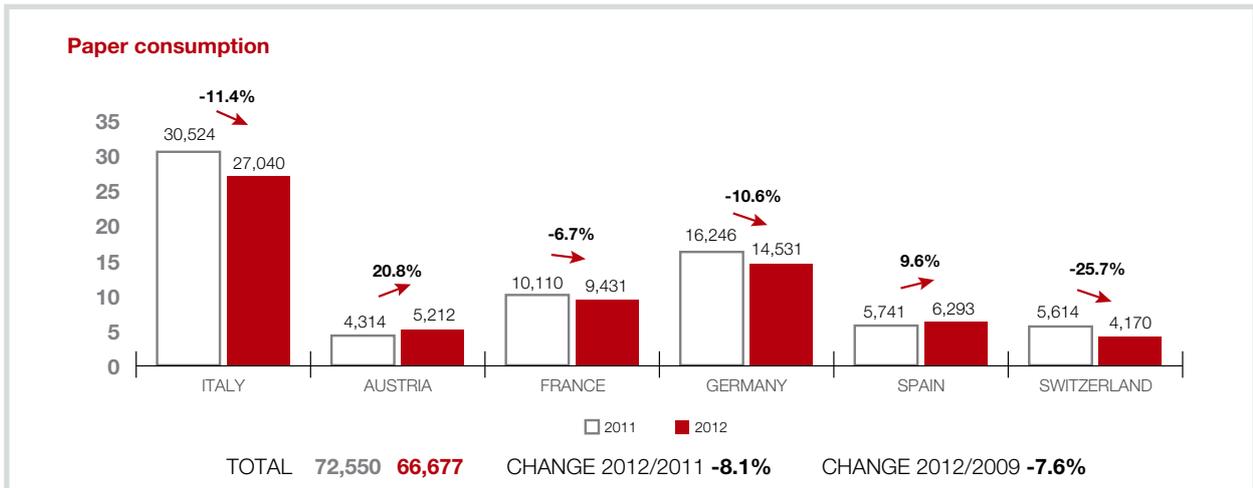
The majority of the Group's sites have energy or sustainability assessment certification; in some cases the possibility of certifying some materials used for construction/refurbishment is also evaluated. For example, in Austria the majority of buildings have Energieausweis energy certification attesting to the energy performance of the building, while in France the majority of sites have High-Quality Environmental certification (HQE).

In Italy, France, Germany and Switzerland, various steps have been taken to reduce the amount of electricity consumed by the DPC machines. More specifically, in France the cold corridor system is used which requires the machines to be set up in a line so that only the corridor has to be cooled and not the entire room. In Switzerland, the DPC has been completely restructured with the latest IT equipment introduced in an effort to increase capacity and security while reducing consumption. To this end, the Technische Sanierung Sood Adliswil (TSSA) project was launched in Switzerland to reuse the heat produced by IT equipment - which would otherwise be dispersed into the atmosphere - using a heat pump system. During the winter months this system allows for savings of up to 75% in natural gas consumption for heating purposes.

Initiatives to reduce energy consumption in 2012

COUNTRY	TYPE OF INITIATIVE
Italy, Austria	Introduction of LED lighting at the Mogliano Veneto complex with forecasted savings of 668,000 kWh a year, and in some buildings in Vienna.
Italy, Germany	Installation of systems for measuring electricity, natural gas and water in various directly-used and partially-owned properties in order to continuously monitor the performances of the buildings and take prompt action in the event of any anomalies.
Italy, Germany	Optimisation of energy consumption in the DPC's with the introduction of new, less energy-intensive machines and the switch to new virtualisation systems. These systems also make it possible to manage the surfaces and the spaces dedicated to the DPC's more efficiently.
Italy, France, Germany	Increase in thin client workstations, whereby all users use the same server with estimated energy savings of 10%.
Italy, France	Switching off of servers and thin client workstations outside of working hours.
Italy	A natural gas-powered trigeneration plant is currently being developed at the Mogliano Veneto complex (launch scheduled for April 2013 with the first 1.5 MW motor) which will make it possible to produce combined power, heating and cooling energy. The plant will meet all of the energy requirements of the building, equal to 18 GWh (11 GWh of which for the DPC), with annual savings of 5.4 GWh.

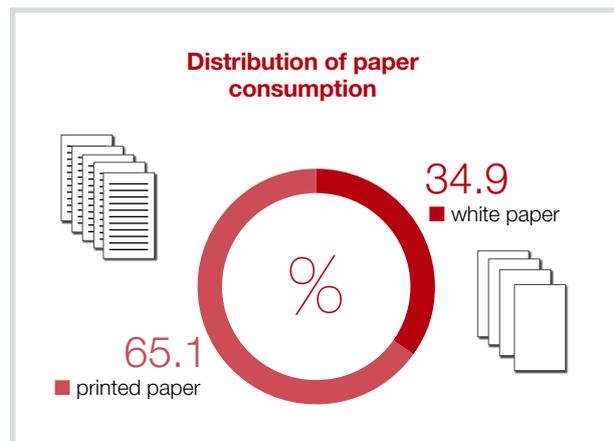
Paper



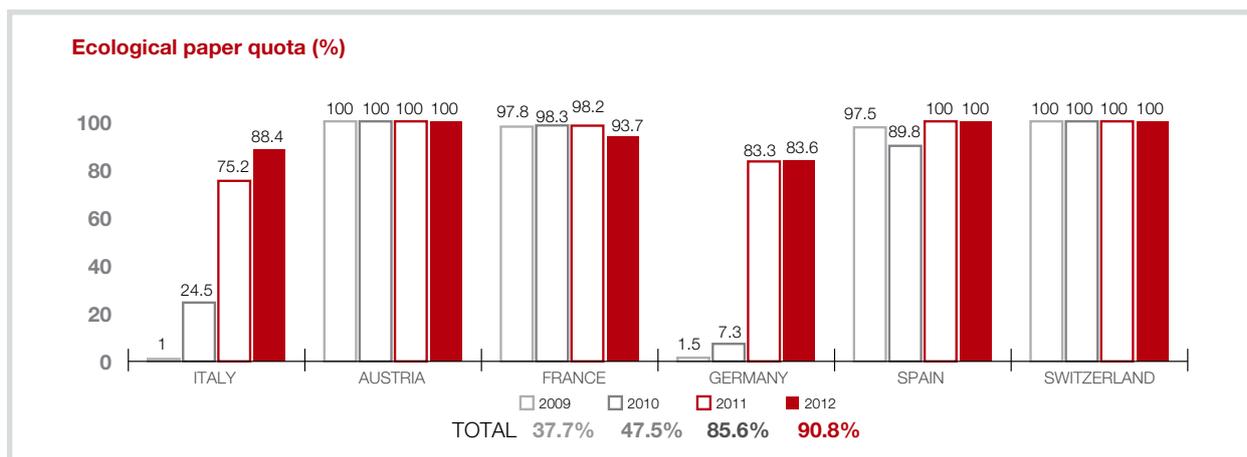
- Paper is still the main material used in insurance and financial activities. For this reason the Group set itself the goal of reducing its overall consumption of both white paper and printed paper, i.e. paper purchased from suppliers in order to print Group documents and publications such as policies, statements, studies, reports etc..

- The objective of reducing the overall consumption of paper by 5% during the 2010-2012 three-year period was achieved thanks to the various initiatives launched in all countries, which also resulted in estimated financial savings of around 5 million euros. More specifically, the good results achieved in Italy and Switzerland can be attributed to the reduction in the number of personal printers and the replacement of the paper communications sent to customers and sales networks with electronic communications.

The substantial increase in consumption recorded in Austria in 2012 compared with 2011 is to be regarded as exceptional as it stemmed from the obsolescence of a series of documents connected with the introduction of a new European regulation and the inclusion of Austrian real estate companies in Generali Real Estate S.p.A..



In all countries it has become standard practice to print on both sides of the paper, to replace individual photocopiers/printers and fax machines with multifunctional machines or centralised printers for the office/floor, and to reduce internal paper-based correspondence. In many agencies policies are only printed when taken out, with the elimination of pre-printed forms, and policy conditions are available on the websites. In addition, for communications between companies, agencies and customers attempts are being made in all countries to switch to alternative systems to paper, such as e-mail and text message; however, it is important to remember that in the insurance-banking industry many communications must be paper-based by law.



- The Group is also committed to increasing the amount of ecological paper as a proportion of total paper consumption, which in 2012 came to 90.8%. Ecological paper means paper that has a limited and controlled impact on the environment in all of its processes, from forest management for the retrieval of the raw materials to production. Currently, 100% of the paper purchased in Austria, Spain and Switzerland is certified as ecological as it satisfies the criteria established by national and international certification systems such as European Ecolabel, Der Blaue Engel (German blue angel), the FSC (Forest Stewardship Council) and the PEFC (Programme for Endorsement of Forest Certification).
- Paper with a lower than normal unit weight, equal to 75 g/m², is used in all countries, with additional savings in terms of the natural resources employed even if the current consumption rate in terms of sheets of paper remains the same.
- As well as ecological paper, the Group companies also use a small quantity of recycled paper, equal to 6.9%.

As well as ecological paper, the companies in all of the EMS countries are also committed to purchasing stationery and toner with low environmental impact. Indeed, many countries have a catalogue of 'green' products which includes, for example, solvent-free pens with water-based ink, pencils made with wood from sustainably managed forests, and toner produced with recycled and/or regenerated materials.

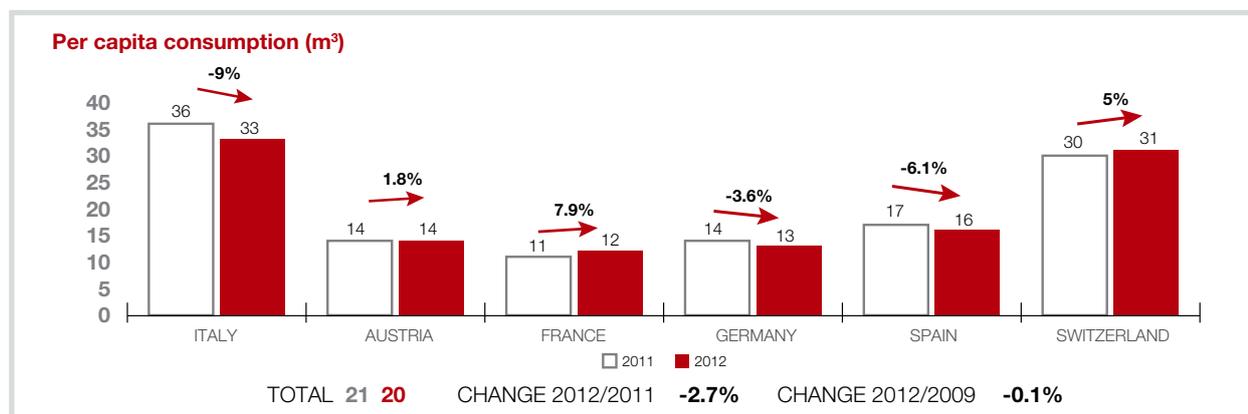
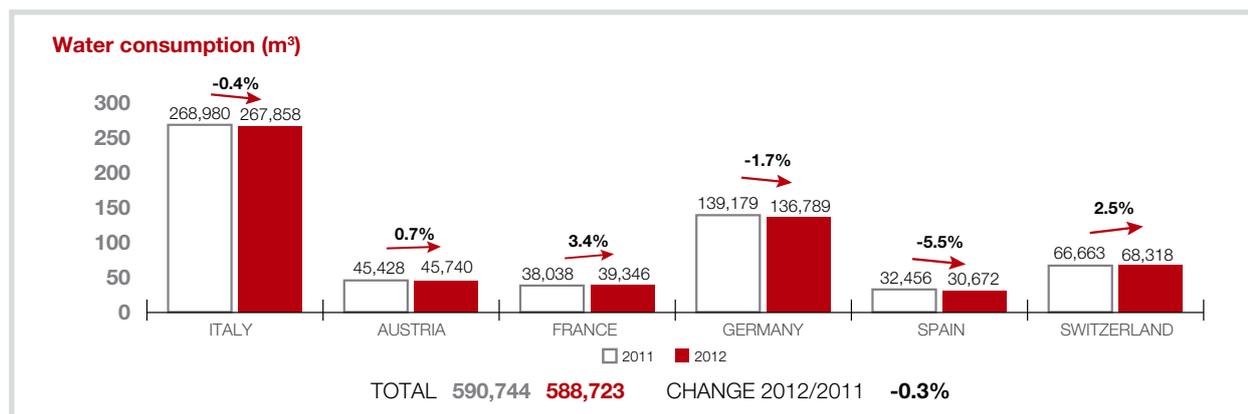
In 2012, the companies in the System bought 464 quintals of toner cartridges (-28.5% compared to 2011), of which 39.7% were regenerated and 12.5% recycled. In this context, the network of Alleanza Toro agencies in Italy is equipped with EcoBoxes, containers provided directly by the toner supplier who manages the delivery and collection of the boxes and the refilling of the cartridges.

