

Gruppo Generali
SUSTAINABILITY REPORT 2005



Assicurazioni Generali

SUSTAINABILITY REPORT

2005 174th YEAR

CHAIRMAN'S LETTER



The first Group Business Plan, started in 2003, was completed in 2005, achieving much better results than we had expected. Though we are proud of our accomplishments, even more ambitious objectives must now be set for the new Business Plan.

The second Sustainability Report of the Generali Group was also published in 2005. A year has passed since the first Report and it is now time to take stock and reflect on the path we have chosen. We made it clear that we firmly intended to continue pursuing “sustainable” growth in economic, social and environmental terms and, as always in our history, we have acted accordingly.

We have made significant strides to attain these objectives. Our economic success has been achieved consistently with socially and environmentally friendly policies.

Even the photographs chosen for this report – relating to our recent investment in an agricultural estate in Romania – bear witness to the Group’s ability to combine business and social responsibility, a goal the Group has pursued throughout its history, and one that it intends to adhere to in the future as well.

The Report includes comprehensive data and information on economic, social and environmental sustainability and provides an opportunity to summarize and present the Group’s activity.

It contains both positive aspects that we intend to maintain and enhance, and critical aspects, which we plan to face and resolve to the best of our ability.

The Group achieved some noteworthy results in 2005. Others will come in time as the people who contribute to our success fully embrace the solemn commitment made by the Management.

We are continuing in our staunch efforts to “build” a strong Group Identity, based on shared values and behaviours that are consistent with the concept of social responsibility.

To build such an image, the Group has devised and embarked on a series of coherent initiatives and concrete commitments that led to higher expectations among all stakeholders.

This will urge the Management to work harder still and to become directly involved in suggesting solutions to generally improve the Company's Social Responsibility. Since its inception in 1831, Generali has always been committed to social progress while pursuing growth, and we will continue along this path for the future of our members of staff and of the countries where the Group is active.

Antoine Bernheim

Objective and direction

Now in its second year, the Sustainability Report reflects the Group Top Management's commitment to the social and environmental implications of management, in line with the traditional culture of the Group.

The document is directed to all internal and external stakeholders of the Group. Some sections in particular provide specific information required by individual stakeholder categories:

- employees;
- agents and other networks;
- shareholders and institutional investors;
- clients;
- suppliers;
- the community.

Changes to the previous report

Some major changes have been made to the 2005 Sustainability Report, drawing on the experience of the past year.

A. The Sustainability Report area

Austria, Israel and Switzerland have joined Italy, France, Germany and Spain in the Report, with a view to providing a more comprehensive account of the Group. Companies in these countries were selected on the basis of their belonging to the core business, i.e. insurance and closely-related services.

With the addition of these countries, the Report is now representative of **78.7% of all Group members of staff**, and **90.8% of total gross premiums**.

B. Contents of the Sustainability Report

Many sections of the Report have been enriched with information, as announced in the first Report. In particular, the section regarding the environment discloses new information in terms of both quality and quantity.

C. Style of the Sustainability Report

For the sake of easy reference, information is mostly provided in quantitative terms, alongside relevant interpretation keys for each graph or table.

D. Time scale for the Sustainability Report

The current Report builds on data provided in the 2004 Report to present a time period spanning two or three financial years, thus enabling broader-based analyses of periods.

The Sustainability Report is based primarily on 2005 data; however, in some cases it was deemed useful to introduce 2006 figures to add to its significance.

Guidelines

The Report was drawn up in accordance with most credited international standards, in line with international practices:

- the draft 2006 Guidelines of the Global Reporting Initiative (G3) and the GRI Financial Services Supplement were used as reference for editing, structure and content. The Italian Sustainability Report compilation principles drawn up in 2001 by the Sustainability Report Study Group (GBS) were also used;
- the AccountAbility1000 (AA1000) standard was used to collect information and draw up the document. This standard was developed by the Institute of Social and Ethical Accountability to ensure the accuracy, relevance and reliability of information gathered.

Procedure

The reporting procedure was managed by a Generali Group work team, coordinated by a Guideline Committee including members of the Group Top Management.

Closer ties were forged with stakeholders as a result of the Report preparation process, particularly with regard to the involvement of staff members, end clients, agents, investors and the community. The following methods of engagement were used, as indicated in the Report:

- meetings with analysts and investors;
- employee satisfaction surveys;
- focus groups and meetings with employees and the sales force;
- customer satisfaction surveys.

Companies included in the 2005 Sustainability Report area:

ITALY

Alleanza Assicurazioni
Assicurazioni Generali
Assitalia
F.A.T.A.
Generali Asset Management SGR (G.A.M.)
Generali Properties Asset Management (G.P.A.M.)
Generali Servizi Amministrativi (G.S.A.)
Generali Servizi Informatici (G.S.I.)
Generali Vita
Generel
Gruppo Generali Liquidazione Danni (G.G.L.)
Intesa Vita
Ina Vita
La Venezia Assicurazioni
Risparmio Assicurazioni
Europ Assistance Italia

AUSTRIA

Allgemeine Immobilien Verwaltungs KG
Europäische Reiseversicherung
Generali Holding Vienna
Generali Immobilien
Generali Versicherung

FRANCE

Assurance France Generali
Européenne de Protection Juridique
Generali Assurances Iard
Generali Assurances Vie
Generali Finances
Generali Immobilier
(Generali Immobilier Gestion, Generali Immobilier Conseil)
GPA Iard
GPA Vie
Guardian Finance
Guardian Vie
GFA Caraïbes
L'Equité
La Fédération Continentale
La France Assurances Courtage
Prudence Créole
Prudence Vie
Trieste Courtage
Europ Assistance France

GERMANY

AachenMünchener Lebensversicherung
AachenMünchener Versicherung
Advocard Rechtsschutzversicherung
AMB Generali Asset Managers Kapitalanlagegesellschaft
AMB Generali Holding
AMB Generali Immobilien
AMB Generali Informatik Services
Central Krankenversicherung
Cosmos Lebensversicherung
Cosmos Versicherung
Dialog Lebensversicherung
Envivas Krankenversicherung
Generali Lebensversicherung
Generali Versicherung
Volksfürsorge Deutsche Lebensversicherung
Volksfürsorge Deutsche Sachversicherung

ISRAEL

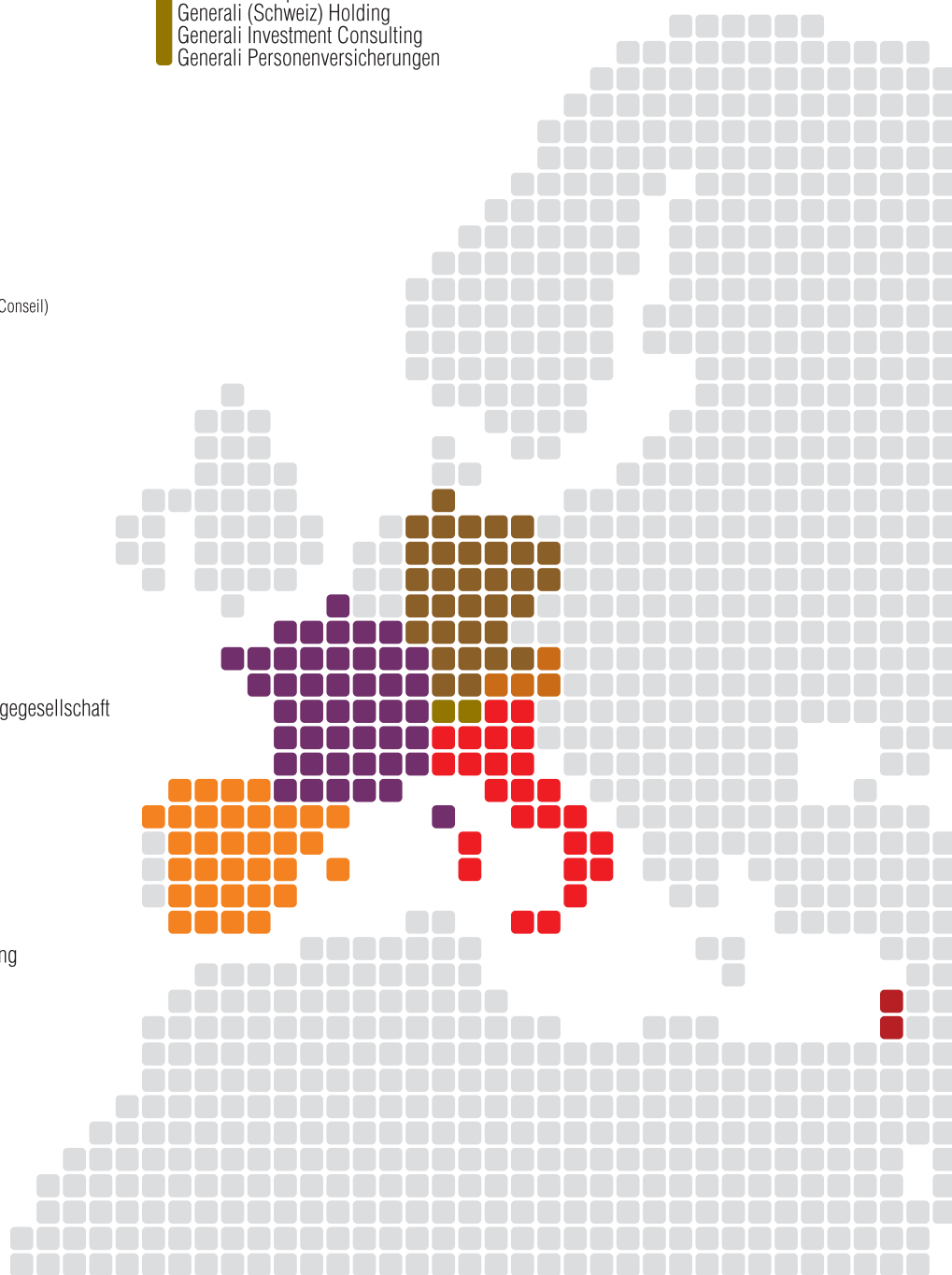
Migdal Insurance Company Ltd
The Magen Insurance Company Ltd

SPAIN

Banco Vitalicio de España
Cajamar Vida de Seguros y Reaseguros
Generali España Holding de Entidades de Seguros
Gruppo Generali España A.I.E.
La Estrella de Seguros y Reaseguros
Europ Assistance España

SWITZERLAND

Fortuna Investment
Fortuna Investment Vaduz
Fortuna Lebens Versicherungs Vaduz
Fortuna Rechtsschutz Versicherungs-Gesellschaft
Generali Allgemeine Versicherungen
Generali Group Partner
Generali (Schweiz) Holding
Generali Investment Consulting
Generali Personenversicherungen



Ever since the inception of the Company, property investments have proven to be one of Assicurazioni Generali's most successful tools in fulfilling its long-term obligations to policyholders. Nonetheless, buying land was never considered as an investment with an end in itself, but rather as an opportunity to develop another activity alongside the insurance business, namely agriculture. The community built around such business would also grow and prosper.

Agriculture became a major interest of Assicurazioni Generali in 1851, when the company bought over 2,000 hectares of marshland in the Caorle lagoon, Venice. Reclamation began soon, under the direction of Mr. Francesconi, Company Manager. The project involved local technicians and skilled workers, who managed to transform the property between the Livenza river and the Brian canal into a model farm.

Ca' Corniani, as the farm was called, is now a garden served by roads and canals. There are a lot of buildings that are home to the farmers, products storehouse or agricultural machinery and equipment shed. There are vines, orchards and a wide range of herbaceous plants.

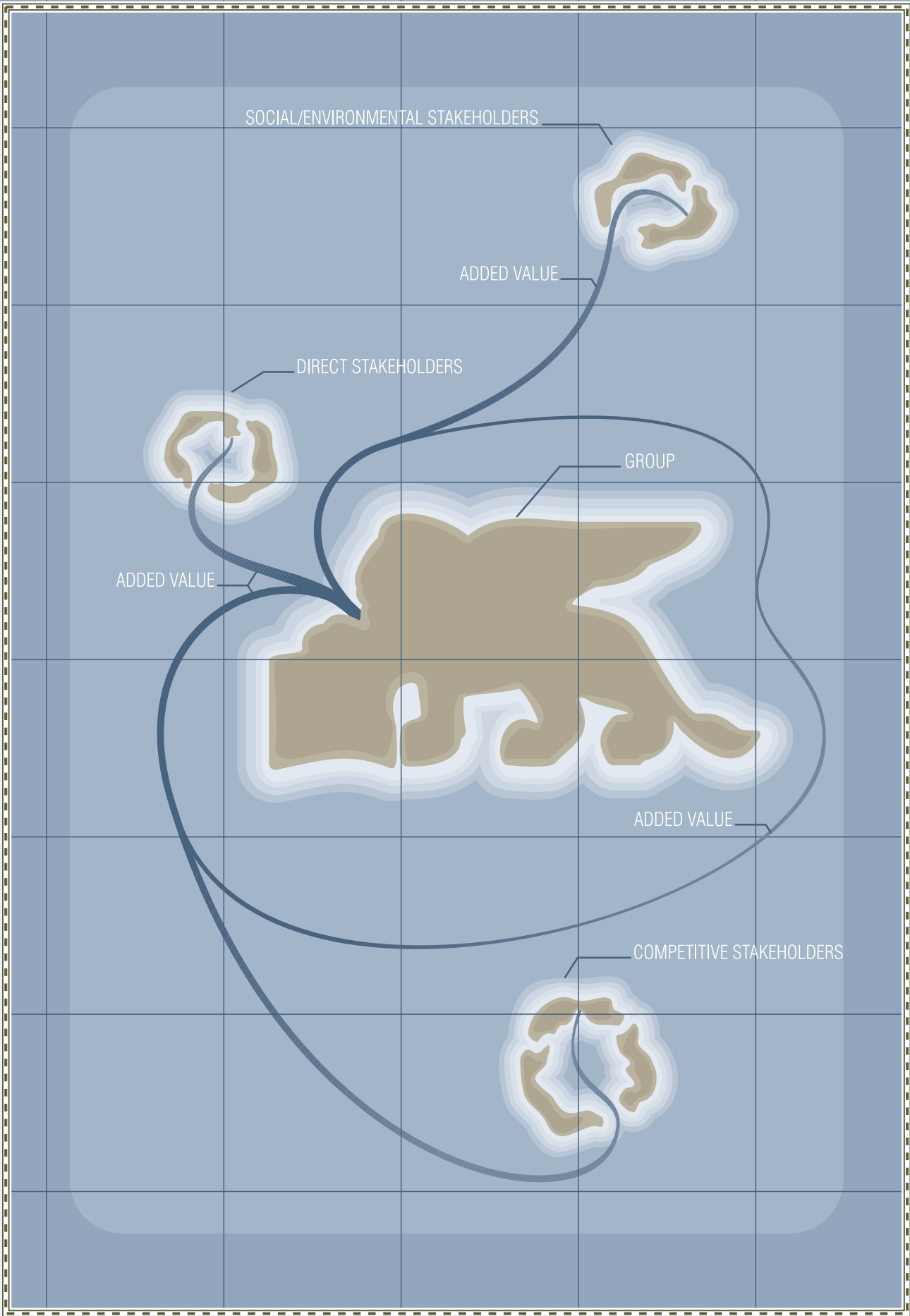
In 2001, Generali bought an abandoned estate in Romania, on the flat plateau north east of Timisoara. Its land was desolate and had not been touched for many years. The venture is reminiscent of the magnificent reclamation of the Group's first agricultural business, which inspired the project to draw on 150 years of experience and convert this land in the same way.

Giuseppe Perissinotto
Chairman of Genagricola S.p.A.



THE PHOTOGRAPHS SHOWN IN THIS BOOK WERE TAKEN IN ROMANIA AT THE GENAGRICOLA FARM, BOUGHT BY THE GENERALI GROUP IN 2001.

