



Generali Group

SUSTAINABILITY GROUP POLICY

Group Chief Sustainability Officer

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EXECUTIVE SUMMARY

The Sustainability Group Policy defines how Sustainability is managed within Generali Group through the Group Sustainability Framework.

The Framework consists of the following components:

- **Ambition and Appetite:** the direction Generali wants Sustainability to evolve (Ambition), and the underlying principles driving the strategic choices and their execution (Appetite).
- **Sustainability integration:** Sustainability Matters are periodically identified and prioritized through a materiality assessment and integrated into key business processes.
- **Foundations:** the underpinning elements necessary to enable sustainability integration.

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1 Glossary and Definitions

Acronym/Term	Explanation/Definition
AG	Assicurazioni Generali S.p.A., an Italian insurance and reinsurance undertaking, listed on the Milan Stock Exchange, and ultimate parent company of the Generali Group.
AG BoD	The Board of Directors of AG, which have the broadest management powers for the pursuit of the corporate purpose and being supported by Board Committees with advisory, proposing and investigating responsibilities.
Business Units (or BUs)	Geographical areas and global lines of business, which the Generali Group is organized into according to the latest internal memoranda.
BU/Local Business Owner	Function responsible at BU/Local level for the key business processes as defined by the Group Sustainability Framework, such as functions responsible for investments, insurance, marketing, HR, operations, community initiatives.
BU/Local Sustainability	The Sustainability function at BU/Local level, or the relevant BU/Local function in line with the BU/Local system of governance.
Generali Group (or Group)	The Generali Group whose ultimate parent Company is Assicurazioni Generali S.p.A.
Group Business Owner	Function responsible at GHO level for the key business processes as defined by the Group Sustainability Framework, such as functions responsible for investments, insurance, marketing, HR, operations, community initiatives, and the A&WM BU.
Group CEO (or GCEO)/Business Unit CEO (or BU CEO)/Local CEO (or LCEO)	The Chief Executive Officer at Group/BU/Local level, who is the main person responsible for the corporate management of the Group/BU/GLE.
Group Head Office (or GHO)	The set of AG functions that steers, controls, and supports the Business Units in the implementation of the Group strategy.
Group Legal Entity (or GLE)	Any legal entity belonging to the Group and falling within the scope of application of this Group internal regulation.
Group Management Committee (or GMC)	The Group's leadership team who discusses the fundamental decisions for the Group and verifies the proposals to be submitted to the AG BoD, whose decisions and guidelines are conveyed within the Group.
Impact-driven company	A company embedding sustainability into the decision-making practices and direct capital to where it can make the most difference to people and the planet
Implementation	Execution of all the actions, in terms of organization, processes, information flows, IT tools, and any other features covered by the regulation itself.
Local level (or Local)	The Group Legal Entity level.
Sustainable Development Goals (or SDGs)	The Sustainable Development Goals deriving from the "2030 Agenda for Sustainable Development", signed by all UN member states in 2015
Sustainability Factors	Sustainability Factors referring to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.
Sustainability Matters	Sustainability Matters means environmental, social, and human rights, and governance factors, including Sustainability Factors.
Sustainability Risks	Sustainability Risk referring to an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential negative impact on the value of the investment or on the value of the liability.
Sustainable Success	Creation of long-term value for the benefit of the shareholders, taking into account the interests of the other stakeholders relevant to the Group.

2 Introduction

2.1 OBJECTIVES

The Sustainability Group Policy defines the Group Sustainability Framework, which provides a high-level picture of how Sustainability is managed within Generali Group.

The framework outlined in the Sustainability Group Policy is aligned with the Group's public voluntary commitments, including the Global Compact (2007), the Principles for Responsible Investment (2011), the Principles for Sustainable Insurance (2014), and the Paris Pledge for Action (2015), in the context of an evolving political and regulatory framework.