Initiatives to reduce paper consumption in 2012

COUNTRY	TYPE OF INITIATIVE
Italy, Austria, France, Germany, Switzerland, Spain	As well as reducing paper and electricity consumption, the replacement of individual photocopiers, printers and fax machines with multifunctional machines or centralised printers for the office/floor makes it possible to streamline workplaces, improve service levels, and reduce IT waste.
Italy, Austria, France, Germany, Switzerland	As well as eliminating the use of paper, replacing the paper communications sent to customers and sales networks with electronic communications (e-mail, text message) makes it possible to keep in constant contact with clients.
Italy, Austria, France, Germany, Switzerland	The electronic storage and digitalisation of documents is increasingly widespread with benefits in terms of both the accessibility and the security and confidentiality of the documents. Thanks to electronic archiving, over 14 million sheets of paper were saved in 2012.
Italy	Since 2012 members of the Assicurazioni Generali Board of Directors have only received documents in electronic format to be read on tablets. In January 2013 the newspaper project was launched, which involves a subscription to the online edition of the Sole24Ore newspaper. There was also a switch from paper lunch vouchers to electronic lunch vouchers which, as well as eliminating the use of paper, also has positive effects on emissions as the vouchers are no longer physically distributed to the various sites.
Austria	Some workstations were equipped with two monitors to reduce the need to print documents; in addition, fabric towels are used instead of paper towels in the bathrooms, which also reduces the amount of waste produced.

The majority of the measures described above have had positive effects on paper consumption as well as toner and energy consumption. This reduction in consumption can be added to the reduction resulting from changes already made or ongoing with regard to the Group's real estate assets.

Water



- The objective of reducing per capita consumption by 5% during the 2010-2012 three-year period was not achieved because of a series of leaks in the water pipes of some sites in recent years, which have now been rectified.
- In 2012, 588,723 m³ of water was consumed, mainly for hygienic and sanitary purposes and for the operation and cooling of air conditioning equipment; only at some sites was water also used to water the green spaces. Moreover, 420,752 m³ of industrial water from the Po River, in Italy, and Lake Lugano in Switzerland, was used as industrial water for the cooling systems. As such, a total of 1,009,475 m³ of water was withdrawn.
- Almost all of the water consumed comes from municipal or state water mains; only an extremely small quantity of the water consumed, equal to 0.1%, is groundwater, which is used only rarely, above all in the summer, in Austria (200 m³) and Germany (170 m³). In addition, 240 m³ of rainwater was collected using special tanks at some sites in Germany and then reused.
- The increase in consumption recorded in Switzerland in 2012 was due to the greater use of water for the DPC cooling system. The high per capita consumption level in Italy was due to the fact that many air conditioning systems at the various sites are cooled using water.

To reduce water consumption some Group sites have systems that mix water and air; alternatively, there are photocells or timed controls that make it possible to control water flows and reduce the waste of this resource to a minimum.

In order to reinforce and demonstrate its commitment to reducing water consumption, in 2011 the Group signed the **CDP Water Disclosure** Project, an international initiative that seeks to raise the awareness of companies as regards the sustainable management of water.

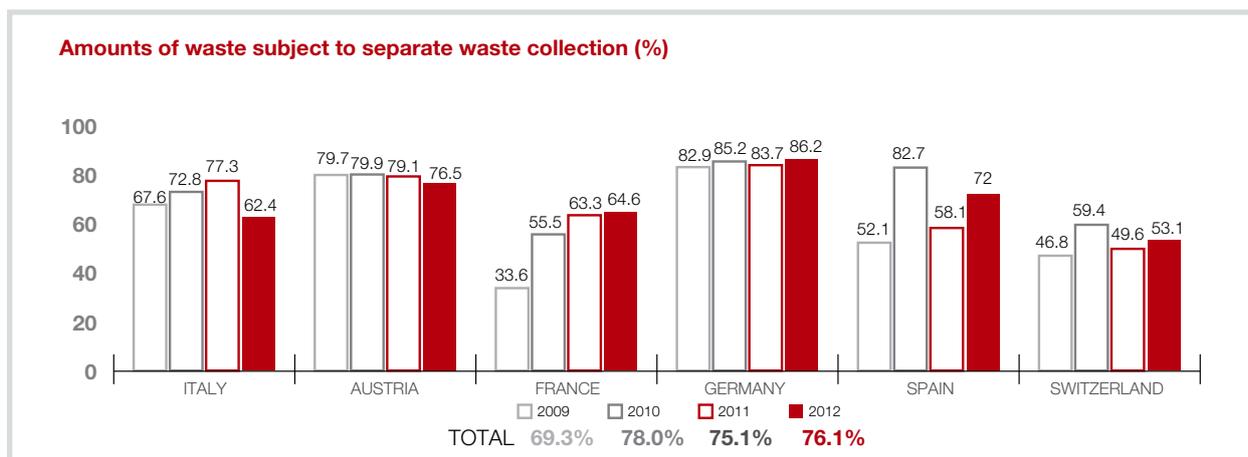


For more information, see the website www.cdproject.net

Initiatives to reduce water consumption in 2012

COUNTRY	TYPE OF INITIATIVE
Italy	Sustainability assessments were carried out on all of the buildings included in the System; these assessments also include the analysis of water consumption and the definition of measures to reduce consumption. In addition, a technical comparison was made between air and water condensation which showed that - for medium-high levels of cooling power - water condensation is preferable as it consumes less electricity.

Waste



- The objective of increasing the proportion of separately collected waste by 10% was not achieved despite the numerous measures undertaken in all countries to improve waste management such as, for example, the increase in the number of separate waste collection bins and the new specifications for the collection and recycling of materials. In order to increase the effectiveness of these measures, many companies have carried out special campaigns to raise employee awareness about separate waste collection.
- In terms of meeting this goal, the improvement in the gathering of data regarding the collection of mixed waste, which was greater than the increase in separately collected waste, had a negative effect on the final figure.

QUINTALS OF WASTE SUBJECT TO SEPARATE WASTE COLLECTION

Country	Total separate waste		of which paper-cardboard		of which IT		of which toner	
	2011	2012	2011	2012	2011	2012	2011	2012
Italy	4,647	5,123	1,859	2,872	109	114	92	111
Austria	4,564	3,837	2,520	2,101	25	41	56	46
France	3,770	3,681	953	1,421	948	514	73	59
Germany	35,300	37,388	17,486	19,978	308	233	n,d,	n,d,
Spain	1,317	2,361	1,208	1,413	6	829	13	13
Switzerland	5,709	5,771	4,319	3,655	70	113	22	19
TOTAL	55,307	58,162	28,345	31,440	1,466	1,844	257	248

- In 2012, the countries involved in the System collected a total of 76,443 quintals of waste (+3.7% compared to 2011), of which 58,162 was collected separately, 13,803 incinerated and 4,478 disposed of at landfill sites. Paper and cardboard, plastic, glass, aluminium and other metals, wood, wet waste, used oil, sanitary waste, hazardous waste and IT and toner waste are subject to separate waste collection.
- Per capita waste comes to around 2.5 quintals per employee, a 1.9% increase compared with 2011 because of the improvement in the collection of data relating to mixed waste.
- **Paper and cardboard** represents the majority of separately collected waste (54.1%) and is collected for recycling in all countries. In Austria and Germany, there is an extremely high level of separate waste collection of these materials as a result of the very stringent local rules designed to prevent the wasting of resources.



- In all countries, **IT waste**, comprising of discarded electronic devices, is returned to suppliers or to plants responsible for disposal and the retrieval of reusable parts. IT waste trends may be irregular with peaks (as seen in Spain in 2012) due to the fact that computers, monitors and other IT materials are replaced on a cyclical basis with new devices that are more sustainable from an environmental point of view.
- 63.7% of discarded **toner cartridges** are returned to suppliers to be recycled or refilled, while the remaining 36.3% are disposed of in accordance with the regulations. For Germany, the data are not yet available for all companies but the reporting criteria are being standardised in order to achieve this goal.
- **Hazardous waste** (neon tubes, batteries etc.) represents only a tiny percentage (0.6%) of separately collected waste and is disposed of separately in an appropriate manner using specialist companies and by maintaining registries and mandatory documentation, as per the relevant regulations in force in the various countries. More specifically, 324 quintals of hazardous waste (+2.5%) was collected during the year together with 0.8 quintals of sanitary waste (-0.8%), such as gauze and bandages, which was used at sites where there is an infirmary.
- In all of the countries wood is also collected at some sites and sent for recycling in its entirety; in addition, the same containers and bags are used multiple times for the internal transfer of various materials.

Initiatives to reduce waste in 2012

COUNTRY	TYPE OF INITIATIVE
Austria	Used oil from company canteens is recycled as biofuel and around 140 used computers were donated to schools and NGOs.
France	For the first year 30% of organic waste from the company canteen was disposed of using an internal incinerator; this process made it possible to improve the management of spaces and also had a positive effect on transportation as the waste no longer needs to be moved elsewhere. An analysis was also carried out to seek ways of increasing the proportion of recyclable waste as regards both electronic devices and consumable materials.
Spain	For the first year, containers for the collection of used batteries and sanitary waste were introduced at the Madrid and Barcelona sites.

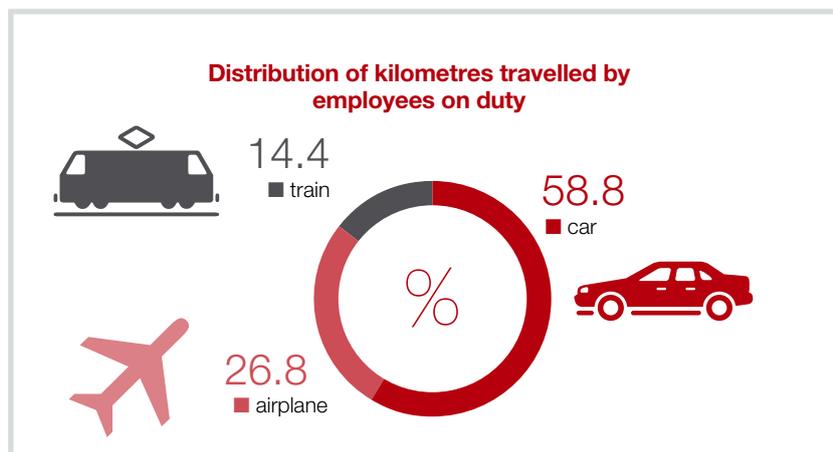


Waste recycling, China

Mobility

Within the Group, in the most recent years increasing importance has been given to mobility management, developing and implementing strategies to ensure that personnel and cargo are transported efficiently and sustainably.