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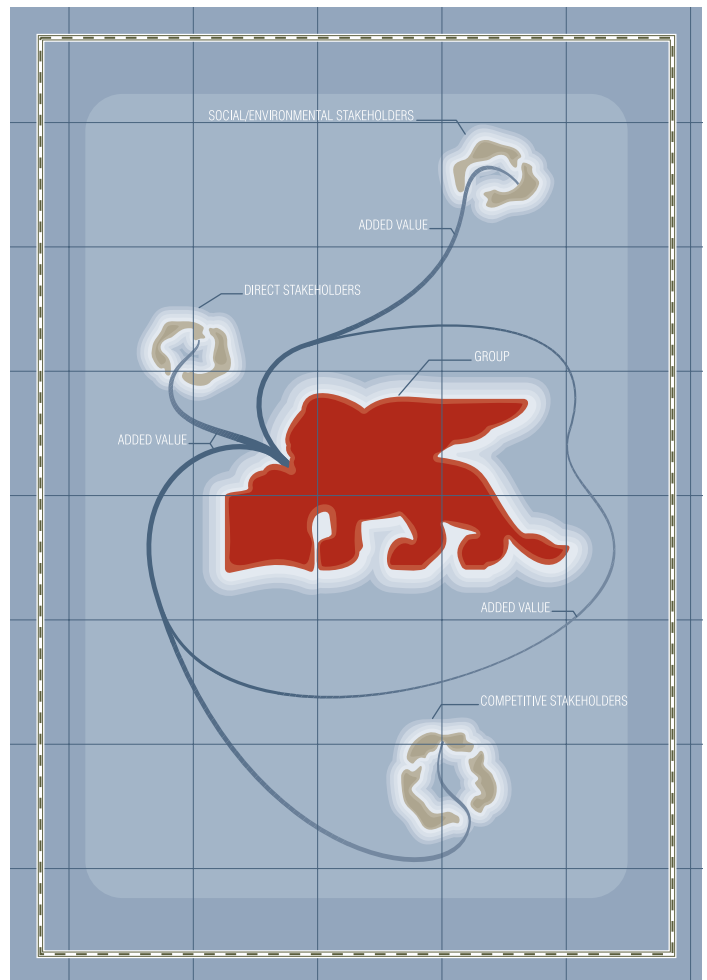
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Mission

Generali is one of the leading insurance Groups in the world. It has valued a global identity since its inception, and today it is present in 40 countries with 107 insurance companies and 119 companies mainly operating in finance and real estate.

In Western European markets, its main area of business, the Group is the overall leader in terms of underwriting activity in the life line of business and the third largest as far as the non-life line of business is concerned. It is the largest insurance Group in Italy and a major player in Germany, France, Spain, Austria and Israel.

The political and economic changes triggered by the fall of the Berlin Wall enabled Generali to begin reconstructing the important standing it held in Eastern and Central European markets prior to the Second World War.

More recently, Generali has expanded into major Far Eastern markets with a strong potential for development, first and foremost, China and India.

The Group Parent Company is Assicurazioni Generali S.p.A., one of the oldest Italian insurance firms celebrating its 175th anniversary in 2006.

The Group's mission is to be leader

- in terms of profit...
- focusing on continental Europe and international markets with a strong potential for development...
- primarily serving individual clients and small and medium enterprises...
- by pursuing a distribution strategy that primarily focuses on agency networks with a multi-brand and multi-channel approach to supply a variety of client products and services to suit diverse needs.





Guide values

The Generali Group's capacity for development lies in sharing a system of values that actually make up its "identity card". Some of these values have always characterised the Company throughout its history, while others have emerged more recently as a means of better guiding operations in the increasingly dynamic and competitive insurance market.

1. Creating value for shareholders

The Group is primarily committed to ensuring fair, effective and efficient business operations, ensuring profit levels in keeping with investors' expectations of returns.

2. Professional skills and human resources

Human resources are the competitive factor *par excellence* in the insurance business. The Group is dedicated to developing the competences of its staff members, making the most of their experience and of the experience of the whole organisation in order to create an industry-specific and distinctive expertise. In the careful assessment of the ever-changing organisational requirements, the Group is committed to: developing the key skills of its staff members, increasing the loyalty of key resources, and attracting the best talents by designing suitable career paths and incentives.

3. Pride in belonging to the Group

The Group promotes amongst its employees and other staff members a deep feeling of being part of a successful organisation with a great reputation based on the key role played by each individual.

4. Integration

The Group encourages reciprocal listening and the open, constructive exchange of ideas, essential for continual improvement and for guaranteeing company development and the attainment of business objectives.

5. Vision and flexibility

In today's competitive arena, the Group recognises the need to promote innovation-oriented approach, the research for new and better solutions, openness to changes and the ability to rapidly adapt to the ever-changing business landscape.

6. Social development

Whilst carrying out its business mission, the Group aims to provide total customer satisfaction and develop a harmonious relationship with the many stakeholders it deals with on a daily basis. In line with this goal, the Group therefore supports numerous social, cultural and sports events and projects, playing an important role in the life of the local and national communities within which it operates.

7. Fairness and responsibility

The Group makes it a top priority to comply with the rules in its relations with all stakeholders, taking full responsibility for decisions made within the scope of its authority and responsibility.

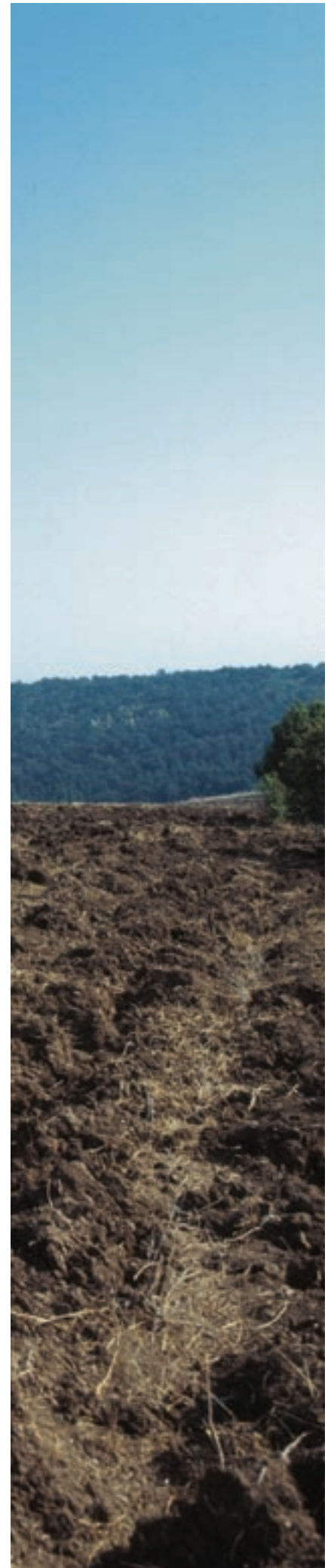
8. Transparency and communication

The Group makes every concerted effort to ensure that the information it provides to institutional investors and all stakeholders is com-

prehensive, transparent, clear and accurate with a view to achieving the loyalty of customers, of staff members and of the community as a whole.

9. Environmental protection

The Group undertakes to safeguard the environment, which is seen as a primary asset. Compatibility between economic goals and environmental requirements is not only pursued by complying with current regulations, but also by encouraging Group companies, customers and suppliers to tailor their own behaviour to the most recent advances in scientific research with regard to the protection of the environment and to environmental best practices.



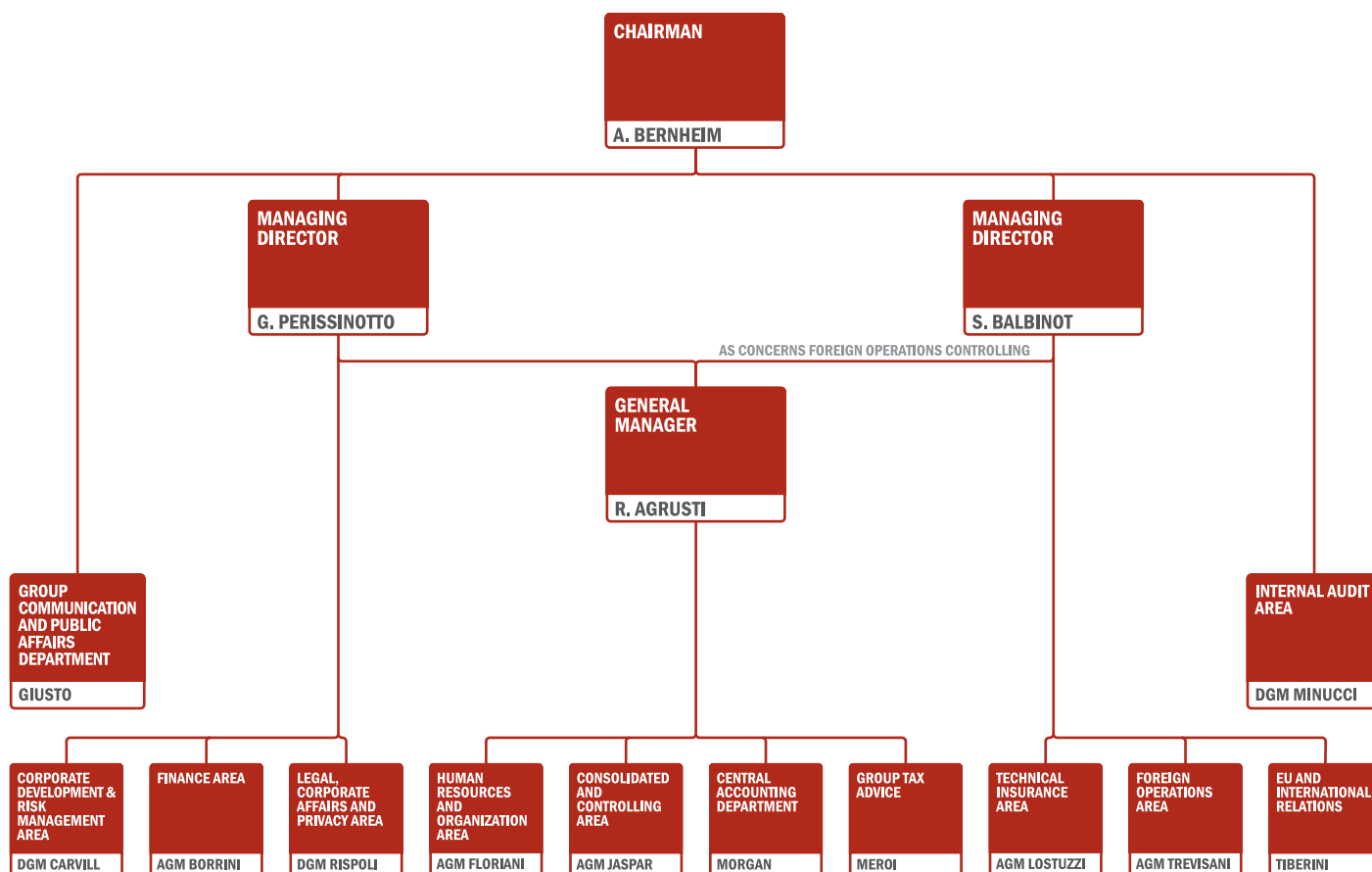
Group history and its social commitment

“Assicurazioni Generali Austro-Italiche” is founded in Trieste on 26 December.	1831
The Company adopts a dual management structure: the Central Head Office in Trieste and the Head Office in Venice.	1832
The Company changes its name to “Assicurazioni Generali”.	1848
The Company is listed for the first time on the Trieste Stock Exchange, where it remains until the early '90s.	1857
The Generali Group is founded, with its first subsidiary insurance company based in Vienna.	1882
Assicurazioni Generali obtains full status as an Italian company.	1919
Assicurazioni Generali, with a share capital of 40 million Lire, is listed on the Milan Stock Exchange.	1924
An electronic accounts department, equipped with modern Hollerith machines, is set up at the Head Offices.	1937
The Group loses its entire organisation and all its assets in Central and Eastern Europe. The registered office is moved to Rome.	1945
The new brand name abbreviated to “Generali” is launched.	1971
Generali is the first company in Italy to adopt a budgetary forecast and control system.	1975
Assicurazioni Generali’s 150th anniversary.	1981
Generali’s registered office returns to Trieste.	1990
Genertel is founded: the Generali Group is the first to launch direct insurance in Italy.	1994
Generali takes over Israel’s top insurance company and significantly increases its operations in Germany and France.	1997
Generali purchases BSI. Banca Generali begins operations.	1998
The purchase of INA is finalised. Generali becomes the number one life insurance company in Europe.	2000
Generali begins operations in China. Generali strengthens its presence in Central and Eastern European markets.	2002

- 1831 The Company is founded. Its capital is ten times the average for other Trieste-based insurance companies.
- 1838 The Company stipulates a fire insurance contract with the Municipality of Trieste: the civil Fire Service is founded.
- 1851 Assicurazioni Generali begins the huge job of reclaiming the agricultural estate of Ca' Corniani (Venice).
- 1854 The Company sets up a pensions fund for agents and employees.
- Unity of Italy
- 1880 The first issue of "Mittheilungen", a German-language newsletter for members of staff and agents, is published.
- 1893 The first issue of "Il Bollettino", an Italian-language Company magazine for members of staff working in Italy, is published.
- First World War
- 1909 The Company's articles of association undergo radical changes, and the number of board members and directors is increased.
- Second World War
- 1946 Mutua Generali is founded: a cooperative pursuing a policy of solidarity and social equality among members of staff.
- 1954 The staff club is set up, which, supported by the Company, organises a number of cultural, sports and entertainment events for employees.
- 1958 The Senior Staff Group is founded to maintain active links with retired colleagues and provide assistance to those in need.
- 1969 The first six-monthly report is sent to shareholders to keep them up-to-date on the progress of business.
- 1970 The Company is awarded the "Oscar di Bilancio" for the publication of the Group's first consolidated financial statements.
- Fall of the Berlin Wall
- 1981 The "Fondazione Assicurazioni Generali" is founded to encourage scientific progress and popularisation and to promote cultural activities.
- 1989 Generali is the first Western insurance company to start a joint venture in Eastern Europe: AB - Generali Budapest.
- 2002 The Assicurazioni Generali shareholders' association is founded to bring together and look after the interests of the private shareholders.
- 2004 The Ethical Code of the Generali Group is published.
- 2005 The first Group Sustainability Report for 2004 is published. The Eco-Committee is set up.

Group organisation – Corporate Centre

Assicurazioni Generali has adopted a multi-local and multi-brand business model, increasing country/company level management responsibilities and giving the Corporate Centre a directing, coordinating and controlling role for country/company operations.



DGM = DEPUTY GENERAL MANAGER
AGM = ASSISTANT GENERAL MANAGER

Parent Company structure – System of governance

As a joint-stock company governed by Italian law and compliant with the self-regulatory Code of Conduct (“the Preda Code”) since 30th October 1999, the corporate structure of Assicurazioni Generali includes the following main corporate bodies:

- Shareholders’ Meeting: the body that expresses shareholders’ wishes through its resolutions.
- Board of Directors: vested with the broadest management powers for the furtherance of corporate objectives. It is appointed on a three-yearly basis by the Shareholders’ Meeting and appoints a Chairman, one or more Vice-Chairmen and an Executive Committee. The Board may furthermore appoint one or more Managing Directors, one or more General Managers at the Central Head Office and a General Manager at the Head Office for Italy along with one or more Deputy General Managers and Central Managers. The Board determines powers and remuneration of all company bodies.

The following Committees exist within the Board of Directors and are made up of its members:

- Executive Committee: is the body entrusted by the Board with important Group management functions;
- Internal Control Committee: has a predominantly consulting and recommendatory role. It has the task of assisting the Board of Directors in performing the obligations connected with the internal auditing system. It is also called upon to assess the adequacy of the internal auditing system, to evaluate auditing appointment proposals and to express its opinion on the “Internal Audit Plan” and the “Report on Internal Audit”;
- Remuneration Committee: has a predominantly consulting and recommendatory role. It has the task of expressing its opinion and make non-binding proposals to the Board of Directors on the definition of the remuneration payable to the Chairman of the Board of Directors, Vice-Chairmen, Managing Directors and General Managers.
- Board of Auditors: has the task of ensuring that the law and Articles of Association are complied with, and supervising management activities.