2.2 APPROVAL

The Sustainability Group Policy was approved by the Board of Directors of Assicurazioni Generali S.p.A., upon proposal of the Group CEO.

2.3 EFFECTIVE DATE

The Effective Date of the Sustainability Group Policy is 14th July 2023.

3 Group Sustainability Framework

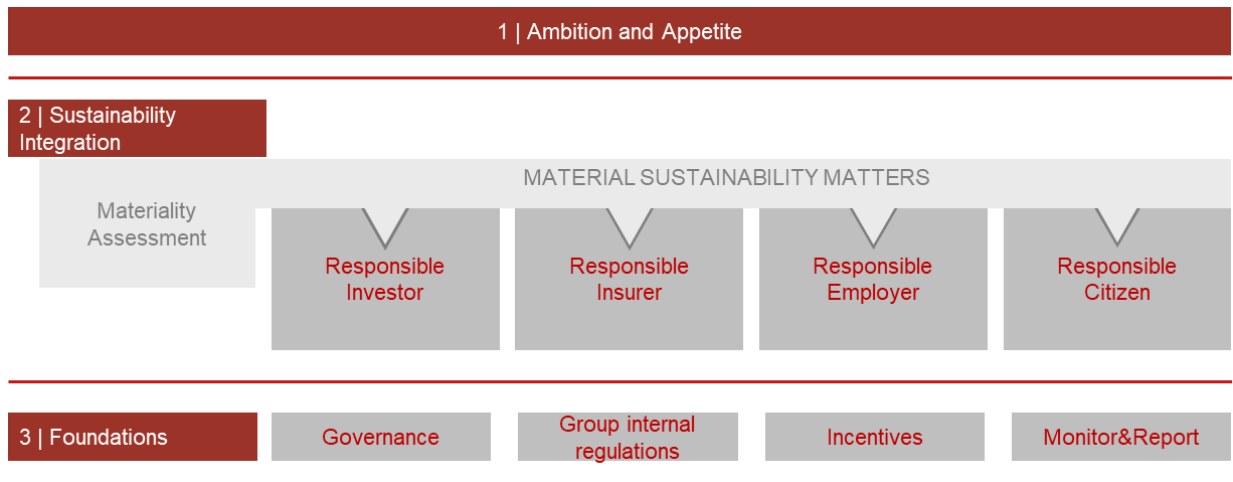
The Group believes that true economic prosperity is built on socially just and environmentally sound foundations, therefore defines Sustainability as the ability of businesses to create value in the long term, taking care of the environment and other stakeholders along with financial performance.

In order to pursue Sustainable Success, the Group defines the Group Sustainability Framework (hereinafter also 'Framework') which provides a high-level picture of how Sustainability is managed within Generali Group.

The Framework consists of the following components:

- **Ambition and Appetite:** based on Group's Purpose, Values, Behaviours, and public commitments, the Sustainability Ambition (i.e. the direction Generali wants Sustainability to evolve) and its Appetite (i.e. the underlying principles driving the strategic choices and their execution warranting its consistency with the Ambition) are set by the AG BoD;
- **Sustainability integration:** in line with the Sustainability Ambition and Appetite, the AG BoD identifies the material Sustainability Matters to be integrated into the Group's key processes involved (i.e. Generali's responsible roles as investor, insurer, employer and citizen);
- **Foundations:** the underpinning elements necessary to enable sustainability integration across the activities of the Group, i.e. governance, Group internal regulations, incentives, monitoring and reporting.

Figure 1 - Group Sustainability Framework



3.1 SUSTAINABILITY AMBITION AND APPETITE

The Group's Ambition is that Sustainability will shape the way all decisions are taken, leading the Group to be a transformative and impact-driven company. It is about integrating sustainability in the key processes and considering the impact of the Group's decisions on people and on the planet, while following good business conduct.