The Group's objective is to cut employee travel as much as possible, above all reducing the use of private vehicles and increasing the use of public transport in order to decrease air and noise pollution in cities. In all countries, mobility management is often assigned to a dedicated person, who may be a **mobility** or **travel manager**, and is responsible for planning sustainability initiatives, improving home/work journeys, maintaining relations on these issues with the municipal authorities. In certain cases, these responsibilities also include managing the corporate fleet (in Austria) or defining contractual conditions in place with transportation service providers (in Germany).



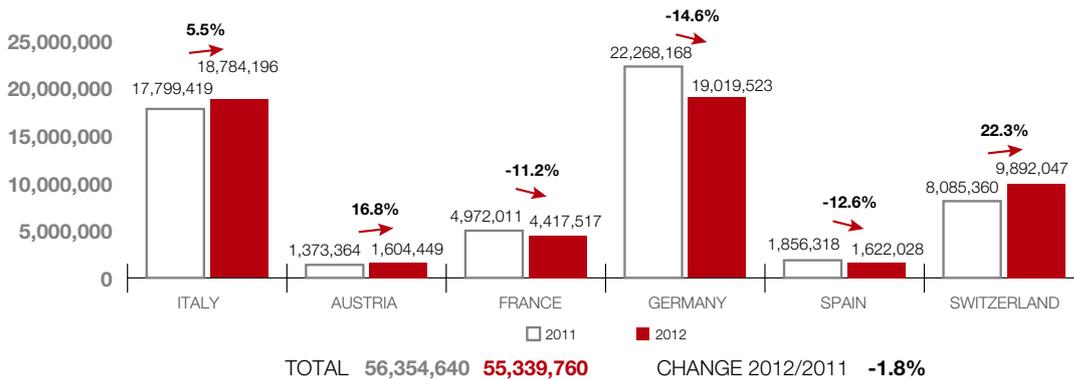
In 2012 the Group's employees made work-related journeys by car, air and train totalling 206,468,419 km. Journeys using all types of transport contributed to the decrease of 3% compared to 2011, which is mainly attributable to the adoption of **travel policies** in all countries, giving preference to the use of public transport, and specifically promote the use of the least polluting types of transport, as well as **car policies** which set out maximum limits of carbon dioxide (CO₂) emissions for company cars.

ROAD KILOMETRES TRAVELLED BY EMPLOYEES ON DUTY

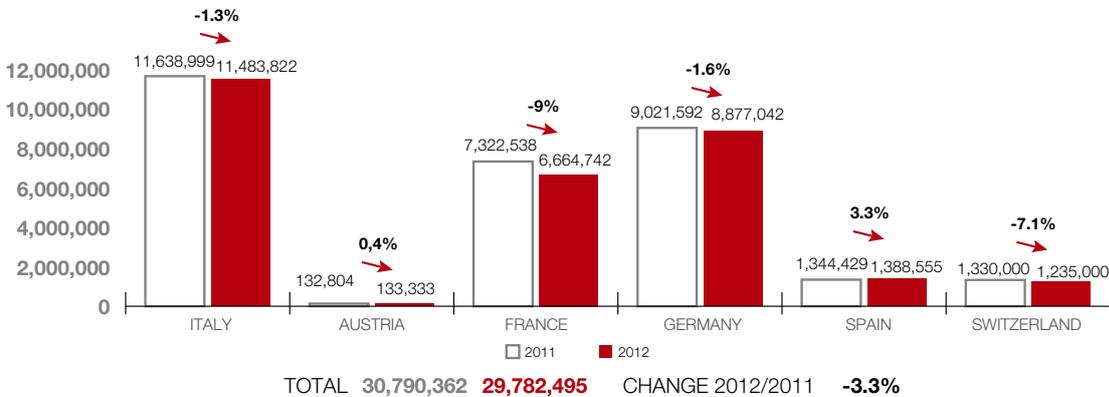
Country	Km		Change 2012/2011
	2011	2012	
Italy	43,872,883	40,413,330	-7.9%
Austria	13,587,000	13,067,573	-3.8%
France	26,244,610	28,123,103	7.2%
Germany	34,916,555	33,395,809	-4.4%
Spain	5,347,246	4,728,042	-11.6%
Switzerland	1,711,883	1,618,308	-5.5%
TOTAL	125,680,177	121,346,165	-3.4%

- For France and Swiss insurance companies it was only possible to measure the mileage travelled for journeys made by corporate fleet.
- In 2012, Group employees travelled over 121 million km by car. The decrease of 3.4% compared to 2011 was the result of the decline in mileage of journeys using personal cars, while the mileage of the corporate fleet, equal to over half of road travel (63,677,969 km), grew by 3.1%. A particularly sharp decrease was recorded in Spain, where the mileage travelled by the corporate fleet decreased, also as a result of the significant promotion of the use of videoconferencing by the Top Management. Conversely, in France there was an increase in mileage travelled due to increased journeys by the sales workforce.
- The savings linked to lower mileage by car has been estimated at approximately 500 thousand euros.

Flight kilometres travelled by employees on duty



Train kilometres travelled by employees on duty



- In all countries, each company policy promotes the use of the train as the preferred means of travel, even though the choice among the different methods of transport for work-related journeys are linked to the distances between the Group's sites in the country, as well as the quality of the existing rail and air connections. The significant decrease in air travel seen in France, Germany and Spain is specifically due to new, more restrictive policies, which require greater use of the train and videoconferencing systems.
- As regards flight kilometres travelled, there was a sharp increase in Austria, linked to trips taken to participate in numerous international projects under way, and in Switzerland, attributable to more frequent trips by employees of BSI, especially to Asian countries.

In all countries there are incentives for video and telephone conference systems, which enable travel by Group employees to be reduced and, at the same time, provide a visual connection. In 2012, the number of **videoconference** calls totalled 32,694, an increase of 27.7% compared to 2011. Videoconference calls can also be made from individual workstations in France, Germany and, for a few months now, also in Italy.

In the last few years, Generali has also been working on increasingly eco-sustainable home-work mobility, promoting the use of bicycles (in Italy and Austria) or covering part of

the costs of annual tickets for public transport (in France and for BSI in Switzerland).

In Austria, France and Switzerland, tele-expertise systems for claims remain in place, which limit the number of car journeys by assessors.

In several countries, telecommuting has also been possible for several years now: in Austria, Germany and Switzerland, some Group employees have the opportunity of working from home, reducing both home-work journeys, and trips to customers, with a consequent reduction in greenhouse gas emissions.

Initiatives for improving mobility in 2012

COUNTRY	TYPE OF INITIATIVE
Italy	<p>Provision of a shuttle service connecting the offices with train stations or airports.</p> <p>Creation of a workforce management application, which employees can use to offer/take lifts from colleagues who make the same journey.</p> <p>Opening of a specific email address and logo for the Mobility Manager. This is used to announce initiatives and receive requests and reports of any malfunctions.</p> <p>Execution of a survey on home-work journeys on the Group's workforce in Italy. By analysing the results, actions can be identified to create sustainable mobility solutions, customised to specific cities, offices and companies.</p> <p>Implementation of the Microsoft Lync system for 1,000 employees of the Italian companies. This system can be used for videoconferences and video calls from employees' workstations, with a savings of over 30,000 trips per year.</p>
Austria	<p>All journeys by air must be authorised by the Top Management, and all journeys by train are environmentally friendly because most of the energy used by the Austrian railway network comes from hydroelectric power.</p>
France	<p>Use of an electric car for transporting packages and post between the three buildings located in Saint-Denis. A hybrid car has also been purchased for a member of the company's Top Management.</p>
Germany	<p>Conclusion of an agreement with Deutsche Bahn (the German national railway company) whereby all journeys made by train by employees on duty are carbon neutral, meaning the emissions are offset through eco-sustainable initiatives.</p>

CLIMATE CHANGE RISKS AND OPPORTUNITIES

The Generali Group views climate change as a source of risk, on one hand, and opportunity, on the other, for the running and development of its business. From this viewpoint, it analyses the possible consequences of climate change in the short, medium and long term, to identify the risks for which suitable mitigation measures must be adopted, and the opportunities to develop business and improve efficiency.

The Group constantly monitors the evolution of climate change risks, also using special stochastic models for simulating natural phenomena to verify the adequacy of both the mitigation products and the risk management tools. The Group is also committed to investing in research and studies on these issues. Specifically, for four years, Generali France has funded a university teaching position for the study of climate change.

Given the recent evolution of the climate and that forecast for the future, the following three categories of risks linked to climate change have been identified:

1. Risks relating to changes in climate factors - The main area of increased risk which can already be seen is the greater frequency and scope of catastrophic events caused by storms and flooding, which has increased the cost of claims and reinsurance, both in the life and non-life lines of business, and a resulting significant increase in premiums, with possible future repercussions in terms of difficulty for customers to access insurance, as well as insurability. The increase in average temperatures has also been identified as a possible cause of the increase

in catastrophic events in relation to the risks of death/morbidity, with consequences in terms of the cost of claims, premiums and insurability, in the life and health lines of business.

- 2. Risks linked to changes in regulations and/or standards** - Over the long-term, this entire area is considered to be a source of potential strategic risk, which may involve both the business model and revenue flows. Over the next few years, it can be assumed that changes in local and national laws concerning energy efficiency in buildings may result in part of the Group's property assets becoming obsolete, with consequences in terms of a reduction in the demand for leases by the top-end market segment (which is the main target of the Company) and/or outlays related to the introduction of a possible carbon tax. Similarly, new local or national laws relating to greenhouse gas emissions of vehicles could result in a decrease in the operating fleet and, as a result, in the demand for car insurance. Lastly, the increase in the frequency of catastrophe claims due to natural events could lead to the introduction of certain types of mandatory insurance, with an increase in the Company's exposure, to be assessed primarily in terms of concentration of risk, as well as frequency.
- 3. Other risks linked to climate changes** - In the next few years, growing awareness of issues related to climate change is expected to influence consumer behaviour, resulting in an increase in demand for eco-efficient buildings and eco-sustainable transportation. Lastly, reputation risk is identified in relation to delays by the Group in adopting measures to limit the effects of climate change or to effectively respond to widespread concerns of the public.