In keeping with the Articles of Association, there is a General Council, a high advisory body which concerns itself with the best way to pursue the Company purpose, with special emphasis on the territorial expansion of the Group and on international insurance and financial issues. It includes, as of right, the members of the Board of Directors and the Company’s General Directors, in addition to the members appointed by the Shareholders’ Meeting, varying from 15 to 35 in number (currently 22), selected from those individuals who have shown outstanding ability in their field of activity, economic-financial science or successful business experience.

Some further direction and control committees have been created to render the decision-making and supervisory process more efficient:

- Management Committee: comprising the Managing Directors, General Managers and Deputy General Managers. It has a general coordinating and decision-making role;
- Group Risk Committee: has the task of supporting the Managing Directors in establishing and monitoring the Group’s risk profile and the related economic capital levels, as well as establishing any corrective strategies;
- Group Investment Committee: has the task of supporting the Managing Directors in establishing and monitoring Group investment policies, as well as establishing any corrective strategies.

The specific functions and operations of the company bodies are governed by the law, the Articles of Association and the resolutions of the competent bodies.

See the appendix for further details on the Board of Directors, the Board of Auditors and Assicurazioni Generali’s voluntary self-regulatory code.





Ethical Code

The Generali Group Ethical Code was approved in May 2004 by the Parent Company's Board of Directors. It was then translated into several languages and adopted by all major Italian and international companies. It is aimed at introducing harmonised ethical and conduct standards across the whole Group. The Code's purpose is to focus greater attention on the principles of corporate governance and social responsibility, clarifying social and environmental values historically considered essential.

The Code sets out:

- the Group's **general principles**: fairness and honesty, impartiality, professionalism and enhancing human resources, privacy and transparency;
- the **guidelines** for the Group's relations with stakeholders:
 - clients: optimise customer satisfaction by providing high quality services;
 - shareholders: enhancing shareholders' investments and ensuring effective information flows to them, above and beyond the minimum requirements laid down by law;
 - staff: recruiting and maintaining highly qualified personnel and providing continual training, in the conviction that human resources are key to the Group's success. To this end, and to create and preserve the conditions for an inspiring, gratifying and non-conflictual work environment, special emphasis is placed on motivational aspects and individual training needs, and value is attributed to the potential of each individual;
 - contractual partners: the Group undertakes to treat them fairly and respectfully, guaranteeing that the selection is only based on criteria related to the objective competitive advantage and quality of the services and products offered;
 - public institutions and other external entities: relationships are based on the principles of correctness, transparency, cooperation, non-interference and respect for the respective roles. The Group does not support events or initiatives of a political nature, but it recognises its own moral responsibility to contribute to improving the society it operates in;
 - press and external communication: recognising its fundamental role, the Group undertakes to collaborate fully with the media, instituting press offices whose purpose includes centrally editing publications of general interest and creating institutional web-sites;
- **applicable regulations**. It is the task of the Parent Company's Board of Directors to define and, where deemed necessary, update the Ethical Code. Reports of infringements are sent to the Group Internal Audit Department where the alleged violations are assessed; should these be confirmed, it will take steps to inform the Executive Management of the company in which the alleged infringement took place so that the appropriate measures can be taken.

In 2005, the first full year of enforcement of the Ethical Code, three reports of alleged infringement were made, two in Italy and one in Switzerland, of which one was partly acknowledged, one was rejected and one related to a labour dispute still under way.

Internal control system

The internal control system consists of all the directives, procedures and techniques used to plan and then check the execution of the Company operations. The Internal Audit Department is responsible for monitoring and evaluating the effectiveness and efficiency of the internal control system. Amongst other things, it is also responsible for checking the Company management processes and organisational procedures, the regularity and functionality of information flows between Company sectors, the adequacy and reliability of information systems, and the conformity of the administrative/accounting processes with correct and regular accounting procedures.

In compliance with the regulatory standards in place for the insurance sector, the notion of internal control adopted by Assicurazioni Generali particularly focuses on the process nature of the internal control system. Within the Group, the latter is divided into two different types:

- **first level controls**, comprising all the control operations performed by the individual operating units or Group companies on the respective processes. These activities are primarily the responsibility of the operational management and form an integral part of all company processes;
- **second level controls**, essentially designed to identify and contain company risks of all kinds, by means of auditing actions performed by the Internal Audit Department on Group company processes.

The body responsible for the internal control system is the Board of Directors, which has the task of setting guidelines on the subject and periodically checking the adequacy and effectiveness of the system. The Top Management, on the other hand, is called upon to identify the main company risks and implement the strategic guidelines.

The Parent Company Board of Directors has delegated the Company Chairman to take responsibility for internal controls.

The Internal Control Committee is part of the Parent Company Board of Directors and comprises four independent, non-executive directors. It has an advisory and recommendatory role.

The Internal Audit Department manager, identified as the person in charge of internal control, must provide information on his work to the Board of Auditors, the Internal Control Committee – which he is invited to participate in – and the Chairman of the Company.

One of the main tasks of the Internal Audit Department is to encourage the spreading of a control-centred approach within the Group. For this purpose, in addition to carrying out internal auditing in the Parent Company and in the major Italian subsidiaries, the Internal Audit Department also guides and coordinates similar internal auditing bodies.





Privacy

Group companies have always adopted suitable measures to guarantee the confidentiality and security of personal data – relating to insured and damaged parties, potential and actual clients, members of staff, suppliers and others – processed within the scope of their business activity. In recent years, the Group's companies in Italy and in other countries of the Sustainability Report area have adopted all the necessary measures to meet the requirements laid down by relevant national privacy legislations.

In principle, only personal data that are strictly necessary to provide the required services and to achieve the objectives laid out in the notices are collected, with particular attention being paid to “sensitive data”, which are gathered and processed only where the use of anonymous data is not deemed viable.

Though some countries still lack a specific privacy protection authority, a national Group coordination mechanism exists, which aims to pinpoint common solutions to various issues, to inform and raise operators' awareness of new legislation and its implementation, and to monitor compliance with such legislation. The Group is also constantly in contact with Information Technology (IT) experts, given the implications that data protection has on the computer system.

All Group employees are informed of fundamental principles and their duties with respect to protecting processed data. Staff members have access to several forms of training, information sharing and updating: meetings, videoconferences, and particularly the Intranet, which is primarily used to keep staff members up-to-date on privacy legislation and to provide self-study courses on the topic.

In Italy, the Parent Company's Group Privacy Department provides support, consultancy and collaboration to all Group companies for the correct implementation of legislation and especially for the annual drafting of the Security Policy Document. To this end, the Parent Company also conducts surveys in the different companies on privacy issues and provides support in analysing highly sensitive issues; finally, it updates and improves privacy documents that Group companies can access via the www.generalali.com website. All new employees complete a self-study course on privacy when they first join the Group. The Group Privacy Department has also begun a classroom institutional training and updating programme in accordance with existing legislation. The programme is addressed to the Parent Company and to subsidiary and associated companies. In 2005, 27 classroom training courses – involving over 260 employees – were held at the Parent Company and other Group companies, alongside 74 meetings for the agency network.

An important decision was made in 2005, which directly affected the Assicurazioni Generali agency network: agents became Company Privacy Managers and started an intense specific training programme with the support of the Group Privacy Department.

Eco-Committee

The Eco-Committee was started in 2005. It is an organisational body set up within the Parent Company's Head Office and directly accountable to the General Manager of the Corporate Centre, dealing with the Group's environmental policy.

Article 9 of the Ethical Code establishes Generali's commitment to safeguarding the environment as a primary asset. The committee is called upon to define:

- environmental policies;
- performance indicators to be monitored;
- objectives related to said indicators;
- management systems aimed at achieving the planned environmental performances;
- benchmarking systems;
- all other environmental aspects at Group level.

The Eco-Committee members represent the main corporate functions involved in the management of direct and indirect environmental impact: human resources, organisation and operational planning, IT services, strategic marketing, sustainability report and purchase department.

A contact person has been appointed in each country included in the Sustainability Report area to foster the implementation of the Eco-Committee's environmental policies (regulations and correct behaviours).

The Committee's first decisions concerned energy consumption and consumption of other materials, management of mobility and the Group's investment policies. The Committee recognises the importance of encouraging all employees to actively adopt an environmentally friendly approach, and it plans to further this stance by means of awareness projects and special initiatives.



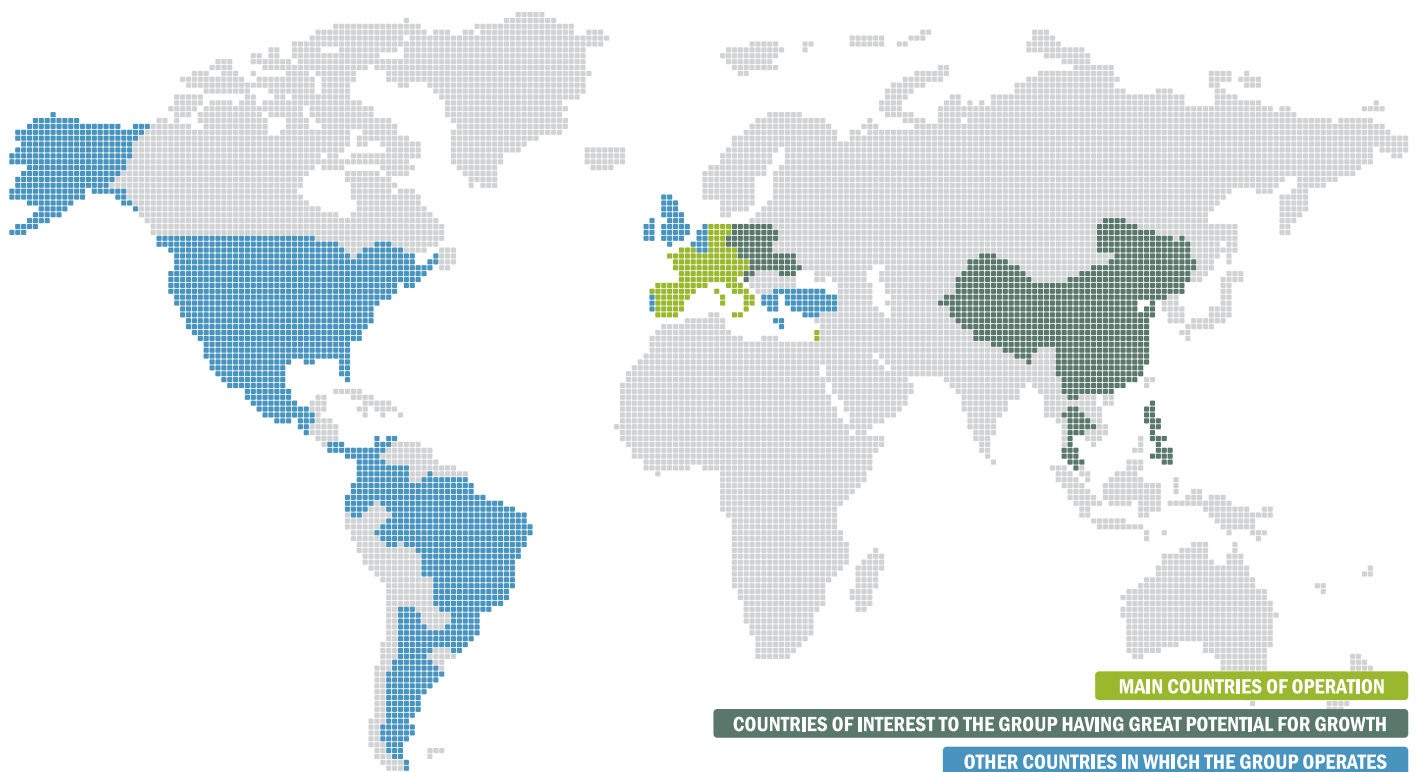


The insurance industry

In Europe in 2005, the growth of the insurance sector was driven by the **life line of business**, thanks to the industry's ability to combine finance return with practical solutions for retirement saving and personal protection. Sales of retirement products grew in the main geographical areas, though modestly. The rising equity markets and the demand for soundness in investment also prompted increased interest in linked products with guaranteed capital. The trend had positive effects on virtually all major European countries. In the areas dealt with by the Sustainability Report, the insurance business was basically in line with the above trend.

By contrast, a deceleration was witnessed in the growth rate for **non-life business** in most of the Generali Group's zones of operation, owing to both the slowdown in economic growth and the persistence of sharp competition, particularly in motor insurance and the corporate risk sector.

Claims due to natural disasters were also extensive in 2005, due to large-scale natural events occurred mainly (but not only) in the U.S. and the Caribbean. Europe was not spared, with the Erwin windstorm that swept northern Europe in January and the summer floods in Switzerland and Central and Eastern Europe. The consequences of these events, however – higher premiums and stiffer terms for policy renewal – were limited to the relevant geographic areas and types of business.



Business Plan for 2006-2008

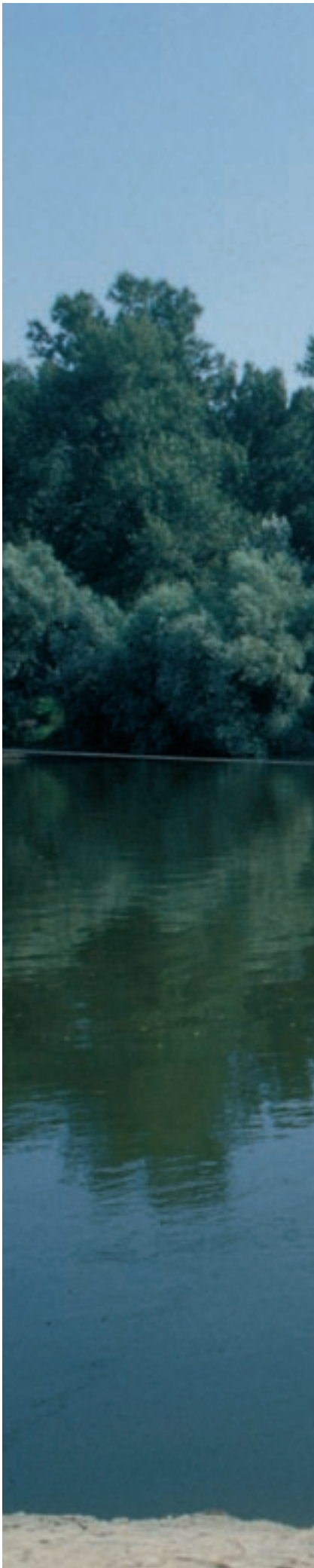
The Business Plan for 2006-2008, building on the growth and efficiency achieved under the previous Plan, sets a series of significant targets for further development and improvement of technical performance indicators and consolidated results.

The new Plan is based upon three pillars:

1. growth and innovation – To achieve these objectives, the Group will rely on its widespread and professional traditional distribution networks and financial advisers, its leadership – in some countries – in direct channels (telephone, Internet), the expansion in new, fast-growing markets such as China and Central and Eastern Europe, and its entry into the Indian market. Research will aim to bring about innovation of financial-insurance products. With a view to defining new ideas and approaches for the identification of solutions that really suit customers’ needs, the Generali Innovation Lab has been created, involving the Group’s top professionals in the field;

2. a single national organisational model and Group-wide structures – An essential factor in improving the Group’s efficiency was the definition of a single organisational model. This model envisages the centralisation – in each country – of administrative services, procurement, claims management, strategic marketing and product development, as well as a distribution system based on multiple networks featuring brands, product types and channels tailored to the customers’ needs.





Four key Group-wide projects will also be implemented to pool such capital-intensive activities as IT, plus those requiring large scale, such as asset management and treasury management, or that require the sharing of specialised skills, such as risk management. The international sharing of the Group's best practices in strategic sectors such as pricing of motor insurance and claims handling will also be enhanced;

3. capital optimisation – Measures for a more efficient use of the capital will be undertaken, thus preserving the Group's financial soundness and credit rating, while fostering external growth.

Business strategy

In its main markets, the Generali Group offers insurance products for all risk types, advocating itself forward as a global operator, providing a comprehensive response to its customers' numerous requirements and offering a wide range of insurance and asset management options.

The Group's range of products and relative marketing operations are designed on the basis of market macro-segmentation (corporate and retail) and further segmentations – especially within the retail sector – in order to cater for the specific needs of each target.