To ensure consistency with its Sustainability Ambition, the Group is committed to ensure that strategic choices and their execution are guided by the following principles, that define its Sustainability Appetite:

- **Triple Bottom Line value creation and multi-stakeholder approach:** the creation of value based on the triple bottom line principle, also called 'People, Planet and Profit', according to which corporate sustainability is about creating long-lasting financial performance (i.e. Profit) while taking care of the environment and other stakeholders (i.e. People and the Planet). See paragraph 3.1.1 for stakeholders' identification.
- **Long-term perspective:** value shall be created in the present without compromising the capabilities to create value in the future.

- **Reputational dimension:** the Group wants to sustain its reputation, which depends on the perception and expectations of its stakeholders.

The Group Sustainability Ambition and Appetite's principles are approved by AG BoD.

3.1.1 Stakeholder identification and engagement

The Group believes it is essential to establish and maintain an ongoing relationship with its stakeholders, that must be based on continuous dialogue and active engagement: dialogue with stakeholders is a pre-condition for the Group's Sustainable Success and for the creation of long-term value. Engagement with stakeholders allows the Group to understand their specific needs and priorities to define an effective strategy.

The Group defines the categories of key stakeholders, both internal and external, that are relevant to the Group.

The type of stakeholder engagement (e.g. participation, consultation, information) and its frequency (e.g. ongoing, quarterly, annually) are defined based on the characteristics of the stakeholders' group. The engagement activities shall identify stakeholders' needs and interests and stakeholders' feedback shall be integrated into the decision-making processes.

3.2 SUSTAINABILITY INTEGRATION

The AG BoD identifies which Sustainability Matters shall be integrated into the Group's key processes involved (i.e. Generali's responsible roles as investor, insurer, employer and citizen) as further detailed below.

3.2.1 Sustainability Matters identification

The identification of Sustainability Matters is subject to continuous changes that mirror the ever-changing landscape of trends and events that falls within this definition. As a guidance examples, not exhaustive, the table below provides a list of Sustainability Matters falling under the three following pillars: Environment, Social and Governance (ESG):

Example of sustainability matters categories	Examples
Environmental	Aspects related to the quality and to the functioning of the environment and natural systems, including: climate change; environmental degradation; unsustainable practices.
Social	Aspects related to the rights, well-being and legitimate interests of people and local communities, including: human rights; customer characteristics; lifestyle behaviours; health capability.
Governance	Aspects related to government of the companies and organizations, including: bribery & corruption; product or service quality; corporate culture and business conduct; tax efficiency.

Materiality assessment: material Sustainability Matters

Material Sustainability Matters are identified and prioritised through the materiality assessment process. Such process has the aim of periodically identifying the sustainability priorities of the Group, which can be used for strategic purposes, for risk management purposes, and reporting purposes, taking into account the external context and stakeholders' expectations.

After defining an initial list of Sustainability Matters relevant for the Group based on regulatory requirements and market practices, the materiality of each sustainability matter is analysed looking at both the impact and the financial perspective:

- **The impact perspective** requires to consider the actual or potential¹ impacts generated by the Group (inside-out perspective) on people or the environment related to the Sustainability Matters over the short, medium- or long-term². This includes impacts directly caused or contributed to by the Group and impacts which are otherwise directly linked to the Group's upstream and downstream value chain (e.g. underwriting, investments), and not limited to contractual relationships.
- **The financial perspective** requires to consider the financial effects on the Group that are triggered or may be triggered by Sustainability Matters (outside-in perspective) in the short-, medium- or long-term. These effects include both risks and opportunities.

The output of this assessment is a list of material Sustainability Matters, that can generate significant impacts on people and/or on the environment (impact perspective) and/or can significantly influence the Group's value creation (financial perspective), taking into consideration various time horizons (i.e. short-, medium- or long-term).

The final output of the materiality assessment is submitted to the AG BoD for approval.

¹ The potential impact includes both risks and opportunities.

² Short-term time horizon: one year; medium-term time horizon: from one to five years; long-term time horizon: more than five years.