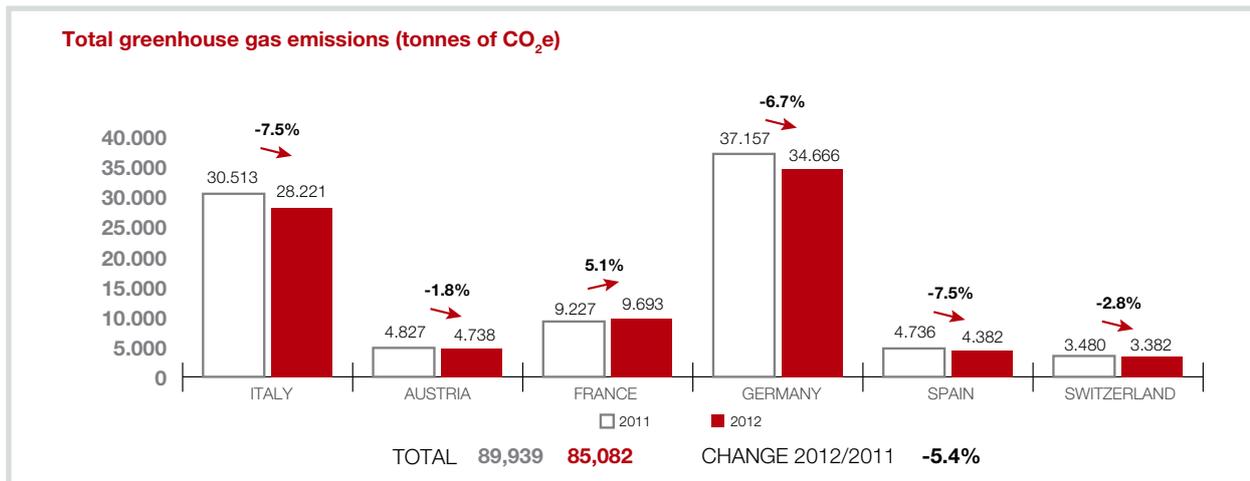
The increase in exposure to climate change risk over the next few years could also result in opportunities, which have been identified in the following three categories:

- 1. Increased use of insurance** - The confirmation of new behaviours, deriving from greater attention to environmental subjects, may require that the Group develop new products, processes or innovative approaches, which could offer opportunities for growth and increase business efficiency.
- 2. Development of innovative channels for the distribution of products and/or provision of services to customers** - The development of distribution channels which exploit new technologies (email, smartphones, tablets, etc.), with a view to environmental protection also provide opportunities to be captured for business growth. To this end, it is important to build and disseminate an image of the company that is highly engaged in environmental issues, capable of attracting customers, investors, partners (Suppliers, NGOs, institutions) and talent.
- 3. Investments in new technologies** - The constant need to satisfy the increased demand for energy from

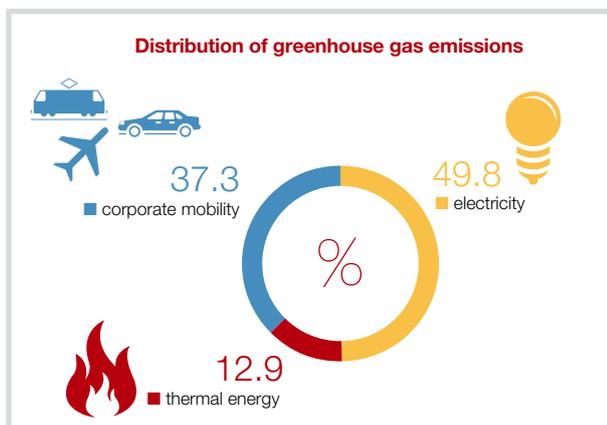
entire countries or companies requires increasingly large investments in new, more sophisticated technologies, which, over time, could also result in significant profitability. To this end, the Generali Group is supporting, through private equity initiatives, several companies operating in the renewable energy sector. Specifically, through Generali Real Estate, the Group is committed to supporting two initiatives for the generation of energy from renewable sources in Italy with an overall investment estimated at 40 million euros and a total installed capacity of about 28 MW on completion of the project, 49% of which from solar energy, 24% from wind energy and 27% from biomass.

Greenhouse gas emissions

In 2012, the Group decided to apply the standard ISO 14064-1, to quantify and voluntarily report greenhouse gas (GHG) emissions, to demonstrate that it deals with environmental subjects in general, and those concerning climate change specifically, with a serious, transparent approach, and to increase its credibility.



■ In 2012 total GHG emissions, comprised of carbon dioxide (CO₂), nitrous oxide (N₂O) and methane (CH₄), amounted to 85,082 tonnes of carbon dioxide equivalent (CO₂e) (-5.4% compared to 2011), obtained by converting the quantities of N₂O and CH₄ emitted using suitable ratios. This equal approximately 1.9 tonnes of CO₂e per employee.



■ GHG emissions derive from consumption of electricity, thermal energy (natural gas, diesel oil and district heating), and energy from corporate mobility, where corporate mobility refers to mileage travelled by car, train or aeroplane by employees on duty.

GREENHOUSE GAS EMISSIONS BY SCOPE (TONNES OF CO₂e)

Country	Scope1*		Scope2**		Change Scope1 and Scope2		Scope3***	
	2011	2012	2011	2012	2012/2011	2012/2009	2011	2012
Italy	3,400	3,291	16,132	14,503	-8.9%	-8.0%	10,981	10,427
Austria	2,248	2,161	1,870	1,839	-2.9%	-8.8%	709	737
France	5,110	5,475	3,356	3,559	6.7%	3.0%	761	658
Germany	5,214	5,530	25,842	23,940	-5.1%	-17.1%	6,101	5,196
Spain	178	180	3,452	3,249	-5.5%	-22.7%	1,106	953
Switzerland	1,517	1,225	791	787	-12.9%	-27.2%	1,172	1,371
TOTAL	17,666	17,862	51,444	47,877	-4.9%	-12.8%	20,829	19,343

* direct emissions, produced by heating fuels and the corporate fleet.

** indirect emissions, from energy consumption, associated with the use of electricity and district heating.

*** other indirect emissions, different from energy consumption, concerning work-related travel of employees.

The objective of reducing GHG emissions by 10% in the three-year period 2010-2012, with reference to the total of direct emissions deriving from burning fossil fuels and from the corporate fleet (Scope1) and indirect emissions deriving from electricity consumption and district heating (Scope2), was achieved in full (-12.8%), as a result of various initiatives to limit energy consumption, and thus, emissions deriving from heating/air conditioning and lighting.

Scope1 – Scope1 emissions have increased by 1.1% overall. The two components showed opposing trends, with direct emissions produced by natural gas and diesel oil heating systems, estimated at 5,464 tonnes of CO₂e, decreasing by 3.1% compared to 2011 and those produced by the corporate fleet, estimated at 12,397 tonnes of CO₂e, increasing by 3.1%.

Scope2 – Scope2 emissions have decreased. Both components contributed to this decrease: emissions due to the consumption of electricity purchased by Group companies in 2012, estimated at 42,388 tonnes of CO₂e, decreased by 7.3% compared to 2011 and those due to the consumption of energy from district heating, estimated at 5,488 tonnes of CO₂e, decreased by 4.4%. The low emissions from district heating are due to the fact that in Austria these are already offset by the supplier.

Scope3 – Among indirect emissions other than energy consumption, emissions connected with the work duties of employees were estimated at a total of 19,343 tonnes of CO₂e (-7.1% compared to 2011), including 11,227 tonnes

of CO₂e related to car journeys, 7,458 tonnes of CO₂e related to air travel and 658 tonnes of CO₂e related to train journeys. The low emissions for train travel are mainly the result of the choice made by Germany, as mentioned, to make train travel carbon neutral.

The emissions have been estimated using the principles of the ISO 14064-1 standard and the Greenhouse Gas (GHG) Protocol guidelines, from the World Business Council on Sustainable Development (WBCSD) and the World Resources Institute (WRI), and using the emission factors in the calculation tools. A distance-based methodology approach has been adopted for calculating emissions relating to corporate mobility.

As stated, for 2012, as in 2011, the Scope1 and Scope2 emissions have been certified by an external certification body.

To reduce GHG emissions, all sites have a monitoring system which also checks the correct operation of the systems. In compliance with the regulations in force, the system includes regular checks both by outside firms and by Group technicians, as well as all other measures necessary for ensuring the efficiency of the systems and preventing the release of harmful emissions into the atmosphere.

Moreover, in all countries under the System, the process for eliminating **refrigerant gases (R22)** from all air conditioning systems is in progress. This process has already been completed by the companies in France.

Initiatives for reducing greenhouse gas emissions in 2012

COUNTRY	TYPE OF INITIATIVE
Austria, Germany	Agreements have been entered into by Generali and Postal Service in Austria and by Generali and Deutsche Post/DHL in Germany, for the offsetting of CO ₂ emissions relating to each packaged shipped, by purchasing certificates that use environmental initiatives to neutralise these emissions.

EXPENDITURES AND INVESTMENTS FOR ENVIRONMENTAL PROTECTION

As part of its commitment to environmental protection, the Group invests in new technologies, education, awareness and prevention initiatives and in mobility management, and aims to enter into agreements with suppliers and partners which can reduce environmental impacts and risks.

In 2012, the expense for environmental management and protection amounted to 21 million euros, mainly attributable to the installation of cleaner technologies (tri-generation plant, LED lighting, etc.), training for the employees directly involved in the environmental management, external services (technical consulting for energy and water diagnoses, and those relating to waste management, etc.), green purchases and other costs (purchase and implementation of new software to manage environmental accounting, etc.). Approximately 155 thousand euros has been spent on waste disposal, emissions treatment and the purchase and use of certificates to offset greenhouse gas emissions.

EDUCATION, AWARENESS AND DIALOGUE WITH STAKEHOLDERS

As it is felt that education is a fundamental element in furthering eco-sustainable behaviour, the Group

promotes numerous education, awareness and stakeholder dialogue initiatives on environmental issues, directed at both its employees, through various kinds of programmes and schemes, and at its customers and the general public, through awareness campaigns, conferences on the subject, guides and information booklets giving useful advice and suggestions.

Specifically, documents, guidelines and information about current social and environmental initiatives are provided on the majority of company intranets. There are also posters or brochures in public areas designed to make workers aware of respecting the environment, saving energy, reducing the consumption of paper and water, and separate waste collection aimed at reusing and recycling natural resources.

There is the tendency everywhere to provide an increasing number training courses via e-learning, which has a dual benefit for the environment: decreasing the consumption of paper linked to the distribution of hard copies and saving CO₂ emissions by reducing journeys.

Events and meetings with the community are also organised, in order to communicate and find out people's opinions.



Wind farm, Port St Louis du Rhone, France

FRANCE

Generali and Agence de l'Environnement et de la Maîtrise de l'Énergie (ADEME), along with the science magazine La Recherche promoted the eighth annual contest for students - **Génération Développement Durable**, with the theme *Inventer le monde de demain* (Invent Tomorrow's World), which had Jean-Louis Étienne, a famous doctor and explorer, as its spokesperson. The goal of the competition was to launch and promote initiatives, ideas and projects on issues such as biodiversity, the climate, energy, waste treatment, transport, etc. The prize-winning ideas included a photovoltaic beach umbrella, which generates enough energy to recharge small electronic devices.

GERMANY

In order to further promote the integration of sustainable development in corporate processes, the German group joined the VfU - Verein für Umweltmanagement und Nachhaltigkeit in Finanzinstituten e.V. (association for environmental management and sustainability in financial institutions). The purpose of the association is to act as a forum for the exchange of opinions and information to create new strategies and tools for sustainable development. The VfU organises meetings with experts on specific subjects and discloses the results through seminars, conferences and publications, making them available not only to members of the association, but also to other external parties.

In November, Generali Deutschland Group, along with VfU and UNEP FI, organised the convention **Mainstreaming Sustainability. Sustainability in the Core Business of Financial Institutions**, near Cologne. More than 150 experts in banking and insurance who are involved in environmental projects participated in the event and discussed issues for two days, dialoguing on cultural changes and sustainability in the financial sector.

SWITZERLAND

BSI, through the Gamma Foundation, organised the conference **The Creation of Shared Value: Sustainability and Finance** in Venice, which was attended by some of the leading players in the field of ethical investments. Prestigious speakers included the two Nobel Prize winners - Nobel Prize in Physics Carlo Rubbia and Nobel Prize in Economics Jeremy Rifkin. Specifically, Prof. Rubbia's presentation, *Energies for a Sustainable Future* covered the problems of climate change and new technologies to mitigate its effects, both existing and to be implemented in future, particularly focusing on renewable sources.