In some cases, the customisation is not only related to products and services, but also the sales channel. The Generali Group has a multi-channel distribution strategy, mainly centred on agents – a traditional network that has always been one of the Group's main assets – but including sellers on payroll, financial advisers and bank counters. In some countries, such as Austria, Germany and Switzerland, the Group also has strategic agreements with large external distribution networks.

The Group also includes direct sales companies (Genertel in Italy and Cosmos in Germany), whose operations are carried out exclusively over the telephone and the Internet. The Internet is growing in importance in all Group companies, improving the quality of the service provided to their clients.

The situation of Europ Assistance companies, primarily dealing with travel and motor insurance, is slightly different. In addition to drawing on Generali Group agents networks and banks – offering Europ Assistance services to its credit card holders – these companies also use special sales points, such as travel agencies and car dealerships.

Communication strategy

Being a leading financial institution at an international level, historically recognised for its reliability and solidity, the Generali Group attaches great importance to its integrated communication strategy. This document provides an in-depth description of the Group's communication strategy, and an opportunity for the reader to extend and update his/her knowledge of the Group.

Generali's media communication policy is based on transparency and a commitment to guaranteeing accessible, clear and accurate information. The **media** relations department focuses on compliance with the most recent regulations on information dissemination, especially in case of price sensitive information.

A number of different, suitably combined tools are used to provide effective and structured communication within the Group: press releases, interviews, press meetings/events, one-to-one relations between management and journalists. The www.generali.com website, described in more detail below, features an information section named "Press and Communication", which provides quick access to complete economic/financial data and the main information relative to the Group and its operations.

A detailed press review, accessible via the Company Intranet, is provided on a daily basis to ensure a comprehensive information flow within the company as well as from the outside, while – during the day – press reviews issued by Italian and international press agencies are delivered to the Top Management. In 2005, the main Italian and international newspapers dedicated approximately 1,100 articles to the Generali Group (climbing to over 8,600 articles mentioning Generali or Group companies).

In addition to daily contact with the media, over 200 press releases were issued by the Generali Group in 2005, 42 of which directly by the Parent Company. Relations with the press also include all statements and comments of a financial or insurance nature, and in-depth analyses requested by journalists.

It should also be remembered that a press-conference is traditionally organised during the Assicurazioni Generali shareholders' meeting in Trieste between Italian and international press representatives and the Company's Top Management. Media participation in the events involving the Group Top Management and the financial community for the presentation of economic and financial results is also encouraged.

Company magazines – published periodically by virtually all the main Group companies – and institutional websites in each country are fundamental to reach a wide audience (staff, clients, shareholders, institutional investors and the community as a whole), thus providing institutional information on Group companies and on the Group's business and promotional initiatives; promoting and preserving a good organisational environment, enhancing a sense of belonging among staff; encouraging and facilitating the exchange of information between the various sectors and offices.

The Parent Company has been publishing "Il Bollettino" since 1893 – a magazine published in Italian and meant for employees, but also sent to agents, former staff and thousands of other readers (shareholders, brokers, clients, journalists, institution representatives, etc.), and "Group News", a two-monthly newsletter on the Generali Group written in English. During 2005, a questionnaire was distributed with both magazines to assess the readers' opinion on the quality of the above-mentioned publications. Most comments were positive.

In line with one of the Group's objectives for 2005 – i.e. reducing paper publications – new information procedures were developed





throughout the year enabling readers to opt for either printed or on-line publications.

Generali France's "Fréquence Groupe" also enjoys wide circulation. This two-monthly magazine is published in French and is targeted at employees, sales networks and general agents, for the diffusion of news regarding the Group in France and in the rest of the world.

In particular, several magazines are published within the Group for agents and sales networks, some of them providing highly technical information (accounting, legal, fiscal, organisational and sales topics). These include the French "Synergies" and "Le Chant du coq" published by Generali Assurances and GPA respectively, and "Gener-Azione" distributed to the Assicurazioni Generali and Generali Vita sales staff in Italy. Publications targeted exclusively at clients provide information on the insurance business and finance, as well as up-to-date information on the Group and new products. In Germany, a magazine is published for the press to allow a better understanding of the insurance business. Several Group companies also publish a number of newsletters – printed and on-line – providing up-to-date news on their individual business and on the insurance sector.

The graphics and content of the **Group's institutional website** – www.generali.com – were completely renewed and updated in 2004. The new configuration was based upon the W3C (World Wide Web Consortium) guidelines on facilitating disabled accessibility through the use of colours and reduced flash elements. Alleanza, Fata and Banco Vitalicio have also created their own websites bearing in mind the needs of disabled people. Their effort was acknowledged by national and international bodies, such as the Unione Italiana Ciechi and Watchfire Webact.

New pages were added to the website in 2005, concerning the Group's brand, products and services, alongside with a FAQ section and a page dedicated to cultural initiatives at an international level. New features for website visitors have been implemented, such as optimized printing and a more effective management of on-line documentation requests. Furthermore, it is increasingly commonplace to transmit video stream of Top Management presenting Group economic and financial results or the objectives of the new Business Plan to the financial community, thus enhancing the scope of and transparency in communication with institutional and private investors. Financial statements and interim reports are now available as interactive reports, enabling the graphic visualisation of the main financial data and the comparison or aggregation of figures.

The new features of the www.generali.com website have boosted its Italian and international standing in the classification of corporate sites issued by a prestigious consulting company.

In a recent study conducted by a European search engine on the websites of companies listed on the MIB30, Italy's top 30 stock market listings, the Group's corporate website was judged as excellent for its capacity to optimise Internet searches, a designation only three other companies were awarded.

Each country has an institutional Internet website, most are available also in English language. Each website features special sections

for institutional investors, the press, clients, products (some offer on-line quotes), job opportunities and available positions (interested jobseekers can apply on-line by filling-up a form and attaching their resume) and, in some cases, complaints. Each country's website contains links to the various company websites, that are more customer-oriented and in line with the each company's specific features.

In 2005, a plan was launched to harmonize corporate graphics and contents in all Group websites, thus creating a recognizable graphic identity and guaranteeing a standard baseline for economic information and transparency all over the world in keeping with the Generali Group's image and prestige.

An institutional CD-Rom was produced and distributed to Group companies, presenting a spectrum of up-to-date Group information and preserving a single international voice. In particular, the CD-Rom presents a detailed historical account of the Company and key documents such as the Business Plan, the main consolidated results, the financial statements of the past three years, contact information for all Group companies and the major institutional brochures in electronic format.



ECONOMIC-FINANCIAL PERFORMANCE

Insurance business

The Generali Group's consolidated financial statements as at 31 December 2005 was drawn up in accordance with the IAS/IFRS international accounting standards. Figures relative to 2004 were also calculated on the basis of these standards for accurate comparability.

The adoption of the new international accounting standards led to an enlargement of the consolidation area – from 183 companies at the end of 2004 to 297 at 31 December 2005. All associated companies were consolidated in their entirety, regardless of their business area, with the exception of those falling short of the minimum size.

GROUP HIGHLIGHTS ON A
CONSOLIDATED BASIS



	2004	2005
NET EARNED PREMIUMS	53,049.9	60,082.4
GROSS PREMIUMS WRITTEN	55,754.6	62,834.7
CHANGE (ON EQUIVALENT TERMS)	n.a.	13.1%
ACQUISITION AND ADMINISTRATION COSTS RELATED TO INSURANCE BUSINESS	8,554.0	8,354.7
EXPENSE RATIO	16.1%	13.9%
NET LIFE PREMIUMS	37,697.4	44,903.5
GROSS LIFE PREMIUMS WRITTEN	38,632.6	45,734.8
CHANGE (ON EQUIVALENT TERMS)	n.a.	18.1%
ACQUISITION AND ADMINISTRATION COSTS OF LIFE SEGMENT	4,355.2	4,212.1
EXPENSE RATIO OF LIFE SEGMENT	11.6%	9.4%
NET NON-LIFE EARNED PREMIUMS	15,352.5	15,178.8
GROSS NON-LIFE PREMIUMS WRITTEN	17,122.0	17,099.9
CHANGE (ON EQUIVALENT TERMS)	n.a.	1.6%
ACQUISITION AND ADMINISTRATION COSTS OF NON-LIFE SEGMENT	4,198.8	4,142.6
EXPENSE RATIO OF NON-LIFE SEGMENT	27.3%	27.3%
LOSS RATIO OF NON-LIFE SEGMENT	71.6%	70.6%
COMBINED RATIO OF NON-LIFE SEGMENT	98.9%	97.9%
TOTAL INCOME OF FINANCIAL SEGMENT	1,306.9	1,425.7
TOTAL EXPENSES OF FINANCIAL SEGMENT	1,159.0	1,179.8
RESULT OF THE PERIOD	1,665.8	1,918.6

VALUES IN MILLIONS OF EUROS

	2004	2005
INVESTMENTS	271,774.6	307,417.4
NET INSURANCE PROVISIONS	244,527.3	275,141.5
NET INSURANCE PROVISIONS OF LIFE SEGMENT	221,183.5	250,976.2
NET INSURANCE PROVISIONS OF NON-LIFE SEGMENT	23,343.8	24,165.3
SHAREHOLDERS' EQUITY ATTRIBUTABLE TO THE GROUP	9,719.2	12,028.6

VALUES IN MILLIONS OF EUROS

In 2005, with consolidated total gross premiums written exceeding 62 billion euros, the Generali Group was among leaders in the insurance sector at an international level. In Europe, Generali is the top insurance group in the life line of business and ranks third in the non-life sector; furthermore, it holds significant positions in all countries of operation:

- in Italy, Generali is the top insurance group, ranking first in the life business and second in the non-life sector. Its significance is also unquestioned as far as financial services and asset management are concerned;
- in Austria, the Group ranks third in terms of total premiums and second in life and non-life business;
- in France, it ranks fourth in terms of total premiums;
- in Germany, it ranks third in terms of total premiums and second in the life line of business;
- in Israel, it ranks second both in terms of total premiums and in the life line of business;
- in Spain, it ranks third in terms of total premiums;
- in Switzerland, it ranks seventh in terms of total premiums.

Direct premiums totalled 61,648.8 million euros, up 12.7%, generated by a relevant growth in the life line of business (+18.5%) and posting substantially stable figures in non-life business.

The life line of business accounted for 73% of the total direct insurance portfolio (life and non-life segments).

Premiums of accepted reinsurance totalled 1,329.9 million euros (+12.9%), with 785.8 million euros in the life line of business (+11.7%) and 544.1 million in the non-life line of business (+14.8%). The contribution made by reinsurance remains marginal overall, as the Group policy focuses on direct business.



	LIFE 2005		NON-LIFE 2005		TOTAL 2005	
	VALUE	MARKET SHARE	VALUE	MARKET SHARE	VALUE	MARKET SHARE
ITALY	18,863.5	26.1%	5,630.7	15.6%	24,494.2	22.7%
AUSTRIA	767.8	9.5%	1,219.0	17.9%	1,986.8	13.2%
FRANCE	9,351.6	7.6%	3,237.1	6.7%	12,588.7	7.4%
GERMANY	9,813.4	9.6%	2,986.5	5.4%	12,799.9	8.1%
ISRAEL	830.0	29.8%	303.6	9.6%	1,133.6	18.6%
SPAIN	837.8	4.1%	1,340.3	4.8%	2,178.1	4.5%
SWITZERLAND	802.6	4.7%	455.1	3.4%	1,257.7	4.1%
TOTAL S.R. AREA	41,266.7		15,172.3		56,439.0	
AREA OUTSIDE S.R.	3,717.1		1,492.7		5,209.8	
TOTAL GROUP	44,983.8		16,665.0		61,648.8	

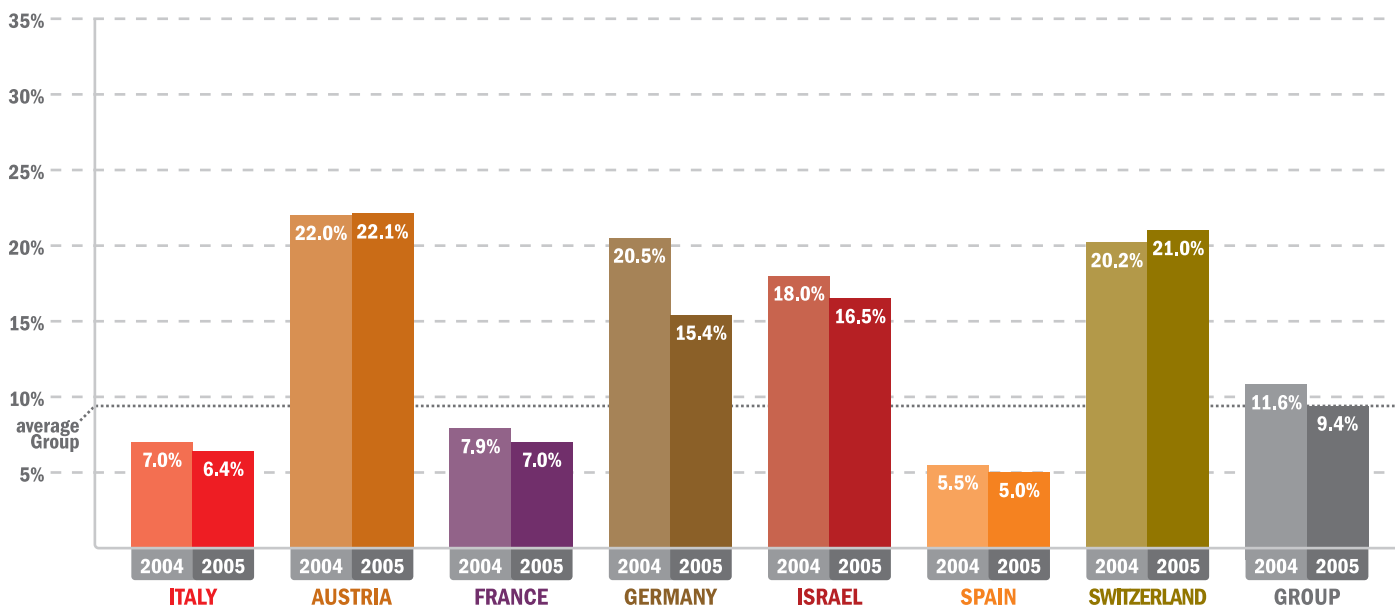
VALUES IN MILLIONS OF EUROS

DIRECT PREMIUMS AND MARKET SHARES BY COUNTRY (SUSTAINABILITY REPORT AREA; 2005)



- **Life** – The three major countries (Italy, Germany and France) account for 92% of the life portfolio; Italy alone generates over 45%.
- **Non-life** – Business in this segment is less concentrated: Italy, France and Germany generate 78% of the Group's total premiums (Italy accounts for approximately 37%).

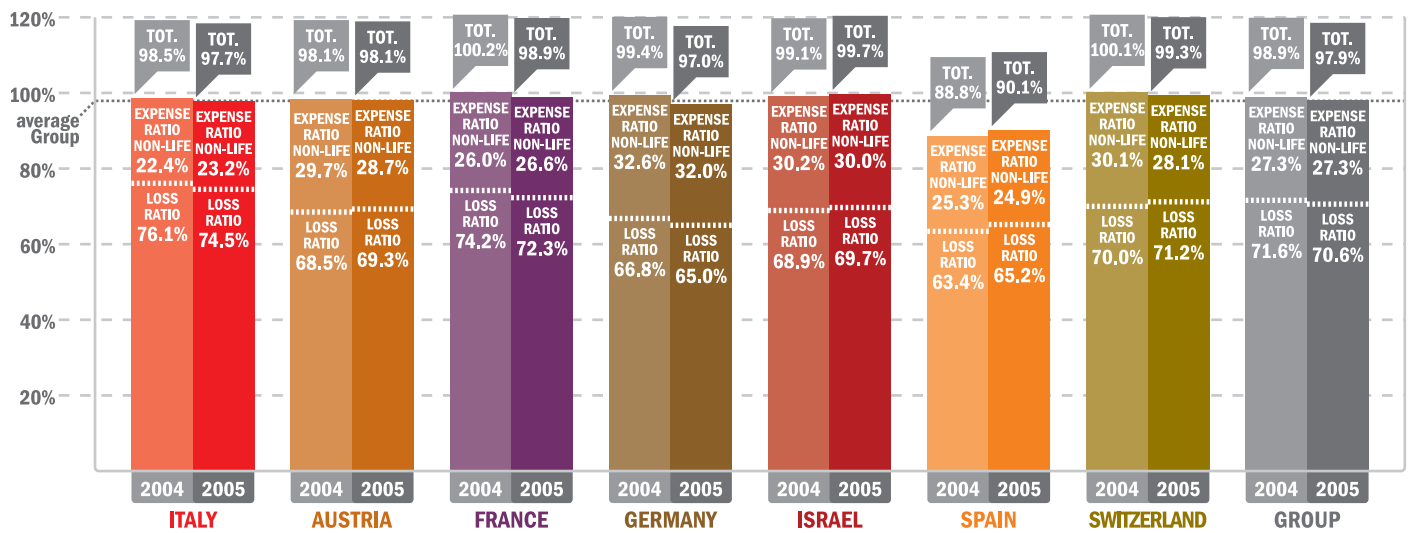
Information on indicators measuring the technical profitability of business underwritten in the individual countries is provided below.