3.2.2 Key Processes Involved

Business Approach definition

Based on the materiality assessment, Group Business Owners shall identify Business Approaches (e.g. avoid, integrate, influence) and define metrics, to integrate material and other relevant Sustainability Matters into the business processes of the Group, also in compliance with external regulation.

Strategic goals and target setting

In relation to material Sustainability Matters, Group Business Owners are accountable for:

- Elaborating measurable goals and targets to be integrated into the strategic and financial plan.
- Elaborating long-term goals and targets where possible and appropriate.
- Engaging BU Business Owners as counterparts to ensure they can provide inputs and are aligned on final goals and targets.

Group sustainability strategic goals and targets are submitted to the AG BoD for approval.

Business Actions

To ensure the achievement of sustainability strategic goals and targets, Group Business Owners are accountable for defining the Group roadmap and planning, including:

- Identifying actions and activities needed to reach the defined goals and targets.
- Measuring and periodically monitoring the defined goals and targets.
- Verifying the adequacy of the measures in place and proposing possible adjustments or integrations over time.
- Cascading the Group strategic goals and targets within their perimeter of activity, ensuring coherence of Local targets with the Group's.

3.3 FOUNDATIONS

3.3.1 Governance

The Group has established a clear governance and key mechanisms at Group, BU and Local level to ensure the implementation of the Group Sustainability Framework.

The AG BoD defines strategies and policies related to sustainability. The Group CEO is responsible for the implementation of the strategies and policies defined by the AG BoD, supported by the General Manager. The GMC guarantees sustainability integration across the value chain and the implementation of Group's sustainability goals and targets across businesses and functions. Each BU/Local CEO is responsible for local implementation of the strategies and policies.

Sustainability functions (at Group and BU/Local level) play a pivotal role of orchestrator to ensure the Group's decisions are in line with the Group's Sustainability Appetite, and to sustain the delivery of Group and Local sustainability commitments, goals, and targets.

Key Mechanisms

Coordination and alignment

GHO Sustainability Cross-Functional Taskforce

The Group Chief Sustainability Officer function coordinates a cross-functional forum at GHO level. It ensures alignment on the integration of sustainability and implementation of sustainability goals and targets.

Sustainability Council

The Sustainability Council is a functional council that involves the heads of Sustainability functions at BU level: it sets sustainability functional priorities, acts as sounding board for shaping strategic decisions, supports the implementation of the Group Sustainability Framework ensuring alignment between GHO and BUs and shares best practices.

Sustainability Escalation Process

To ensure alignment with the Sustainability Ambition and Appetite and allow the delivery of the Group's sustainability strategic goals and targets, Business Owners shall promptly inform the Sustainability function when, during the course of their activities, a decision could:

1. Infringe public sustainability commitments taken by the Group and those approved at Local level.
2. Be misaligned with the sustainability strategic goals and targets of the Group (where applicable) and those approved at Local level.
3. Entail a reputational risk (as defined in the Risk Management Group Policy) for the Group or GLE due to a misalignment with Group Appetite and Ambition.

Until the escalation process is resolved, the relevant decision shall be halted.

3.3.2 Group internal regulations

Group Business Owners shall include in the relevant Group internal regulations the approaches and metrics identified to integrate material Sustainability Matters into the business processes of the Group.

3.3.3 Incentives

Group and Local incentive systems shall include sustainability strategic goals and targets, especially in top management remuneration.

3.3.4 Monitoring and Reporting

Group Business Owners define and adopt metrics to manage material Sustainability Matters and Group and BU/Local Business Owners measure and periodically monitor performance against the defined strategic goals and targets.

The Group recognizes that public disclosure is a lever to strengthen transparency, build trust, support the decision-making process of the relevant stakeholders, and demonstrate the Group's capacity to create long-lasting value. Therefore, without prejudice to any confidentiality constraints or specific legal prohibitions, the Group commits to publicly communicate Group sustainability results.