ITALY

From November 2011 to March 2012, **5 Tappe per l'ambiente** (5 Steps for the Environment) initiative was held, to inform and analyse several environmental subjects, targeted to employees of the Italian companies. This was a travelling project, which stopped in the 5 main cities where the Group operates (Trieste, Mogliano Veneto, Milan, Turin and Rome). The initiative took the form of two meetings, focused on the issues "Energy, Water and Waste" and "Mobility and Paper", respectively. The purpose of the project was to raise awareness among Group employees on environmental subjects and make them aware that their behaviours - at work, as well as in their daily lives, - have an impact on the environment.

A training course in e-learning mode was also associated with the initiative, to reach the employees that were unable to participate in person.

University professors, institutional representatives and Group suppliers were also invited to participate in this initiative, giving them the opportunity to provide their own contributions to the subjects discussed and express their opinions on Generali's approach and actions implemented in relation to various environmental issues.

ENVIRONMENTAL RANKING

Generali's attention to the environment has also been rewarded by improvements in various environmental rankings, specifically the CDP and Green Ranking.

The Generali Group has participated in the **CDP** for several years now. This is an international initiative supported by more than 700 large corporate investors aimed at gathering information at major companies worldwide about their greenhouse gas emissions and the strategies adopted to deal with climate change risks and opportunities. In the CDP Global 500 Climate Change Report 2012, which assesses disclosure and performance, the Generali Group ranked **80/100**. This result is a 12 point improvement on the previous year's ranking, moving the Company from the C band, where it ranked last year, to the **B band**, in a scale where A is the highest level and E is the lowest. This improvement was achieved as a result of wider disclosure of strategies, a more in-depth analysis of risks and opportunities and more comprehensive reporting on greenhouse gas emissions.

In the **Green Rankings 2012**, published by Newsweek in October, Generali held 12th place in the list of the

top 500 companies in the world (30th in 2011), ranking as the number two company in the insurance and reinsurance industry. In collaboration with Trucost and Sustainalytics - leading environmental research companies - Newsweek produces Green Rankings which assess the leading companies in the world, assigning a score for each of the following criteria: environmental impacts, environmental management and transparency in environmental reporting. The Generali Group received a total score of **80.1/100**, improving its 2011 score by 6 points (74.1/100).

INDIRECT ENVIRONMENTAL IMPACT

The Group's activities also have an indirect impact on the environment, especially through purchasing processes, the planning and provision of insurance products and company investment activities.

For information on procurement ecology, see the chapter Suppliers, for product ecology, see the chapter Clients and for investment ecology, see the chapter the Group.



Media Tower, Vienna, Austria



Verband Deutscher Naturparke, Germany





CONTENT INDEX

Paris - France

GRI CONTENT INDEX

GRI 3.1 GUIDELINES - GLOBAL COMPACT PRINCIPLES

GRI INDICATORS	DESCRIPTION	
PROFILE		
1. Strategy and analysis		
1.1	Statement from the most senior decision-maker of the organization about the relevance of sustainability to the organization and its strategy.	
1.2	Description of key impacts, risks, and opportunities.	
2. Organizational profile		
2.1	Name of the organization.	
2.2	Primary brands, products, and/or services.	
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	
2.4	Location of organization's headquarters.	
2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	
2.6	Nature of ownership and legal form.	
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	
2.8	Scale of the reporting organization.	
2.9	Significant changes during the reporting period regarding size, structure, or ownership.	
2.10	Awards received in the reporting period.	
3. Report parameters		
3.1	Reporting period (e.g., fiscal/calendar year) for information provided.	
3.2	Date of most recent previous report (if any).	
3.3	Reporting cycle (annual, biennial, etc.).	
3.4	Contact point for questions regarding the report or its contents.	
3.5	Process for defining report content.	
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers).	
3.7	State any specific limitations on the scope or boundary of the report.	
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.	
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report.	
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/acquisitions, change of base years/periods, nature of business, measurement methods).	
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	
3.12	Table identifying the location of the Standard Disclosures in the report.	
3.13	Policy and current practice with regard to seeking external assurance for the report.	
4. Governance, commitments, and engagement		
4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.	

	REPORTED	GLOBAL COMPACT PRINCIPLES	CROSS-REFERENCE/DIRECT ANSWER
	fully		SR 2012, p. 4-5 Information on the strategy and the Charter of Sustainability Commitments of the Generali Group - mentioned in the Chairman and Group CEO letter to the stakeholders - is detailed on pages 30 and 34-35. Group Objectives and Targets for Improving the Environment are available on page 122. http://www.generali.com/Sustainability
	fully		SR 2012, p. 4-5; 135-136
	fully		SR 2012, p. 10
	fully		SR 2012, p. 10
	fully		Corporate Governance and Share Ownership Report 2012, p. 291-293 Management Report and Consolidated Financial Statements 2012, p. 224-245
	fully		SR 2012, p. 20
	fully		SR 2012, p. 8-10 Management Report and Consolidated Financial Statements 2012, p. 247-248
	fully		SR 2012, p. 78 Corporate Governance and Share Ownership Report 2012, p. 266-269
	fully		Management Report and Consolidated Financial Statements 2012, p. 34-37
	fully		SR 2012, p. 24-25; 79 Management Report and Consolidated Financial Statements 2012, p. 99
	fully		SR 2012, p. 78 Management Report and Consolidated Financial Statements 2012, p. 11; 222-223 Corporate Governance and Share Ownership Report 2012, p. 291-293
	fully		SR 2012, p. 47; 53 Information on other awards received by the Group companies is available on their websites.
	fully		Quantitative information is as at 31 December 2012 whereas qualitative information may also refer to events after that date.
	fully		The most recent previous Sustainability Report, that was approved by the Board of Directors of the Parent Company and later published on the Group website, dates at May 2012.
	fully		The reporting cycle is annual.
	fully		SR 2012, p. 20 http://www.generali.com/Sustainability/Contacts
	fully		SR 2012, p. 6-7
	fully		SR 2012, p. 8-9
	fully		SR 2012, p. 6-7
	fully		SR 2012, p. 6-7
	fully		SR 2012, p. 6-7
	fully		SR 2012, p. 6-7
	fully		SR 2012, p. 6-7
	fully		SR 2012, p. 144-163
	fully		SR 2012, p. 7
	fully		SR 2012, p. 27-29

GRI INDICATORS	DESCRIPTION	
4.2	Indicate whether the Chair of the highest governance body is also an executive officer.	
4.3	For organizations that have a unitary board structure, state the number and gender of members of the highest governance body that are independent and/or non-executive members.	
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives, and the organization's performance.	
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	
4.7	Process for determining the composition, qualifications, and expertise of the members of the highest governance body and its committees, including any consideration of gender and other indicators of diversity.	
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.	
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	
4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organizations.	
4.14	List of stakeholder groups engaged by the organization.	
4.15	Basis for identification and selection of stakeholders with whom to engage.	
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.	

ECONOMIC PERFORMANCE INDICATORS

Disclosure on management approach

Once identified its strengths in a very strong brand, a widespread, diversified international presence, a significant total amount of premiums and assets, consolidated leadership in the life segment and solid performance in the non-life one, the Generali Group has developed a strategy aiming at maximizing profitability and creating value.

The Generali Group also takes special care of the climate change, considered as a source, on the one hand, of risks and, on the other, of opportunities, in conducting and developing its business. It analyses possible consequences connected with climate change over the short, medium and long term, in order to identify the risks against which it must find suitable mitigation measures and the opportunities for developing business and improving efficiency. Integration of climate protection prevention measures into the corporate strategies represents a specific commitment, clearly stated in the Group Environmental Policy.

As a provider of specific insurances covering losses from natural phenomena, specifically from atmospheric ones, the Group constantly monitors the evolution of the situation, both with regard to existing and emerging risks, using specific stochastic simulation models of natural phenomena, in order to ensure that its products and risk mitigation tools are always suitable to the contingent situation.

	REPORTED	GLOBAL COMPACT PRINCIPLES	CROSS-REFERENCE/DIRECT ANSWER
	fully		SR 2012, p. 28
	fully		SR 2012, p. 28
	fully		SR 2012, p. 36; 56 Articles of Association, Art. 17 available on http://www.general.com/Governance
	fully		SR 2012, p. 48-49
	fully		SR 2012, p. 34
	fully		Corporate Governance and Share Ownership Report 2012, p. 275-277
	fully		SR 2012, p. 26; 31-35
	fully		SR 2012, p. 29 The Sustainability Report of the Group as well as Group codes, policies and their updates are subject to the approval of the Board of Directors of the Parent Company.
	fully		Corporate Governance and Share Ownership Report 2012, p. 281-282
	fully		SR 2012, p. 4-5
	fully		SR 2012, p. 40-41
	fully		SR 2012, p. 40-41; 89-90 The Generali Group provides routine membership dues and views memberships in associations as strategic.
	fully		SR 2012, p. 41
	fully		A Head Office working group, supported by some CSR consultants, adopted the AccountAbility1000 principles when defining and selecting the stakeholders i.e. those who make a direct contribution to the pursuit of the objectives of the Generali Group, allow it to be competitive on the market and affect the various activities.
	fully		SR 2012, p. 66-67 (employees); 74-75 (sales force); 94-96 (clients); 108 (suppliers)
	fully		SR 2012, p. 34-35 The Charter of Sustainability Commitments, that is available on http://www.general.com/Sustainability , considers both key topics raised through engagement of different Head Office departments and outcomes of various forms of dialogue and exchanges of opinion with Group stakeholders.

The attention to the topic of the climate change is confirmed by the Group adhesion to the CDP.

The Generali Group has always linked its growth to the development of the local communities where it operates and adopted employee policies that do not discriminate anybody and aim at enhancing local abilities, giving importance to the contribution of local people in terms of market knowledge. This approach is also adopted by companies recently acquired or newly created, whose workforce almost entirely numbers local employees, in the management positions as well.

As for the supplies, local suppliers are largely preferred.

Indirect economic impacts are mainly linked to corporate citizenship initiatives. In order to improve life conditions in the countries where Group companies operate, they themselves work together with local institutions and not-for-profit associations, providing one-shot or, most often, recurrent financial support for different public utilities (educational services, health services, social integration services, professional integration of the disabled, etc.) and/or for infrastructures such as schools, day care centres and health care centres. Zukunftsfonds in Germany represents a great, structured example of collaboration with local institutions and not-for-profit associations. In order to contribute to the alleviation of poverty among disadvantaged inhabitants and to provide access to basic insurance policies, especially health insurance ones, the Group has recently financed the launch of some business ventures and microinsurance initiatives in India, where it entered only few years ago.

GRI INDICATORS	DESCRIPTION
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ASPECT: Economic performance

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

GRI INDICATORS	DESCRIPTION
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ASPECT: Market presence

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

ASPECT: Indirect economic impacts

EC8. Core	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.
EC9. Additional	Understanding and describing significant indirect economic impacts, including the extent of impacts.

ENVIRONMENTAL PERFORMANCE INDICATORS

Disclosure on management approach

Safeguarding the environment as a primary asset is one of the guiding values of the Generali Group, which is committed to gearing its own choices towards guaranteeing compatibility between economic initiatives and environmental requirements. Objectives and commitments with the aim of making a positive contribution to sustainable development are defined in the Environmental Policy of the Generali Group. Specific targets for both direct and indirect environmental impacts are defined in the document Group Objectives and targets for environmental improvement. Actions to work towards attaining the Group objectives and targets are described in the Environmental Programme.

The key environmental aspects are managed through an Environmental Management System (EMS) which complies with the requirements of the ISO 14001 standard and meets some ethical requirements. Such System currently involves six of the most important countries for corporate business, i.e. Italy, Austria, France, Germany, Spain and Switzerland.

The System is supported by an organizational structure in the Head Office that is composed of the EMS Review Committee and the EMS Committee, the members of which are also the Country EMS representatives. The task of coordinating these Committees and drafting documentation for the System at Group level is carried out by the Corporate Social Responsibility unit. Some countries have also national structures with solely environmental powers that support local Country CSR Committees in their activities.