EXPENSE RATIO OF LIFE SEGMENT BY COUNTRY (SUSTAINABILITY REPORT AREA; 2004-2005)



- The expense ratio of the life segment, i.e. operating costs (acquisition and administration) expressed as a percentage of total premiums, fell due to the decrease in both acquisition costs (from 9.2% to 7.5%) and administration costs (from 2.4% to 1.9%).
- The decrease has affected all countries apart from Switzerland, and was particularly felt in Germany following the slump in acquisition costs.
- The expense ratio highlights a certain degree of variance, with very high figures in Switzerland and Austria, and very contained figures in Spain, Italy and France. These differences are mainly linked to the range of products offered and the type of sales channels used, impacting the level of distribution costs.



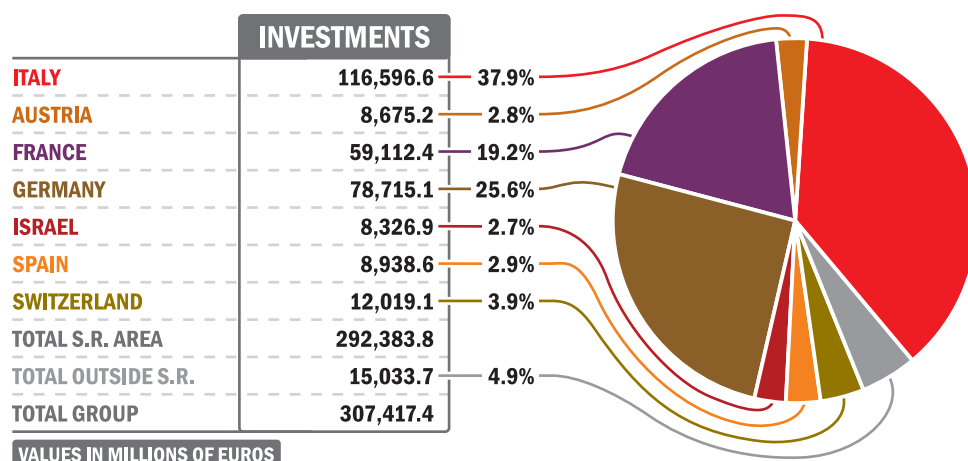
- The combined ratio of the non-life segment, i.e. claims and operating expenses as a percentage of premium income, fell due to the decrease in loss ratio, whilst the expense ratio remained stable. High variance has been posted in the combined ratio, exceeding 99% in Israel and Switzerland and as low as 90.1% in Spain.
- The loss ratio fell by one percentage point on the whole, though trends varied by country. In particular, France and Germany posted the most significant reductions, whilst Spain returned the largest increase although its ratio remained among the lowest. The difference between the various countries is ascribable to variations in the portfolio mix and to the possible presence of significant claims.
- The expense ratio remained stable as most countries posted a reduction, counterbalanced by an increase in France and Italy. The expense ratio was higher in Germany (32%) and lower in Italy (23.2%).



NON-LIFE BUSINESS MAIN INDICATORS BY COUNTRY (SUSTAINABILITY REPORT AREA; 2004-2005)

Investments

INVESTMENTS BY COUNTRY
(SUSTAINABILITY REPORT AREA; 2005)



VALUES IN MILLIONS OF EUROS

- Due to the specific features characterising the life business, and because of its predominance within the Group, it accounts for about 90% of total investments.
- The subdivision of investments by country corresponds to the extent of Group commitments and interests in the various markets.

	2004	IMPACT	2005	IMPACT
LAND AND BUILDINGS (INVESTMENT PROPERTIES)	10,322.9	4.4%	10,235.6	3.8%
INVESTMENTS IN SUBSIDIARIES, ASSOCIATED COMPANIES AND JV	840.5	0.4%	802.9	0.3%
HELD TO MATURITY INVESTMENTS	668.4	0.3%	993.0	0.4%
LOANS AND RECEIVABLES	38,434.1	16.2%	41,173.9	15.5%
AVAILABLE FOR SALE FINANCIAL ASSETS	166,529.2	70.3%	189,008.7	71.0%
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	20,188.1	8.5%	24,015.8	9.0%
TOTAL	236,983.2	100.0%	266,229.9	100.0%
INVESTMENTS WHERE THE RISK IS BORNE BY THE POLICY HOLDERS	34,791.4		41,187.5	
TOTAL INVESTMENTS	271,774.6		307,417.4	

VALUES IN MILLIONS OF EUROS

INVESTMENTS
(CONSOLIDATION AREA;
2004-2005)



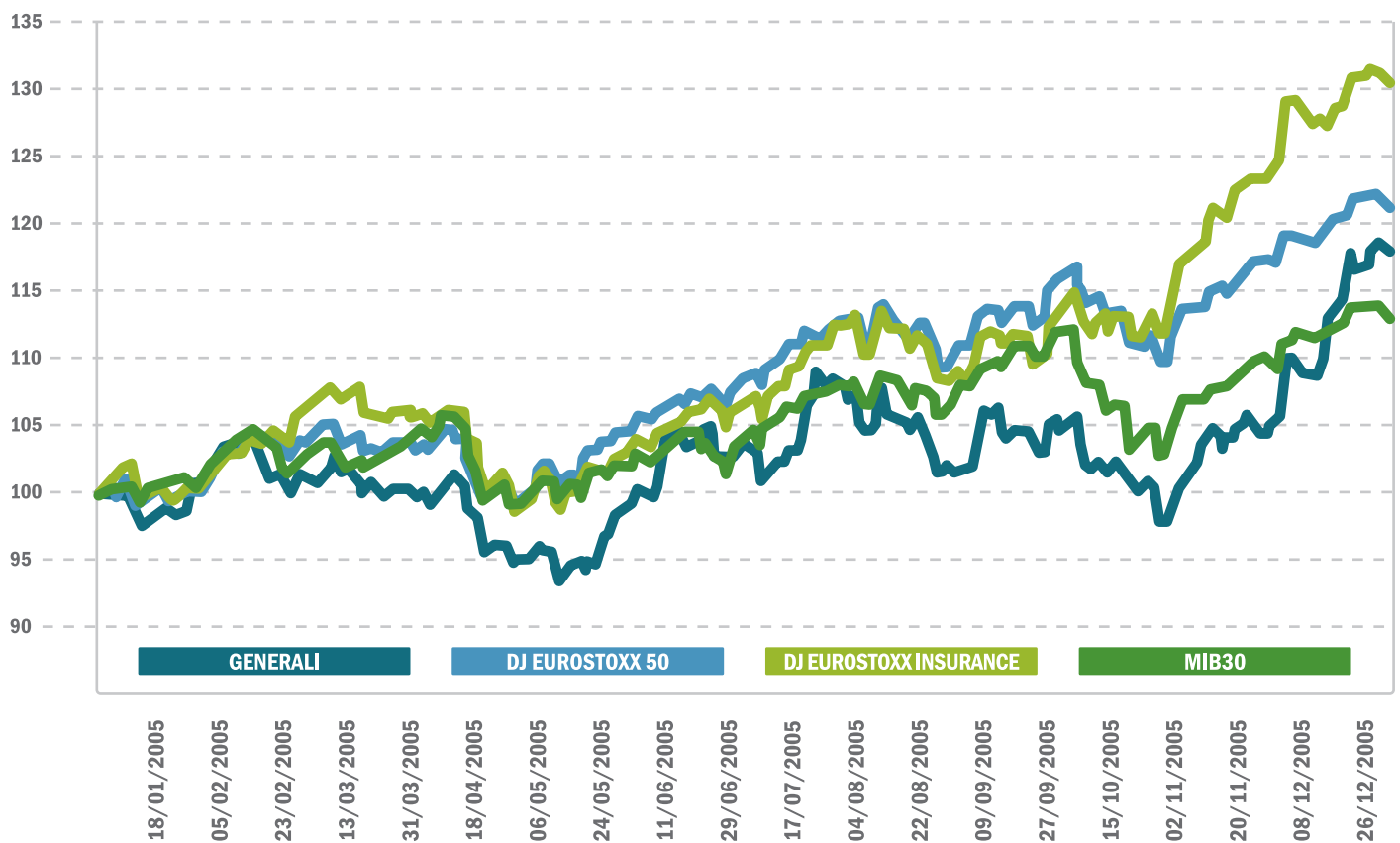
- In 2005, overall Group investments rose by 35,642.8 million euros (+13.1%); excluding those financial operations where the risk is borne by policyholders, the increase was 12.3%.
- Figures show there were no major changes to the percentage breakdown of investments.

Shareholders' equity

The Group shareholders' equity amounted to 13,947.2 million euros, compared to 11,385 at end 2004, posting a 22.5% increase. In particular, the Group's capital and reserves totalled 12,028.6 million, net of the 5,658,229 Parent Company shares owned by the latter or by other Group companies, worth 167.1 million euros. Earnings amounted to 1,918.6 million euros.

Minority interests (share capital and reserves) totalled 3,607 million euros, including 491.7 million of earnings.

Generali shares



- In 2005, Generali shares fluctuated between 23.30 euros (20/05) and 29.76 euros (29/12). The Group's shares were listed at 29.49 euros at the close of the period.
- In the twelve month period, the shares rose by 18% as against 13.3% on MIB30 (index of the 30 top Italian companies traded on the Milan Stock Exchange), 21.27% on the Down Jones EuroStoxx 50 (50 European blue-chip stocks from EMU countries) and 30.5% on the Dow Jones EuroStoxx Insurance (index of insurance stocks from EMU countries).



GENERALI SHARE PERFORMANCE
COMPARED TO THE MAIN STOCK
EXCHANGE INDEXES
(ASSICURAZIONI GENERALI; 2005)

Generali is listed in 56 stock exchange indexes. The following table highlights the percentage impact of Generali shares on the main stock exchange indexes.

	2003	2004	2005
Mibtel	n.a.	5.508%	5.055%
Mib 30	n.a.	7.240%	7.121%
FTSE Eurotop 100	0.840%	0.925%	0.882%
DJ EuroStoxx 50	1.677%	1.793%	1.746%
DJ EuroStoxx	1.080%	1.135%	1.043%
DJ EuroStoxx Insurance	13.521%	14.172%	11.833%

PERCENTAGE IMPACT OF
GENERALI SHARE ON THE MAIN
STOCK EXCHANGE INDEXES
(ASSICURAZIONI GENERALI;
2003-2004-2005)

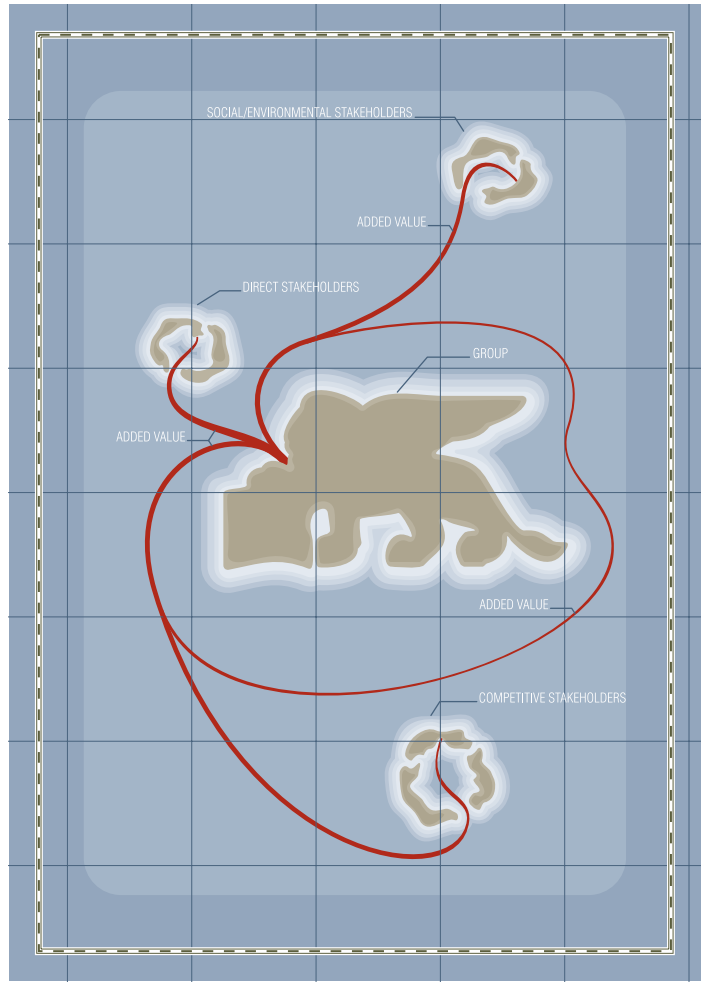


Company value

The Company's stock market capitalisation at the end of 2005 was 37,629 million euros, ranking fourth amongst the major insurance-linked securities in Europe.

The embedded value – i.e. the adjusted shareholders' equity plus the value of portfolio – representing the Company's intrinsic value, was 26,093 billion euros at end 2005, i.e. 20.4 euros per share.





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- 41 Calculating GAV
- 42 GAV distribution

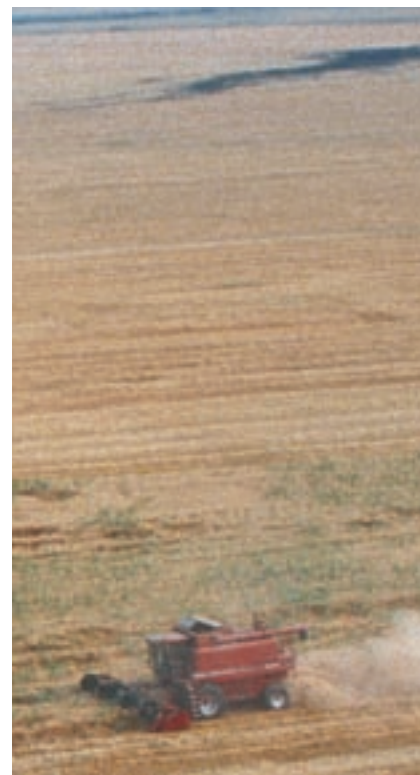
ADDED VALUE

DESCRIPTION

The Global Added Value (GAV) can be deduced from the reclassification of the consolidated financial statements and expresses the wealth generated by the Group's operations over the year for the various stakeholder categories.

In practice, the GAV is calculated as the difference between the value of goods and services provided by the company and the value of the goods and services it acquires from third parties. It can be expressed net or gross of depreciation. In the latter case, the flows for the gradual reintegration of durable productive factors are added up to the new wealth generated by the company.

The Generali Group's GAV is calculated net of depreciation as, differently from industrial businesses, the reintegration of durable productive factors is of little relevance to insurance companies. This reflects the nonessential role played by tangible assets in this specific business activity compared to intangible assets such as human, organisational and technological resources.