ASPECT: Materials

EN1. Core	Materials used by weight or volume.
EN2. Core	Percentage of materials used that are recycled input materials.

ASPECT: Energy

EN3. Core	Direct energy consumption by primary energy source.
EN4. Core	Indirect energy consumption by primary source.

	REPORTED	GLOBAL COMPACT PRINCIPLES	CROSS-REFERENCE/DIRECT ANSWER
	fully		Global Added Value (GAV) expresses the wealth generated by the Group's activities over the year for the various stakeholder categories. It is not, however, able to measure the benefits that the investments have on the economy and environment of reference. This indicator is calculated as the difference between total income (88,547.4 million euros at 31 December 2012) increased/decreased by the result of discontinued operations and total expenses (86,909.6 million euros at 31 December 2012) net of the cost for employees, agents and financial advisers, costs incurred for grants and sponsorships, and interest expense. At the end of 2012 GAV amounted to 12,730.7 million euros, distributed as follows: <ul style="list-style-type: none"> • -221 million euros to the Group (-1.7%) • 588 million euros to shareholders (4.6%) • 4,270.3 million euros to employees (33.5%) • 5,435.3 million euros to agents and financial advisers (42.7%) • 1,240.5 million euros to the State (9.7%) • 1,372.7 million euros to providers of credit capital (10.8%) • 44.9 million euros to the community (0.4%) The tax rate of the main countries is reported in the Management Report and Consolidated Financial Statement 2012, p. 187.
	fully	7	SR 2012, p. 135-137
	fully		Management Report and Consolidated Financial Statement 2012, p. 180-182
	fully		The Generali Group did not receive any significant financial assistance from government in 2012.
	REPORTED	GLOBAL COMPACT PRINCIPLES	CROSS-REFERENCE/DIRECT ANSWER
	fully	1	SR 2012, p. 62
	fully		SR 2012, p. 107-108
	fully	6	SR 2012, p. 51
	fully		SR 2012, p. 111-112; 114-115 Initiatives result from assessments of community needs.
	fully		SR 2012, p. 71; 87; 108; 115
<p>The proper implementation of the EMS and the specific attainment of the objectives are guaranteed by periodic monitoring of several indicators which cover all of the most significant environmental aspects in terms of direct or indirect impact of the Group activities, i.e. electricity, water and paper consumption, waste disposal, corporate mobility, greenhouse gas emissions, products and services, procurement processes and investment activities. Data obtained feeds an internal information system which provides for a report for a review by the Top Management, in order to constantly assess the efficiency and effectiveness of the EMS with a view towards continual improvement. As to stress its interest in environmental issues, in particular in climate change one, the Group has adopted a responsible and transparent approach and decided to meet the ISO 14064-1 standard as for measuring and voluntary reporting on GHG emissions, and to have direct and indirect emissions from energy consumption certified by an external body.</p>			
	fully	8	SR 2012, p. 128-129 Materials mean paper that the Generali Group purchases from external suppliers. Information on non-renewable and direct materials used is therefore not applicable to the financial sector.
	fully	8, 9	SR 2012, p. 129
	fully	8	SR 2012, p. 124-125
	fully	8	SR 2012, p. 124; 126 Primary energy consumed in its production is not relevant for the core business of the Group.

GRI INDICATORS	DESCRIPTION	
EN5. Additional	Energy saved due to conservation and efficiency improvements.	
EN6. Additional	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	
EN7. Additional	Initiatives to reduce indirect energy consumption and reductions achieved.	
ASPECT: Water		
EN8. Core	Total water withdrawal by source.	
EN9. Additional	Water sources significantly affected by withdrawal of water.	
EN10. Additional	Percentage and total volume of water recycled and reused.	
ASPECT: Biodiversity		
EN11. Core	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	
EN12. Core	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	
EN13. Additional	Habitats protected or restored.	
EN14. Additional	Strategies, current actions, and future plans for managing impacts on biodiversity.	
EN15. Additional	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	
ASPECT: Emissions, effluents and waste		
EN16. Core	Total direct and indirect greenhouse gas emissions by weight.	
EN17. Core	Other relevant indirect greenhouse gas emissions by weight.	
EN18. Additional	Initiatives to reduce greenhouse gas emissions and reductions achieved.	
EN19. Core	Emissions of ozone-depleting substances by weight.	
EN20. Core	NOx, SOx, and other significant air emissions by type and weight.	
EN21. Core	Total water discharge by quality and destination.	
EN22. Core	Total weight of waste by type and disposal method.	
EN23. Core	Total number and volume of significant spills.	
EN24. Additional	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.	
EN25. Additional	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff.	
ASPECT: Products and services		
EN26. Core	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	
EN27. Core	Percentage of products sold and their packaging materials that are reclaimed by category.	
ASPECT: Compliance		
EN28. Core	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	

	REPORTED	GLOBAL COMPACT PRINCIPLES	CROSS-REFERENCE/DIRECT ANSWER
	fully	8, 9	SR 2012, p. 124-125
	fully	8, 9	SR 2012, p. 88-89 Reductions in the energy requirements of products and services cannot be quantified in the financial sector. The products of the Generali Group are mainly policies.
	fully	8, 9	SR 2012, p. 126-127; 133-135
	fully	8	SR 2012, p. 130
	fully	8	The Group companies do not draw sufficient quantities of water to significantly affect water sources.
	fully	8, 9	SR 2012, p. 130
	fully	8	In Italy, an area of 110,675 m ² in the Mogliano Veneto site is located within a zone subject to the Dese River restrictions pursuant to Art. 142 of Legislative Decree No.42/2004. This zone, designated as a park, has no protected species and no company activities are carried out there. In Germany, an area of 8,800 m ² in the Bernried site where the training centre of Generali Deutschland is located is next to the natural reserve of Starnberger See (LSG00403.01). The activities run by the training centre do not impact on biodiversity.
	fully	8	There are no significant direct and indirect impacts on biodiversity in the areas subject to restrictions.
	not	8	Information required is not material for the core business of the Generali Group.
	not	8	Information required is not material for the core business of the Generali Group.
	not	8	Information required is not material for the core business of the Generali Group.
	fully	8	SR 2012, p. 137
	fully	8	SR 2012, p. 137
	fully	7, 8, 9	SR 2012, p. 137
	not	8	Emissions of ozone-depleting substances are not measured, as immaterial for the Group activities.
	fully	8	SR 2012, p. 136 Air emissions for categories other than carbon dioxide, nitrous oxide and methane are not calculated, as immaterial for the core business of the Generali Group.
	not	8	Discharged water is not measured, since water effluents from insurance-banking activities are similar to domestic sewage. Only in Switzerland water is returned to the Lugano lake without harming the environment.
	fully	8	SR 2012, p. 131-132
	not	8	The risk of potential spills of hazardous substances is not significant, when considering the insurance-banking activities of the Generali Group.
	not	8	Total weight of transported, imported, exported and treated hazardous waste are managed by suppliers of Group companies.
	not	8	Discharged water from the Group activities washes into the urban sewage systems without significantly harming the environment.
	fully	7, 8, 9	SR 2012, p. 129
	not	8, 9	There is no recycling and reuse system for the products in the Group.
	fully	8	From the information available in 2012, there are no fines or monetary sanctions imposed on Group companies for non-compliance with environmental laws and regulations.

GRI INDICATORS	DESCRIPTION	
ASPECT: Transport		
EN29. Additional	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.	
ASPECT: Overall		
EN30. Additional	Total environmental protection expenditures and investments by type.	
LABOR PRACTICES AND DECENT WORK		
Disclosure on management approach		
<p>The Group's employee policies, which are set out by the Group CEO, are characterized by enhancement of employees, professional development, protection of rights and respect for corporate values.</p> <p>The principles and fundamental rights of employees are outlined in the Code of Conduct of the Generali Group and reiterated in the European Social Charter that are based on the Universal Declaration of Human Rights and the International Labour Organization's Declaration. All staff are given a formal written employment contract. Exploitation, forced or compulsory labour and child labour are not tolerated in any form. The Group also recognises the right of its employees to join a trade union, to appoint workers' representatives and to exercise the relative functions (e.g. the right of collective bargaining), in accordance with local regulations and practices.</p> <p>The personal and professional growth of its employees and the improvement of their competencies are encouraged through intense training activities that are managed by the Generali Group Innovation Academy (GGIA) and developed as to guide training investment in accordance with the Group's objectives and strategies.</p>		
ASPECT: Employment		
LA1. Core	Total workforce by employment type, employment contract, and region, broken down by gender.	
LA2. Core	Total number and rate of new employee hires and employee turnover by age group, gender, and region.	
LA3. Additional	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation.	
LA15. Core	Return to work and retention rates after parental leave, by gender.	
ASPECT: Labor/management relations		
LA4. Core	Percentage of employees covered by collective bargaining agreements.	
LA5. Core	Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements.	
ASPECT: Occupational health and safety		
LA6. Additional	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.	
LA7. Core	Rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities by region and by gender.	
LA8. Core	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	
LA9. Additional	Health and safety topics covered in formal agreements with trade unions.	
ASPECT: Training and education		
LA10. Core	Average hours of training per year per employee by gender, and by employee category.	
LA11. Additional	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	
LA12. Additional	Percentage of employees receiving regular performance and career development reviews, by gender.	

	REPORTED	GLOBAL COMPACT PRINCIPLES	CROSS-REFERENCE/DIRECT ANSWER
	fully	8	SR 2012, p. 133-135 Environmental impacts of transportation used for logistical purposes are not relevant for the Group business.
	fully	7, 8, 9	SR 2012, p. 138
<p>The Group values its employees and considers diversity as an opportunity for enrichment. The individual contribution to its success is recognized, also through remuneration based on the merit and defined in accordance with homogeneous criteria within the Group. Employees regularly receive performance appraisal through appropriate methods, also with a view of developing their carrier.</p> <p>The Generali Group ensures a work environment free of any kind of discrimination or harassment, promoting diversity and inclusion in the workforce, in the belief that cooperation between people with different culture, skills, perspectives and experiences is fundamental in attracting talent and to enable business growth and innovation.</p> <p>The policies guaranteeing equal opportunities to specific categories such as women, the disabled, etc. aim at reducing possible barriers through actions that are defined with them.</p> <p>The Group protects and guarantees working conditions that are respectful of individual dignity in safe, healthful working environments.</p>			
	fully		SR 2012, p. 59-61 Employment number is not affected by significant seasonal variation.
	fully	6	SR 2012, p. 64
	fully		SR 2012, p. 48
	fully		SR 2012, p. 50-51 All the Generali Group employees can make use of parental leave in accordance with local laws and regulations in force. The Generali Group gathered and analysed information on employees who returned to work after parental leave ended and on employees who returned to work after parental leave ended who were still employed twelve months after their return to work. Such information is not significant, since the timing to return to work is different in each country and depends on individual choice. It is therefore difficult to connect data that refer to different groups and to calculate the rates required.
	fully	1, 3	SR 2012, p. 54
	fully	3	SR 2012, p. 54 Most of the collective bargaining agreements include the notice period and/or provisions for consultation and negotiations.
	fully	1	SR 2012, p. 55
	fully	1	SR 2012, p. 55; 64-65 No information on independent contractors is given in the Sustainability Report, since this category is not relevant for the core business of the Group.
	fully	1	SR 2012, p. 55 Information on workers who are involved in occupational activities who have a high incidence or high risk of specific disease is not relevant for the financial sector.
	fully	1	SR 2012, p. 55
	fully		SR 2012, p. 54
	fully		SR 2012, p. 46-47; 53 http://www.generali.com/Careers/Training The Generali Group is mainly in line with the European legislation on transition assistance programs to support employees who are retiring or who have been terminated.
	fully		SR 2012, p. 48-49

GRI INDICATORS	DESCRIPTION	
ASPECT: Diversity and equal opportunity		
LA13. Core	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity.	
ASPECT: Equal remuneration for women and men		
LA14. Core	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation.	
HUMAN RIGHTS		
Disclosure on management approach		
<p>The Generali Group commits to ensure and promote fundamental human and labour rights in all its spheres of influence. Such commitment is stated in the Code of Conduct of the Generali Group, in the Ethical Code for suppliers of the Generali Group, in the Ethical Guidelines for Investments and in the European Social Charter. It is further confirmed by the support of the UN Global Compact initiative. The topic of human rights lies with the Group CEO.</p> <p>Respect for human and labour rights is a top priority for the Group. Its main spheres of influence, where human rights may be violated, are employees and suppliers. As for the former, the risk is related to locations of companies and to employee policies adopted. Annually the Corporate Social Responsibility unit monitors through questionnaires the prohibition of child, forced and compulsory labour, non-discrimination and freedom of association and collective bargaining in all Group companies. In order to create awareness of fundamental human rights, the Group offers a widespread training through an e-learning course that has so far involved almost 19,000 employees, among whom those working in countries where respect for human rights is not always guaranteed.</p> <p>The risk of human rights violation in the supply chain is related to locations and type of activities. Its assessment is started in 2012 with the aim of identifying the most risky countries and activities and starting their monitoring. As stated in the Ethical Code for suppliers, the Group requires the contractual partners to comply with all national and international applicable rules and regulations, including the International Labour Organization's Declaration and the Universal Declaration of Human Rights. It also requires them to align with the Group policies while performing business and to ensure compliance with all the levels of the relevant supply chain.</p>		
ASPECT: Investment and procurement practices		
HR1. Core	Percentage and total number of significant investment agreements and contracts that include clauses incorporating human rights concerns, or that have undergone human rights screening.	
HR2. Core	Percentage of significant suppliers, contractors and other business partners that have undergone human rights screening, and actions taken.	
HR3. Core	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	
ASPECT: Non-discrimination		
HR4. Core	Total number of incidents of discrimination and corrective actions taken.	
ASPECT: Freedom of association and collective bargaining		
HR5. Core	Operations and significant suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and actions taken to support these rights.	
ASPECT: Child labor		
HR6. Core	Operations and significant suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor.	
ASPECT: Forced and compulsory labor		
HR7. Core	Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor.	
ASPECT: Security practices		
HR8. Additional	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.	
ASPECT: Indigenous rights		
HR9. Additional	Total number of incidents of violations involving rights of indigenous people and actions taken.	
ASPECT: Assessment		
HR10. Core	Percentage and total number of operations that have been subject to human rights reviews and/or impact assessments.	
ASPECT: Remediation		
HR11. Core	Number of grievances related to human rights filed, addressed, and resolved through formal grievance mechanisms.	

	REPORTED	GLOBAL COMPACT PRINCIPLES	CROSS-REFERENCE/DIRECT ANSWER
	fully	1, 6	SR 2012, p. 28; 60-61; 63 Directors of the Board of the Parent Company are 57.5 years old on average. Specifically, four directors (36.4%) - of whom three are women - age between 30 and 50 years old and seven directors (63.6%) - of whom one is a woman - age over 50 years old. A director (9.1%) is of foreign nationality.
	fully	1, 6	SR 2012, p. 62
<p>As an institutional investor, the Generali Group adopts Ethical Guidelines that forbid investment in financial instruments issued by companies that do not respect the fundamental human rights. On the one hand, it thus avoids being involved, through investments, in serious violations of human rights and, on the other, it persuades issuing companies to act responsibly. The Group set up a Council on Ethics, a consultative body for possible exclusion procedures from the investment universe of companies that violate the Group's ethical criteria. Investments are constantly monitored and checks designed to prevent the acquisition of securities issued by excluded companies are made. A half-yearly report is sent to the Head Office's Group Risk Management department.</p> <p>Breaches or suspected breaches of human rights can be reported via mail or post to the Group Compliance department of Assicurazioni Generali, also anonymously, unless prohibited by local law. A dedicated line accessible via phone or web and managed by an external specialised and independent supplier is due to go online. Reports received are evaluated applying the procedures established by the Group Rules of the Code of Conduct.</p>			
	fully	1, 2, 3, 4, 5, 6	SR 2012, p. 32 Premiums paid by clients for all insurance contracts are invested in accordance with the Ethical Guidelines of the Group which forbid investments in financial instruments issued by companies that do not respect the fundamental human rights.
	fully	1, 2, 3, 4, 5, 6	SR 2012, p. 106-107
	fully	1, 2, 3, 4, 5, 6	SR 2012, p. 56-57
	fully	1, 2, 6	SR 2012, p. 56
	fully	1, 2, 3	SR 2012, p. 56-58; 107
	fully	1, 2, 5	SR 2012, p. 56-58; 107
	fully	1, 2, 4	SR 2012, p. 56-58; 107
	not	1, 2	Security services, that mainly concern night surveillance of the buildings, are provided by external organizations. There are no evidence on training provided by them.
	not	1, 2	The risk of of violations involving rights of indigenous people is not significant, when considering the insurance-banking activities of the Generali Group.
	fully		SR 2012, p. 56
	fully		SR 2012, p. 31; 56

GRI INDICATORS	DESCRIPTION	
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SOCIETY

Disclosure on management approach

The impacts of activities on local communities have not only an economic nature, i.e. those associated to job offer and purchase of goods and services from local suppliers, but mainly concern logistic and environmental aspects. The former are, in fact, linked to commutes and transfers for duty whereas the latter are due to both transfers and building management.

Before starting new activities – specifically, before entering new markets or moving a significant number of employees to new buildings, that are usually located in the same country or even in the same city – impacts from commutes in terms of their direct management or facilitation are carefully assessed.

The impact on the social fabric of the communities where Group companies operate is also taken into consideration. The Group interacts with the local communities through several cultural, educational, etc. initiatives as to create a collaborative mood to favour integration and to have positive effects on both Group companies and the communities where they operate. In the main cities the Group constantly works together with institutions as to promote new initiatives with the aim of reducing traffic and emissions from commutes.

An eco-friendly and economic management of the corporate mobility also contributes to limit the impact of operations on the communities.

As for the access to products and services, sales and claims settlement networks of the Group are widespread in several markets and in low-populated areas, too. The distributional diversification of the Group and the possibility of communicating by phone or internet with the companies, not only in case of underwriting but also in the claim settlement process, contribute to reduce barriers to access to services.

One of the Group goals is to provide those who would otherwise be excluded from the traditional market with insurance products. It is pursued through some specific microinsurance projects.

ASPECT: Community

SO1. Core	Percentage of operations with implemented local community engagement, impact assessments, and development programs.	
SO9. Core	Operations with significant potential or actual negative impacts on local communities.	
SO10. Core	Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities.	
FS13. Core	Access points in low-populated or economically disadvantaged areas by type.	
FS14. Core	Initiatives to improve access to financial services for disadvantaged people.	

ASPECT: Corruption

SO2. Core	Percentage and total number of business units analyzed for risks related to corruption.	
SO3. Core	Percentage of employees trained in organization's anti-corruption policies and procedures.	
SO4. Core	Actions taken in response to incidents of corruption.	

	REPORTED	GLOBAL COMPACT PRINCIPLES	CROSS-REFERENCE/DIRECT ANSWER
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In its sphere of influence, the Generali Group is also committed to working against corruption in all its forms. The Group joins the UN Global Compact consistently with such commitment, that is stated in the Code of Conduct. It requires to all its stakeholders to conduct ethically as to counter corruption, provides suitable tools for the prevention of conduct in contrast with principles of correctness, lawfulness and transparency, and implements all measures against corruption. The issue of the fight against corruption is also in the Ethical Code for suppliers of the Generali Group and in the Ethical Guidelines for Investments.

As stated in the Group Rules of the Code of Conduct, the Group does not support any event or initiative whose aim is mainly or exclusively of a political nature. Furthermore, it refrains from any direct or indirect pressure on political representatives and does not make any contribution to trade unions or associations in order to apply political pressure.

The Group recognizes free competition in the market as a crucial factor for growth and constant business improvement. It bases its competitiveness on the quality of products and services provided and not on competitors' discredit.

As stated in the Code of Conduct, the Group conducts business in compliance with law, internal regulations and professional ethics.

	fully		SR 2012, p. 111-115 In 2008 the German companies of the Generali Deutschland group established the Generali Future Fund focused on the demographic change. The Fund supports more than 30 projects each year with the aim of promoting the commitment of the generation 55plus in activities of active citizenship. It also assesses the social impact of the projects through the SROI (Social Return on Investments). DMA SO In 2012 a new environmental analysis was conducted on the main buildings of the Generali Group companies in order to identify the significant impacts of insurance and financial activities on the environment. Objectives and targets refer to such impacts with a view towards continual improvement. Information is mainly qualitatively reported. As for mobility, the objective of the Group is to reduce employee travel as much as possible, above all reducing the use of private vehicles and increasing the use of public transport in order to reduce air and noise pollution in cities. All companies are, for example, compliant with travel policies based on criteria assessing environmental impacts. For a thorough examination consult the section Mobility in the SR 2012, p. 133-135.
	fully		When considering the Group core activities, the negative impacts on local communities are the following: economic impacts, i.e. those associated to job offer and purchase of goods and services from local suppliers; logistic impacts, i.e. those linked to commutes and transfers for duty; and environmental impacts, i.e. those due to transfers and building management (pollution risk).
	fully		The Group is committed to a sustainable management in the environmental field (see chapter Environment and Climate Change) and in the social one (employment agreements and policies for business combinations and corporate restructuring, as described in the SR 2012 on p. 56).
	not		Sales and claims settlement networks of the Generali Group are widespread in several markets and also in low-populated areas. The possibility of communicating by phone or internet with the Group companies in case of underwriting and in the claim settlement process also contribute to reduce barriers to access to services.
	fully		SR 2012, p. 87; 90-92; 115 The websites of the Generali Group companies are in accordance with the Group web guidelines which comply with the international standards defined by Web Accessibility Initiatives (WAI). The guidelines also provide some suggestions about usability and accessibility for the disabled, such as increasing font size, increasing contrast of font and page background, suitable colour choices for font and background, keyboard navigation, automatic underlining of all links, limited use of flash animation, HTML version of the press releases, communications and sections, thereby guaranteeing access to the greatest possible number of users and avoiding all forms of discrimination.
	fully	10	SR 2012, p. 37-39
	fully	10	SR 2012, p. 39
	fully	10	SR 2012, p. 39 There is no evidence of concluded legal cases regarding corrupt practices brought against the Group companies or their employees.

GRI INDICATORS	DESCRIPTION	
ASPECT: Public policy		
SO5. Core	Public policy positions and participation in public policy development and lobbying.	
SO6. Additional	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.	
ASPECT: Anti-competitive behavior		
SO7. Additional	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes.	
ASPECT: Compliance		
SO8. Core	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	
PRODUCT RESPONSIBILITY		
Disclosure on management approach		
<p>Customer satisfaction plays a key role in the strategic vision of the Group that is committed to developing its products and services according to a customer-driven business approach. The ability of the Group to constantly meet actual customer needs and expectations is a prerequisite for creating and maintaining trust in order to build lasting relationships. Many initiatives of dialogue with customers are periodically organized as to learn needs and satisfaction with regard to products and services provided.</p> <p>Managing relations with customers gains in importance and sales force therefore play a key role in achieving commercial strategies. The Group provides sales force with specific training courses, adequate support and guidelines on how they should go about their work.</p>		
FS15. Core	Policies for the fair design and sale of financial products and services.	
ASPECT: Customer health and safety		
PR1. Core	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	
PR2. Additional	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services, by type of outcomes.	
ASPECT: Product and service labelling		
PR3. Core	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.	
PR4. Additional	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.	
PR5. Additional	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	
FS16. Core	Initiatives to enhance financial literacy by type of beneficiary.	
ASPECT: Marketing communications		
PR6. Core	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	
PR7. Additional	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes.	