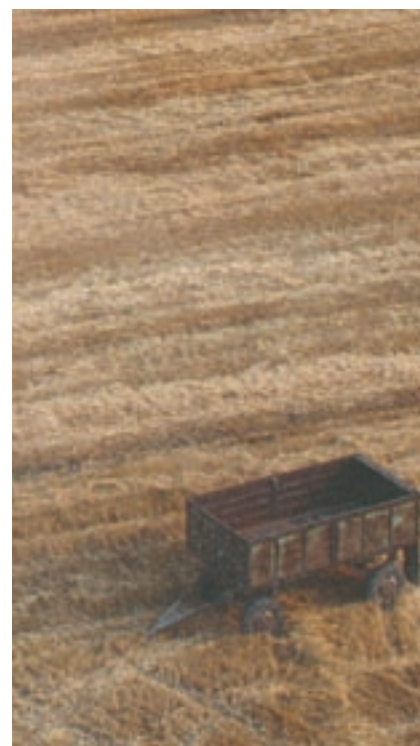
	2004	2005
Total income	71,088.0	81,719.2
Total expenses	60,206.8	70,541.8
GAV	10,881.2	11,177.5

VALUES IN MILLIONS OF EUROS

← GLOBAL ADDED VALUE CALCULATION (CONSOLIDATION AREA; 2004-2005)

CALCULATING GAV

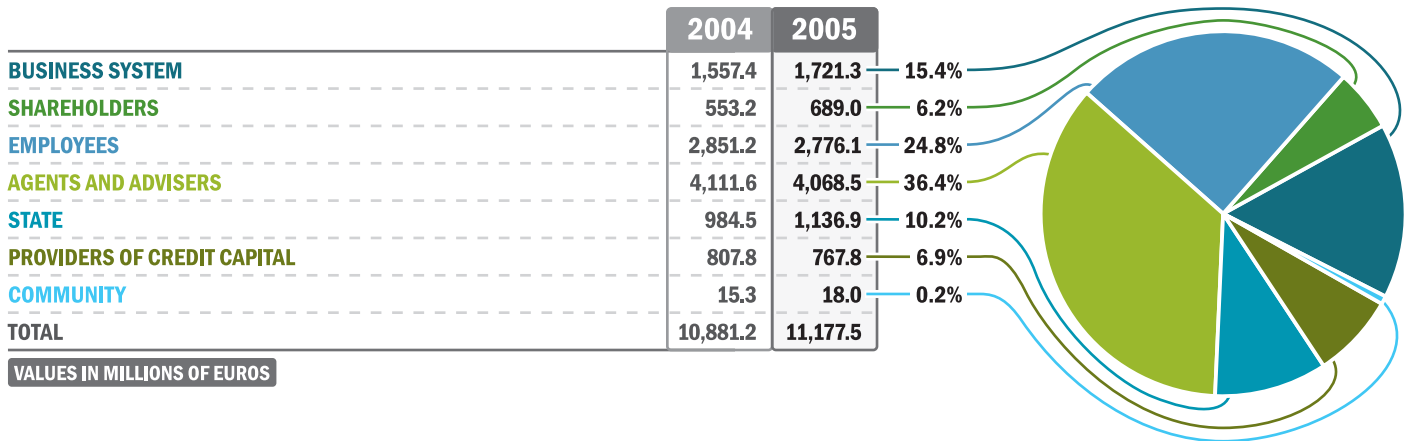
- The Generali Group's consolidated financial statements as at 31 December 2005 were drawn up in accordance with the international accounting standards IAS/IFRS. Ordinary and extraordinary items are no longer distinct, which is one of the changes introduced by the new accounting standard. The change has also affected the calculation of GAV, as added value cannot be calculated on the operating income without considering the impact of extraordinary transactions.
- The **total income** item in the consolidated profit and loss account includes income from: earned premiums; financial instruments; investment properties; subsidiaries, associated companies and joint ventures.
- The **total expenses** correspond to technical expenses (costs pertaining to the management of the insurance business, such as: claims, changes to insurance provisions, acquisition costs, administration costs, depreciation) minus the items relating to: remuneration for employees, agents and advisers, open distributions and sponsorships, and interest on interest-bearing debt.
- GAV increased by 2.7% in 2005 as compared to 2004.





The GAV does not account for all wealth generated and transferred outside the Group: for instance, it cannot highlight the benefits investments bring to the relevant economy and environment. Nevertheless, the GAV may be described as a significant indicator of generated wealth and, thanks to its distribution analysis, it provides an insight into how the benefits produced by the Group's operations are distributed among the various stakeholders.

GAV DISTRIBUTION



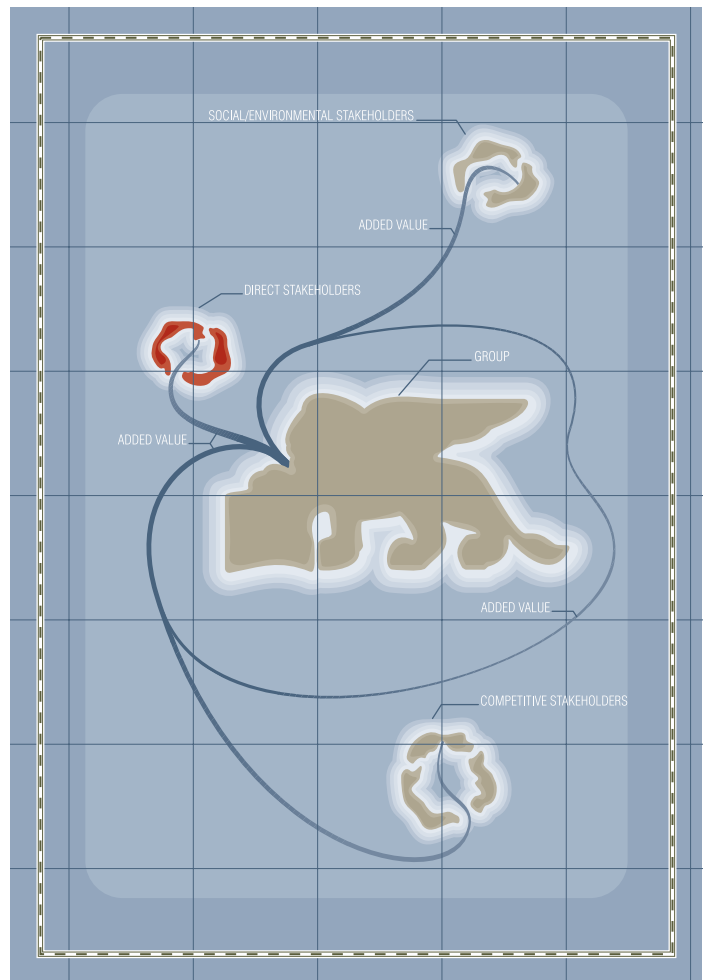
GLOBAL ADDED VALUE
DISTRIBUTION
(CONSOLIDATION AREA;
2004-2005)



- GAV distribution among the various stakeholders changed slightly in 2005. The changes, all minor in terms of share, entailed an increase for shareholders (dividends), business system (reserves), state (taxes), community (open distribution and sponsorships) and a drop for the remaining stakeholders.

- Employees, agents and advisers still account for the lion's share – approximately 60% – in 2005, notwithstanding a slight drop.





45 Employees

45 Description

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52 Human resources policies

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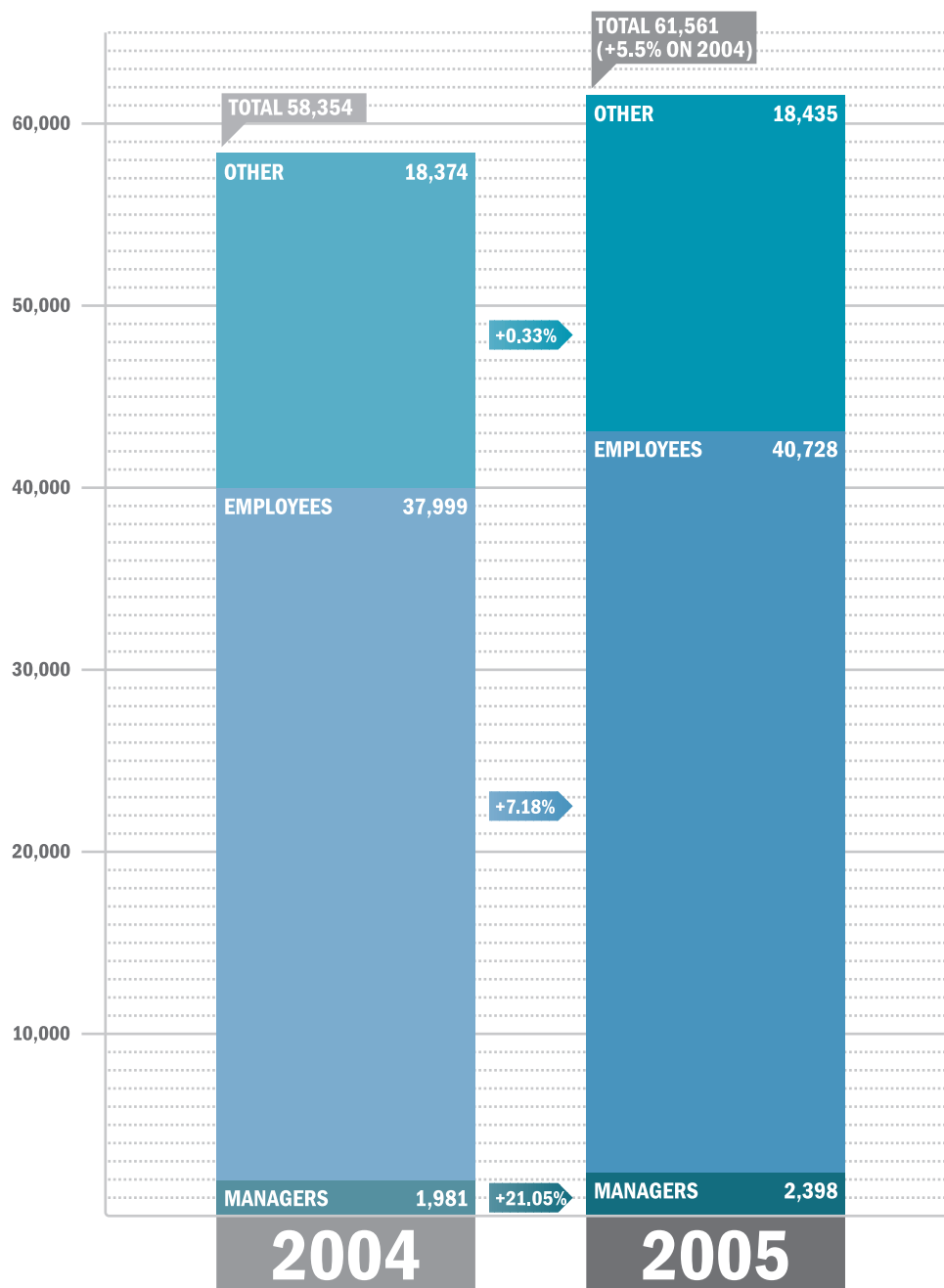
76 Dialogue with the investors

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DIRECT STAKEHOLDERS

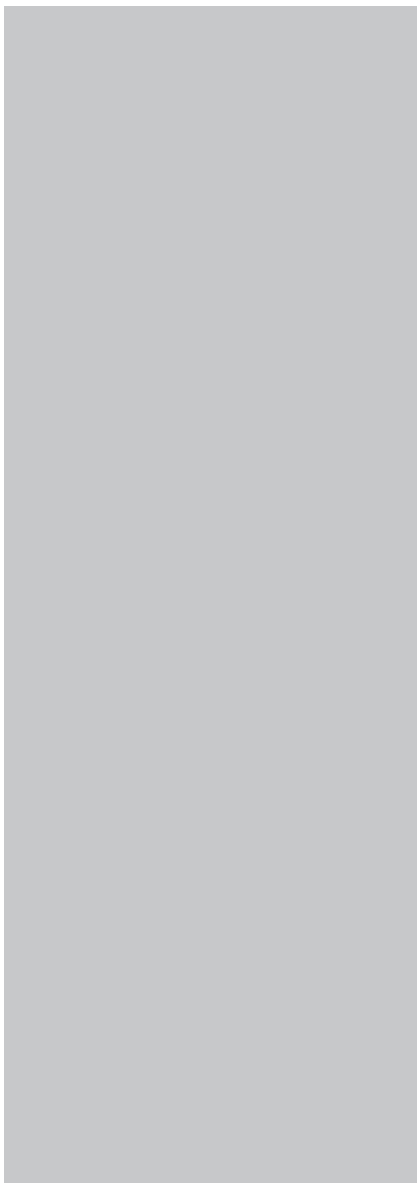
EMPLOYEES

Description

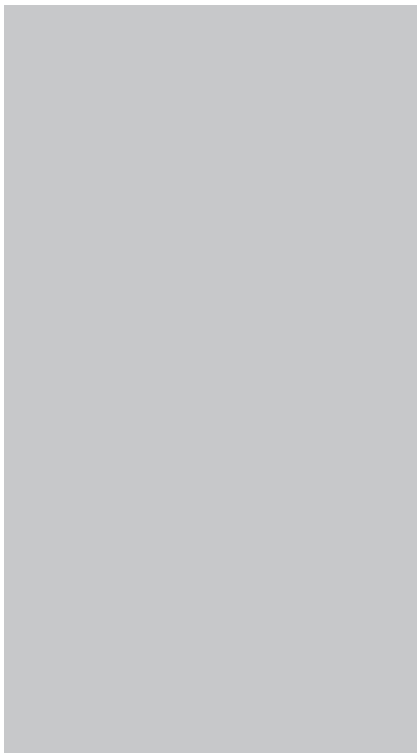
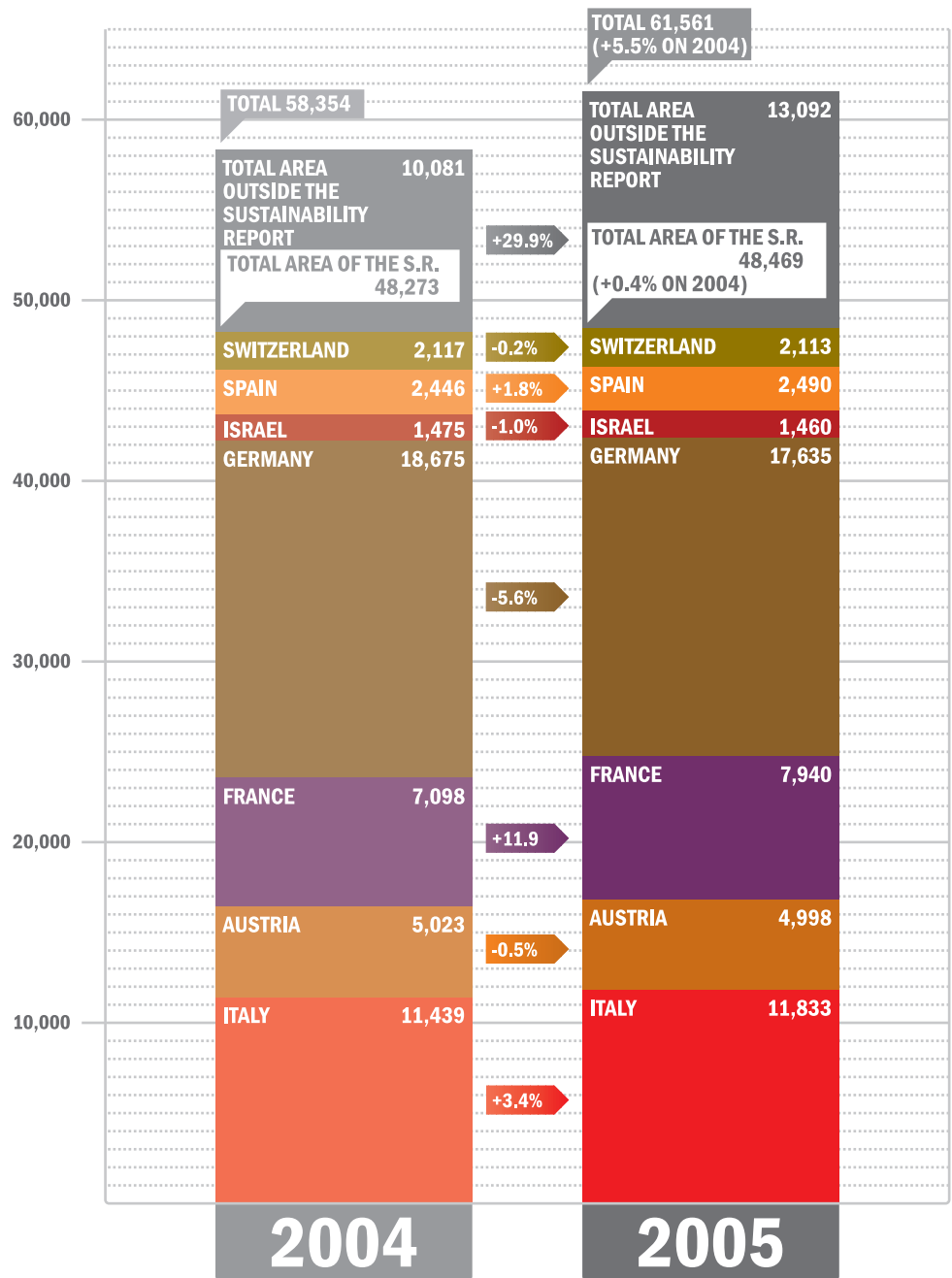


← GROUP STAFF MEMBERS
(CONSOLIDATION AREA;
2004-2005)

• As at 31 December 2005, the Group's workforce numbered 61,561, up 5.5%, a rise primarily attributable to the enlargement of the consolidation area.