	REPORTED	GLOBAL COMPACT PRINCIPLES	CROSS-REFERENCE/DIRECT ANSWER
	fully	1, 2, 3, 4, 5, 6, 7, 8, 9, 10	SR 2012, p. 38 The Generali Group has relations with public institutions mainly through national trade associations.
	fully	10	SR 2012, p. 38
	fully		In 2012, 1,465 legal actions were initiated against Group insurance companies (1,637 in 2011) amounting to 1.7 million euros (just over 2.4 million euros in 2011), while no legal actions were brought against Group banks. There is no evidence of the outcomes of such actions.
	fully		In 2012 Group companies were assessed a total of 462 fines (640 in 2011) amounting to just over 6.2 million euros (nearly 7.2 million euros in 2011). Of these, 152 (253 in 2011) amounting to about 2.6 million euros (nearly 2.9 million euros in 2011) involved sanctions for non-compliance with laws and regulations other than those reported in the EN28 and PR9 indicators. Fines assessed by national insurance regulatory authorities clearly predominate (419 fines amounting to nearly 4.9 million euros).
<p>Contracts and communications with customers are based on the principles of correctness and honesty, professionalism, transparency and cooperation with a view to finding solutions that are most suited to their needs. Information provided to customers before any contract is signed is complete, transparent and comprehensible so they can make conscious purchase choices. To this end, Group companies implement information and training programmes with the aim of disseminating insurance and financial know-how.</p> <p>As for marketing communication, the Group respects the fundamental ethical values, maintaining the veracity of its contents and repudiating the use of coarse or offensive messages, in keeping with the provisions in the Code of Conduct of the Generali Group and the directives issued by the relevant control authorities.</p> <p>In accordance with national legislation, the Generali Group guarantees the confidentiality and security of data and its processing through methods denying access to third parties, unless required for corporate aims or by a writ. Group management system and procedures to customer privacy protection are adequate.</p>			
	fully		SR 2012, p. 35-36; 93-94 Emerging needs, the results of market analyses and any new features introduced through laws are considered when developing, distributing and providing products and services. These elements have led to the introduction of products with particular social and environmental value and the use of new channels at the service of customers. Moreover, sales force is constantly and adequately trained in order to guarantee the quality of the services provided by the Group.
	not	1	Products/services impacting on health and safety are not distributed/provided.
	not	1	Products/services impacting on health and safety are not distributed/provided.
	not	8	Products and services are not labelled.
	not	8	Products and services are not labelled.
	fully		SR 2012, p. 94-96
	fully		SR 2012, p. 92
	fully		SR 2012, p. 92-93 The Generali Group reviews codes and voluntary standards when necessary. The Generali Group does not sell products that are banned in certain markets or the subject of stakeholder questions or public debate.
	fully		In 2012 no incidents of non-compliance with regulations or voluntary codes were reported concerning marketing communications of Group companies.

GRI INDICATORS	DESCRIPTION	
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ASPECT: Customer privacy

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

PR9. Core	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	
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PRODUCT AND SERVICE IMPACT

Disclosure on management approach

By their very nature, insurance products have a social value because they provide protection for clients and meet their pension needs. Their social role becomes even more crucial against a general gradual reduction in public services.

Among the range of products and guarantees offered there are also some with particular social or environmental value that meet specific needs of the disabled, seriously ill people, immigrants, etc., that cover facilities that produce renewable energy, or that reward the virtuous conduct of the policyholders. Even if they represent a very small part of the corporate business, they contribute to raise awareness and persuade customers to act responsibly.

The Group plays on investments of technical reserves that are in line with the guidelines complying with the Principles for Responsible Investment (PRI), sponsored by ONU, as to qualify all its products as ethical. Through investments according to such criteria, the Group ensures its clients not only the risk protection and adequate financial returns but also respect for fundamental human rights and environmental protection.

ASPECT: Product portfolio

FS1. Core	Policies with specific environmental and social components applied to business lines.	
FS2. Core	Procedures for assessing and screening environmental and social risks in business lines.	

	REPORTED	GLOBAL COMPACT PRINCIPLES	CROSS-REFERENCE/DIRECT ANSWER
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	fully	1	In accordance with national legislation, Generali Group companies have adopted suitable technical, organisational and operational measures to guarantee the confidentiality and security of personal (and at times sensitive) data pertaining to potential and actual clients and other stakeholders (employees, suppliers and others). Only personal data that are strictly necessary to provide the required services and to achieve the objectives laid out in specific privacy notices are collected, with particular attention paid to sensitive data, which are gathered and processed only where the use of anonymous data is not deemed viable. In 2012 companies in the Sustainability Report scope received from clients and recognized as legitimate 288 complaints regarding breaches of customer privacy. Reasons lain in 44 leaks, 5 thefts and a loss of customer data as well as in 238 undesired commercial communications, improper data transmission and incorrect use of data. In Italy, Germany and France also the Privacy Authorities guaranteeing the protection of personal data and similar regulatory bodies recognized as legitimate 11 complaints from clients about undesired commercial communications and incorrect use of data.
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	fully		274 fines amounting to about 3.6 million euros were issued to the Group companies in 2012 for non-compliance of products and services with laws and regulations in force at various levels: local, regional, national and international.
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The management system provides for constant monitoring of investments, including checks designed to prevent the acquisition of securities issued by companies that do not meet ethical criteria.

Believing that there has to be consistency between investment policy and voting policy, Generali Investments has integrated ESG criteria into its own voting policy. The purpose is to establish a real dialogue on environmental, social and governance aspects with company directors and managers and to encourage the consideration of such topics in the performance of their activities.

The Generali Group is then committed to introducing systematic audits on several CSR activities from the Group Internal Audit (GIA) department. Specifically, the internal audit on the Environmental Management System (EMS) of the Group was conducted in the second half of 2012. As for Country Italy, the GIA department verified the effective implementation of the System and its procedures and the effectiveness in pursuing the objectives defined by the Group Environmental Policy.

	fully		As described in the Environmental Policy, the Generali Group has the objective of providing incentives for clients to adopt eco-sustainable behaviour by offering insurance and investment products that promote environmental awareness. The Group also gives importance to issues related to climate change that can be both a risk and an opportunity for the conduct and development of its business. In-depth information on climate change risks and opportunities is available in the SR 2012, p. 135-137. Moreover, the Group aims at including, through microinsurance, members of society who would otherwise be excluded from the insurance market. Thanks to this tool, the poorest sections of population are, for example, provided with health insurance products. Information on products with particular social and environmental value distributed by the Generali Group is reported in the SR 2012, p. 86-89.
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	fully		SR 2012, p. 135-136 Information on the Risk Management System is reported in the Risk Report, to which a specific section of the Consolidated Financial Statements 2012 is devoted. If significant, social and environmental risks in insurance contracts are considered at the underwriting time and they influence not only on the pricing but often represent also a requirement for obtaining the cover. Compliance with laws in force is essential; moreover, the presence of measures aiming at reducing the risk of claims may be required to obtain the cover and led, in any case, to lower premiums. Specifically, as for significant risks, inspections are common to identify measures to be adopted for an efficient and effective risk management. As for life and health products, the risk assessment is based on a detailed questionnaire on medical history and it is sometimes integrated with a thorough medical examination.
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GRI INDICATORS	DESCRIPTION	
FS3. Core	Processes for monitoring clients' implementation of and compliance with environmental and social requirements included in agreements or transactions.	
FS4. Core	Process(es) for improving staff competency to implement the environmental and social policies and procedures as applied to business lines.	
FS5. Core	Interactions with clients/investees/business partners regarding environmental and social risks and opportunities.	
FS6. Core	Percentage of the portfolio for business lines by specific region, size (e.g. micro/SME/large) and by sector.	
FS7. Core	Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose.	
FS8. Core	Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose.	
ASPECT: Audit		
FS9. Core	Coverage and frequency of audits to assess implementation of environmental and social policies and risk assessment procedures.	
ASPECT: Active ownership		
FS10. Core	Percentage and number of companies held in the institution's portfolio with which the reporting organization has interacted on environmental or social issues.	
FS11. Core	Percentage of assets subject to positive and negative environmental or social screening.	
FS12. Core	Voting polic(ies) applied to environmental or social issues for shares over which the reporting organization holds the right to vote shares or advises on voting.	

	REPORTED	GLOBAL COMPACT PRINCIPLES	CROSS-REFERENCE/DIRECT ANSWER
	fully		In the insurance contracts statements of the client on the risk status made at the time of signing the contract are binding: they are verified when the claim occurs and, if they are not true, the compensation for the loss is reduced or even not due in cases where the cover would not have been given. Monitoring is not applicable because the relevant risk in insurance contracts is assessed at the underwriting time.
	fully		SR 2012, p. 53; 70; 138-139
	fully		SR 2012, p. 89-90 Information is qualitatively reported.
	fully		SR 2012, p. 89 Management Report and Consolidated Financial Statements 2012, p. 139 The geographical area covered includes the main countries where the Group operates.
	fully		SR 2012, p. 86-87 Premiums from insurance products with particular social value amount to more than 1,130 million euros and they represent 1.6% of total gross written premiums.
	fully		SR 2012, p. 88-89 Premiums from insurance products with particular environmental value amount to more than 1,484 million euros and they represent 2.1% of total gross written premiums.
	fully		SR 2012, p. 123 It is planned to carry out an internal audit on the Group Environmental Management System (EMS) annually. The Group Internal Audit carried out the audit using the ISO 19011 standard and noted some procedural non-compliance with the standard that will be filled using corrective actions by 2013.
	fully		SR 2012, p. 32-33
	fully		SR 2012, p. 32 No screen is required by law.
	fully		SR 2012, p. 32 The 2012 voting policy is available from the www.generali-investments-europe.com website.



Statement GRI Application Level Check

GRI hereby states that **Assicurazioni Generali** has presented its report "Sustainability Report 2012 of the Generali Group" to GRI's Report Services which have concluded that the report fulfills the requirement of Application Level A.

GRI Application Levels communicate the extent to which the content of the G3.1 Guidelines has been used in the submitted sustainability reporting. The Check confirms that the required set and number of disclosures for that Application Level have been addressed in the reporting and that the GRI Content Index demonstrates a valid representation of the required disclosures, as described in the GRI G3.1 Guidelines. For methodology, see www.globalreporting.org/SiteCollectionDocuments/ALC-Methodology.pdf

Application Levels do not provide an opinion on the sustainability performance of the reporter nor the quality of the information in the report.

Amsterdam, 28 May 2013

A handwritten signature in blue ink, appearing to read "Nelmara Arbex", is written over a large, faint watermark of the GRI logo in the background.

Nelmara Arbex
Deputy Chief Executive
Global Reporting Initiative



The Global Reporting Initiative (GRI) is a network-based organization that has pioneered the development of the world's most widely used sustainability reporting framework and is committed to its continuous improvement and application worldwide. The GRI Guidelines set out the principles and indicators that organizations can use to measure and report their economic, environmental, and social performance. www.globalreporting.org

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■ **CO-ORDINATION:**
Corporate Social Responsibility and Sustainability Report

■ **GRAPHIC CO-ORDINATION:**
Group Marketing & Communication

This report is available at:
www.generali.com

For further information, please contact:
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