GROUP AND SUSTAINABILITY
REPORT AREA STAFF MEMBERS
(CONSOLIDATION AREA;
2004-2005) 



- Employees in the Sustainability Report area account for 78.7% of the overall workforce, with considerable percentages in Germany (28.6%) and Italy (19.2%).
- The Sustainability Report area as a whole remained basically stable, though differing trends were recorded in individual countries. In particular, there was a significant rise in the number of employees in France following the takeover of Le Continent and of the local insurance portfolio of Zürich. In Germany, the current reorganisation has led to a reduction in the number of employees.


	MANAGERS		MIDDLE MANAGERS		EMPLOYEES		SALES FORCE ON PAYROLL		OTHER		TOTAL			
	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005		
ITALY	219	224	1,211	1,241	5,492	5,582	4,079	4,582	438	204	11,439	11,833	▲	+3.4%
AUSTRIA	36	38	276	275	2,543	2,549	2,168	2,136	0	0	5,023	4,998	▼	-0.5%
FRANCE	273	275	2,023	2,572	2,431	2,674	2,371	2,419	0	0	7,098	7,940	▲	+11.9%
GERMANY	46	45	255	249	12,662	11,968	5,654	5,314	58	59	18,675	17,635	▼	-5.6%
ISRAEL	49	47	146	139	1,207	1,205	73	69	0	0	1,475	1,460	▼	-1.0%
SPAIN	79	81	172	170	1,767	1,777	428	461	0	1	2,446	2,490	▲	+1.8%
SWITZERLAND	52	50	259	264	1,222	1,226	584	573	0	0	2,117	2,113	▼	-0.2%
TOTAL	754	760	4,342	4,910	27,324	26,981	15,357	15,554	496	264	48,273	48,469	▲	+0.4%

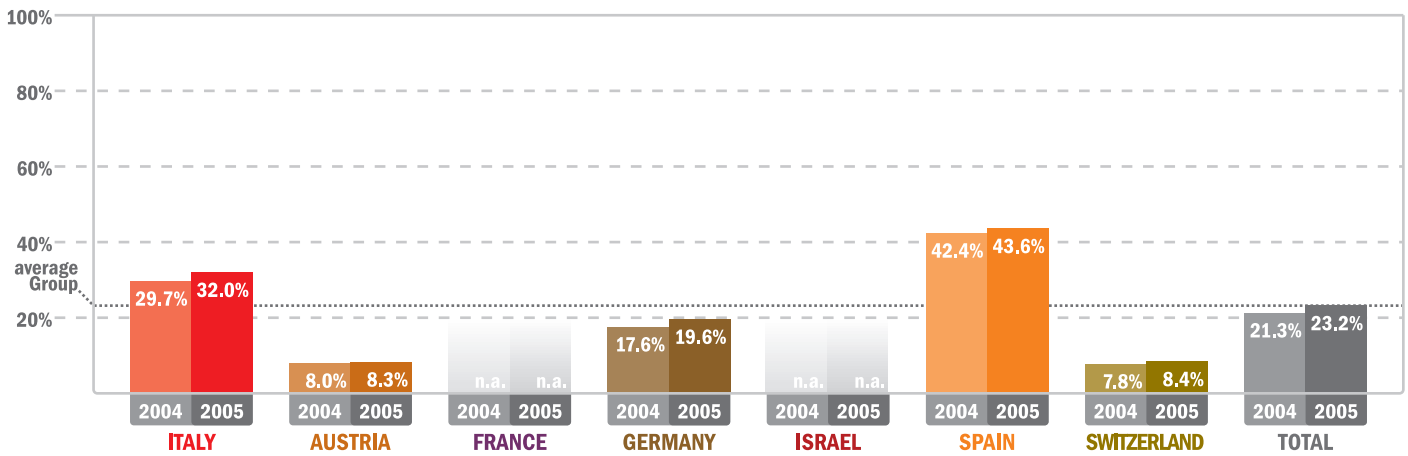
- The composition of the Group's workforce by level has not changed significantly, though promotions within the Group have increased the overall number of middle managers (+13.1%).
- In France, the number of managers and middle managers is higher than the Group average (totalling 35.8% of the workforce; middle managers alone account for 32.4%), especially when compared to Germany, where the overall number of managers and middle managers is only 1.7% of employees. The hierarchic structure of German Group companies reflects the national industry pattern.

 STAFF MEMBERS BY LEVEL
(SUSTAINABILITY REPORT AREA; 2004-2005)

	2003	2004			2005				
	STAFF MEMBERS AS AT 31/12/03	RECRUITMENTS	TERMINATIONS	CHANGE	STAFF MEMBERS AS AT 31/12/04	RECRUITMENTS	TERMINATIONS	CHANGE	STAFF MEMBERS AS AT 31/12/05
ITALY	10,974	1,902	1,437	465	11,439	1,863	1,469	394	11,833
AUSTRIA	5,192	278	447	-169	5,023	284	309	-25	4,998
FRANCE	6,994	1,219	1,115	104	7,098	2,470	1,628	842	7,940
GERMANY	18,629	2,004	1,958	46	18,675	1,497	2,537	-1,040	17,635
ISRAEL	1,539	175	239	-64	1,475	201	216	-15	1,460
SPAIN	2,471	288	313	-25	2,446	465	421	44	2,490
SWITZERLAND	2,132	281	296	-15	2,117	257	261	-4	2,113
TOTAL	47,931	6,147	5,805	342	48,273	7,037	6,841	196	48,469

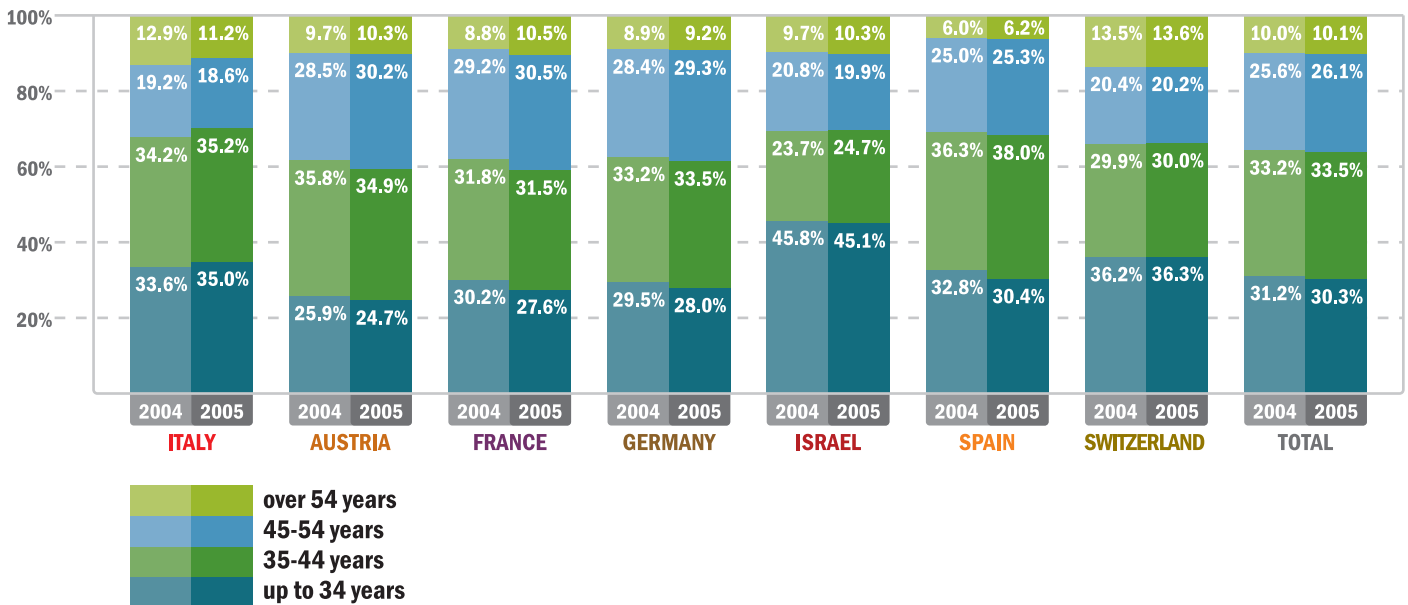
- While the workforce is, all things considered, growing only slightly, staff turnover is rather significant. This is partly due to temporary staff and staff hired for special projects being included in the figures and counted as people joining and leaving the Group.
- The downsizing of the workforce seen in some countries – primarily Germany, where 1,000 positions have been cut over a two-year period, but also Austria, Israel and Switzerland – is in line with the rationalisation programme set out by the 2003-2005 Business Plan. It should, however, be noted that a turnover containment policy was implemented in the downsizing of resources, and collaboration was sought with national welfare institutions.

 STAFF TURNOVER
(SUSTAINABILITY REPORT AREA; 2004-2005)



PERCENTAGE OF GRADUATES IN STAFF (SUSTAINABILITY REPORT AREA; 2004-2005) 

- In the Sustainability Report area, almost 25% of employees are graduates. The percentage is particularly high in Spain and Italy.
- In all countries, the percentage of graduates in the workforce is growing, a trend that is expected to continue.



STAFF MEMBERS BY AGE BRACKET (SUSTAINABILITY REPORT AREA; 2004-2005) 

- Approximately 64% of staff members are younger than 45. The number of young members of staff is particularly significant in Israel, while Switzerland has the highest percentage of workers over the age of 55.

	MANAGERS		MIDDLE MANAGERS		EMPLOYEES		SALES FORCE ON PAYROLL		OTHER		TOTAL			
	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005		
ITALY	4.6%	7.6%	17.2%	18.8%	46.1%	44.3%	30.3%	32.4%	5.0%	14.7%	35.0%	35.8%	▲	+0.8%
AUSTRIA	2.8%	5.3%	15.2%	16.4%	54.7%	54.9%	12.1%	12.6%	0.0%	0.0%	33.8%	34.3%	▲	+0.5%
FRANCE	37.0%	34.9%	47.6%	49.7%	72.9%	71.3%	16.1%	16.4%	0.0%	0.0%	45.3%	46.3%	▲	+1.0%
GERMANY	0.0%	0.0%	4.7%	4.4%	53.6%	52.4%	17.3%	17.7%	67.2%	59.3%	41.8%	41.2%	▼	-0.6%
ISRAEL	24.5%	19.1%	49.3%	53.2%	78.7%	79.3%	6.8%	7.2%	0.0%	0.0%	70.4%	71.4%	▲	+1.0%
SPAIN	6.3%	4.9%	22.1%	24.1%	50.1%	50.8%	9.3%	10.2%	0.0%	0.0%	39.6%	39.9%	▲	+0.3%
SWITZERLAND	11.5%	12.0%	29.3%	29.9%	64.2%	64.3%	5.3%	5.9%	0.0%	0.0%	42.4%	42.9%	▲	+0.5%
TOTAL	17.9%	17.6%	32.5%	35.9%	55.3%	54.5%	19.1%	20.4%	12.3%	24.6%	40.7%	40.9%	▲	+0.2%

- Over 40% of the workforce are women, up slightly on 2004 in almost all the countries. The percentage is particularly high in Israel.
- Most women employees hold office positions, where they account for 54% of staff, a figure that exceeds 70% in Israel and France.
- The number of women among middle managers has generally increased (except in Germany), while the percentage of women managers is virtually unchanged.
- In France, over one third of managers are women: this – though down on 2004 – is the highest percentage in the Group. On the contrary, the number of women managers is extremely low in Spain and Austria and in Germany there is none. These differences mirror different work cultures in the various countries.
- As far as the sales force is concerned – where the percentage of women is generally very low – Italy is an exception, women accounting for almost a third of the overall figure.

Group companies refer to current legislation in their countries when it comes to hiring personnel in **protected categories**. Given the imbalance in parameters defining these categories in the different countries, meaningful data are unavailable.

↑ PERCENTAGE OF WOMEN BY LEVEL (SUSTAINABILITY REPORT AREA; 2004-2005)

	HOLIDAYS		PAID LEAVE		UNPAID LEAVE		ILLNESS AND ACCIDENT		MATERNITY LEAVE		TOTAL	
	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005
ITALY	9.19%	9.83%	1.68%	1.46%	0.22%	0.17%	3.49%	3.64%	0.97%	0.82%	15.55%	15.92%
AUSTRIA	13.61%	12.57%	0.72%	0.64%	0.00%	0.00%	3.91%	3.88%	0.00%	0.00%	18.24%	17.09%
FRANCE	8.75%	9.98%	0.41%	0.34%	0.04%	0.02%	6.34%	6.92%	1.14%	0.87%	16.68%	18.14%
GERMANY	11.76%	11.81%	0.09%	0.07%	0.01%	0.02%	4.16%	4.20%	0.25%	0.25%	16.27%	16.35%
ISRAEL	6.44%	7.54%	0.09%	0.11%	1.56%	1.72%	3.61%	3.65%	2.95%	2.59%	14.65%	15.60%
SPAIN	9.38%	9.03%	0.37%	0.56%	0.00%	0.00%	1.88%	2.35%	1.14%	0.57%	12.77%	12.51%
SWITZERLAND	4.50%	4.45%	0.56%	0.62%	0.04%	0.03%	1.20%	1.20%	0.16%	0.18%	6.46%	6.48%
TOTAL	10.34%	10.53%	0.62%	0.57%	0.11%	0.11%	3.98%	4.16%	0.63%	0.54%	15.67%	15.90%

PERCENTAGE OF
ABSENTEEISM RATE
(SUSTAINABILITY REPORT AREA;
2004-2005)



- The absenteeism rate is calculated as the ratio between the number of days absent (total or by identified cause) and the number of working days multiplied by the number of staff at the end of the year.
- National Collective Bargaining Agreements (CBA) establish different working hours for the insurance sector in each country. The working week varies from 35 hours in Spain and France to 42.5 in Israel. The average working week is 38 hours. In France, the law sets a 35-hour working week but workers can choose from different weekly working hours that go from 35 hours and 50 minutes to 38 hours and 50 minutes, and any extra hours worked can be offset as paid time off.
- Employees are entitled to be absent from work as established by law, CBA and company-based agreements. The treatment offered by most Group companies – though differences exist depending on the country – is generally more favourable than minimum requirements established by law and CBA for certain types of absences, such as those related to marriage, family bereavement, maternity, paternity, sickness and children's birthdays, medical appointments and treatments, study purposes, providing care for disabled family members and donating blood.
- Generally, the absenteeism rate remains virtually unchanged. In all countries, paid days off account for most absences (25 days on average per employee), especially in Austria and Germany. In Italy, the increase in the number of days off is attributable to a Management policy encouraging employees to use up their paid days off.
- Absences for maternity leave mirror the proportion of women in the workforce and are therefore higher in Israel, where women account for 70% of employees. The absenteeism rate for maternity leave is also influenced by relevant national legislation, which establishes different maternity leave periods (between 14 weeks in Switzerland and Germany and 22 in Spain). In Austria, no such absences are reported as women on maternity leave are not included in the workforce.

The workplace

In Italy, all Group companies have a department that handles issues relating to risk prevention and health and safety in the workplace, in compliance with Legislative Decree no. 626/94 as amended. Similarly, companies in other countries of the Sustainability Report area comply with existing national legislation on health and safety.

In all Group companies, workers are informed of regulations and initiatives relating to health and safety by means of brochures, pamphlets, dedicated display cases and the Intranet. In Italy, a “Safety Portal” is being developed on the corporate website, which will not only enable the Company to act in accordance with existing communication and training regulations, but also to promote a culture of prevention, health and safety among all employees.

All Group companies have arranged their premises in consideration of their workers’ health and safety, making working conditions more comfortable while increasing the efficiency and reliability of the man-machine systems. To this end, the advice of ergonomic experts was sought.

In France, a health department was created with a ten-strong team, including two doctors and five nurses. Its purpose is to monitor employees and implement preventive health measures. In particular, the department was involved in the construction of the Saint-Denis premises, based on available modern standards and concepts to create a welcoming environment while ensuring staff comfort.

A similar department was set up within Europ Assistance in Spain. Here, health and safety staff and external experts meet on a half-yearly basis, to identify potential improvements that can be made in the workplace.

The Spanish Group entered an agreement with a temporary work company in 2005 for the provision of services to support disabled employees and their families.

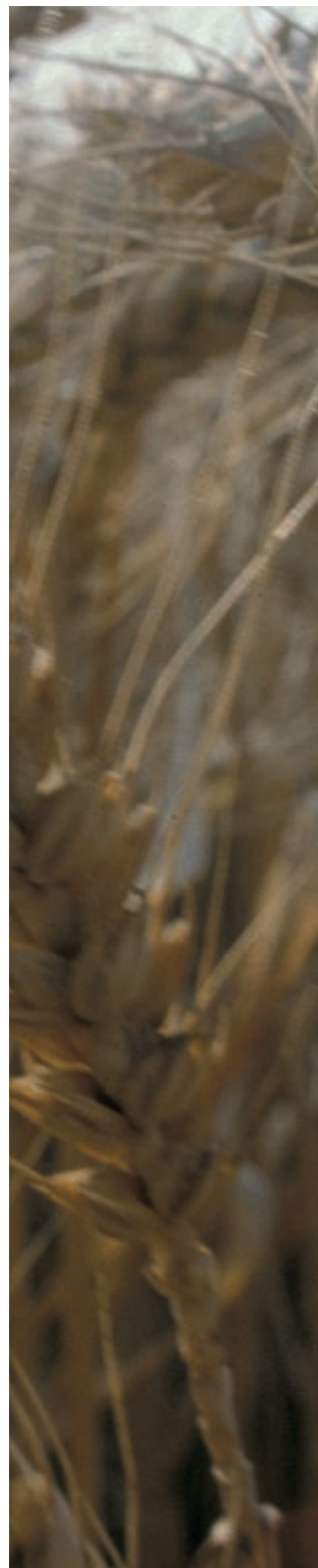
In Austria, a doctor comes to the workplace every week to provide information and assistance to employees.


In Switzerland, a system has been implemented to help members of staff with health problems, drawing also on external consultants.

In Italy, the largest Group companies in Rome have an agreement for emergency healthcare management with Medital, of the Europ Assistance Italia Group.

In some countries, such as Austria, France and Italy, the company canteen provides specifically designed menus to ensure correct calorie control and a healthy diet. Special menus are available upon request for people with special dietary needs.

In Italy, smoking has been banned in all Group companies since 10 January 2005, in accordance with art. 51 of Italian Law no. 3 of 16 January 2003. It has also been banned in Spanish Group companies since 2006.





The issue is carefully considered in other countries, too; particularly:

- in France, smoking is forbidden in offices and work areas, but special smoking areas are provided;
- in Austria and Germany, smokers and non-smokers work in separate rooms and, where this is not possible, smoking is forbidden to protect the health of non-smokers;
- in Switzerland, regulations exist to protect the health of non-smoking members of staff.

In all countries, Group companies provide incentives and support to members of staff who want to quit smoking, offering special programmes coordinated by doctors, psychologists and other experts.

Human resources policies

Given the impact of business diversification and expansion into several foreign countries, alongside the complexity, the continuous evolution and the increasing competitiveness of the insurance markets, the Generali Group needs to employ competent, dedicated men and women who can engage in a dynamic, international environment. Hence, in considering positions of responsibility, the Group is increasingly inclined to trust talented young people who are open to change and eager to advance their careers.

The Parent Company has established a series of policies to promote fairness and impartiality in the **recruiting and employment** of staff. As a general rule, candidates for vacant positions are primarily sought within the Group itself. Staff members can apply through job-posting, or human resource offices may headhunt the candidates themselves. If it is necessary to look outside the Group, applicants are considered who have contacted the company by post or through the company website, as well as candidates nominated by universities or specialist, post graduate institutes. In some countries, employment agencies are contacted and positions are advertised in the press and on insurance and financial websites, especially where management positions or business experts are concerned.

Candidates are evaluated based on the job position available, the work environment and potential for growth. Suitable candidates have a good university degree and/or consolidated experience in the sector and good knowledge of at least one foreign language. A master's degree is the preferred qualification for top positions.

Some Group companies require applicants to complete aptitude and psychological tests to assess their skills and potential.

The Generali Group's **remuneration and motivation policies** aim to ensure equity and balance of pay levels in relation to positions and responsibility.

Group-wide, salaries for non-management positions are closely linked to Collective Bargaining Agreements (CBA), though each company offers short-term incentive programmes to enhance its own specific features and organisational model.

The salary of Company directors and part of the management is calculated using the “Hay method”, based on internal equity needs and on comparison with the market as a whole. This method establishes potential salary brackets that offer some room for discretion in rewarding individual dedication.

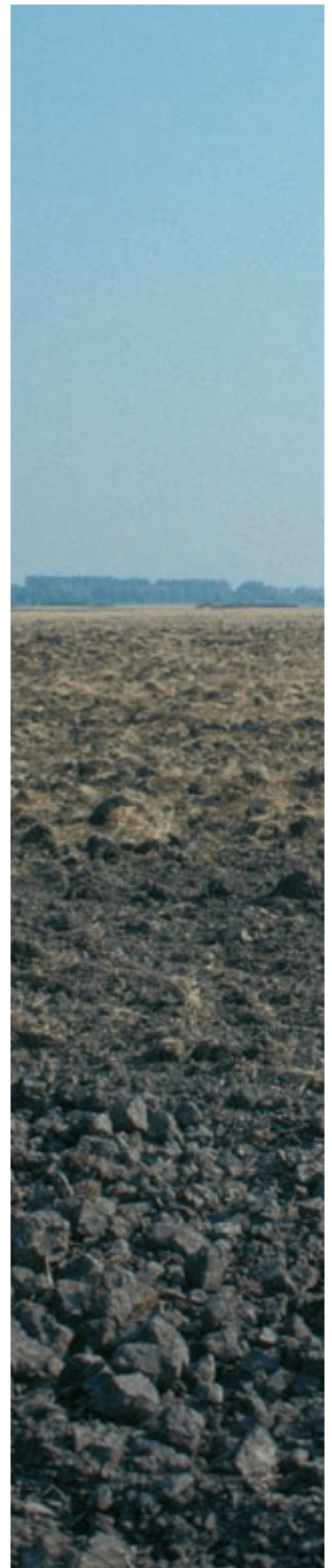
In line with performance- and competence-related evaluation policies, managers express a periodical evaluation of the results achieved by employees using the following parameters: work performance (in terms of quality and quantity output, dedication, punctuality and behaviour); development of knowledge and skills; professional development, including comments and suggestions to identify professional goals and future training opportunities.

In 2004, the Generali Group introduced the “Balanced Scorecard method” that helps managers to translate strategies into action and concrete results. This method – which involves the assignment of personal objectives to managers – is aimed at rewarding individual performance while aligning it to the Group’s strategic objectives. Individual objectives fall under four key criteria (economic-financial, customer-related, internal process-related and training/growth-related) all interlinked by a cause and effect chain which, beginning with training opportunities, leads back to financial prospects.

The Generali Group has implemented other projects to attain a comprehensive competence evaluation, including:

- the “Skill Project”, which aims to pinpoint and develop personal core skills, namely: managerial (defined at Group level for managers), business (specific for corporate business) and technical skills (concerning the processes, tools, markets and products and specific for each job profile). The results will be used to create team and personal growth programmes. In 2005, the “Skill Project” was implemented by several Group companies and coordinated with other training and internal communication initiatives that fostered individual commitment to the project goals;
- the “Job Description Project” was devised in 2004 and implemented by Assitalia in 2005. Its purpose is to help manage internal mobility and professional growth by identifying, describing and evaluating roles. This will facilitate the forthcoming introduction of variable salary mechanisms linked to “Management by Objectives” (MBO) systems to enhance individual contributions to the achievement of company objectives;
- the “Comprehensive Behaviour Analysis”, implemented by Intesa Vita in 2005 to favour management development (by monitoring behaviours) and to create the necessary conditions for a connection with the current evaluation system. This method also involves a training programme based on topics such as: result orientation, personal effectiveness, openness to change, problem-solving and coaching techniques (methods employed to develop problem-solving skills and to manage individual and staff’s skills and talents).

In France, companies evaluate their members of staff drawing on methods laid down by the CBA for the insurance industry. The agreement requires every member of staff to be classified in one of seven salary levels. This is done by means of annual interviews and based





on five criteria: training and experience, problem identification and solving ability, interpersonal skills, autonomy and significance of the contribution made.

The Group has devised an **incentives** programme for managers and employees to stimulate the achievement of short- and long-term goals.

On 24 March 2005, the Assicurazioni Generali Board of Directors launched a stock option plan – subsequently approved by the Shareholders’ Meeting – to give Group employees in Italy and abroad the right to purchase shares in the Parent Company in 2005, 2006 and 2007.

The long-term incentives plan aims to involve a limited number of managers in directly fostering the growth of the Generali Group value. The plan is, indeed, aimed at the following categories: in Italy, those managers who hold “key” positions in terms of strategic importance and impact on corporate results; abroad, area managers and the top management of leading companies considered in the long term incentives plan. The plan’s objectives include directing management attention towards achievements that ensure strategic development in the medium and long term, as well as loyalty among Group managers.

For the three-year period 2005-2007, 7 million shares were made available under the stock option plan. It is the task of the Board of Directors – following a proposal from the Managing Director responsible for human resources – to establish yearly performance objectives to be achieved for the person to be granted the shares. The Board of Directors is also responsible for ensuring that these objectives are attained.

In Germany, some companies have implemented distribution plans that make shares available to all employees to foster participation and loyalty of members of staff.

The salary package of the Group companies includes a number of **benefits**; this is believed to be an important factor for encouraging the active participation of employees and other members of staff. Four benefit categories can be identified:

1. Supplementary retirement schemes – The implementation of the first supplementary retirement scheme for employees dates much earlier than legal provisions concerning pension funds. In line with current regulations, all Group employees who have worked for the company for a set period of time (generally at least six months) can take advantage of a supplementary retirement scheme, usually consisting of local pension funds financed partly by the company and partly by employees. Members of staff who subscribe to the fund will be entitled to receive the guaranteed benefits – in the form of a lump sum, an income or a combination of the two – upon retirement.
2. Healthcare – The Group has set up a series of insurance tools to provide its members of staff access to quality healthcare at no or very low cost.

In Italy, the Healthcare Fund bears the cost of a number of insurance benefits for employees who have worked for the Group for a period of at least twelve months. The policies provide coverage for: accidents in the workplace, hospital admissions due to illness, accidents, surgery or childbirth; life and permanent disability during the work period; major surgery. In addition to covering hospital admission and surgery costs, the latter policy also refunds the costs incurred for diagnostic tests, examinations, drugs, medical and nursing services, physiotherapy and post-surgery therapy.

The healthcare coverage extended to employees and dependent family members is particularly significant, reimbursing costs for orthodontic care, consultant visits and diagnostic tests, healthcare and specialist outpatient services prescribed by a consultant and cancer treatment.

In France and Switzerland as well, employees benefit from additional healthcare coverage paid for by their company, while in Spain such benefits are reserved solely for managers.

3. Other benefits for members of staff and their families – Other benefits, some extended to family members, depend on the company and salary level. In general, employees enjoy discounts and/or more favourable contractual conditions for numerous types of life and non-life policies and can obtain concessional loans from Group or partner companies to buy, renovate or build their own homes or to purchase a vehicle. Depending on the company they work for and the country they live in, employees may also be entitled to benefits such as canteen or luncheon vouchers, free tax assistance, study grants for children and reimbursement for relocation costs. To improve language skills, many companies offer their employees subsidised language courses.

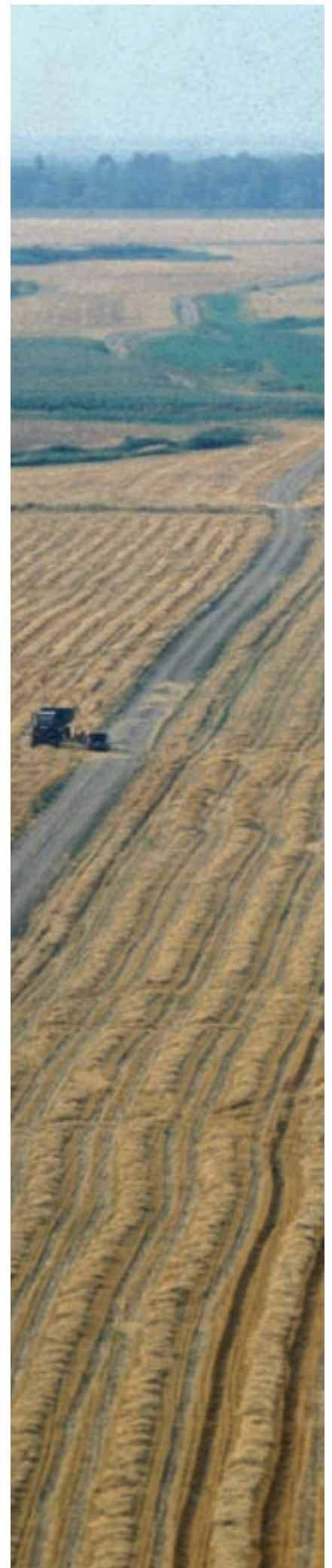
In 2005, as an initial outcome of the 2004 survey to assess non-insurance benefits for Group members of staff, company cars were provided to all managers.

In Switzerland, to help members of staff with small children combine work and family, an internal nursery for small children was set up at the Adliswill settlement and a similar one is expected to open in Nyon in 2007.

In France, upon the relocation to Saint-Denis, numerous initiatives were implemented to ensure that employees settled comfortably into the new office. In addition to contributing to relocation costs and offering subsidised loans for the purchase of a new car, the Group implemented several services and recreational activities as part of the “Bien être” programme, and appointed a specialist company to oversee them.

To foster loyalty among employees, German companies pay out one-off cash sums and award additional paid days off on reaching a certain number of years in the company (25, 40, 50 years), in addition to awarding extra monthly allowance after 10 years of service. In Italy employees are also rewarded after 20 or more years of service.

The Parent Company also supports the Gruppo Lavoratori Anziani d’Azienda (Senior Company Staff Group), including approximately





2,500 retired members of staff and widows of former employees and 1,200 employees with over 20 years' seniority. The main objective of this project is to maintain relations with retired colleagues through cultural events and trips. The annual Seniors' Party – a key event in this respect – is also attended by the company Top Management. Assistance is also made available to seniors who find themselves in need. Every year, the Company provides direct funding, but also insurance, healthcare and assistance coverage.

In Germany and Spain, Christmas parties are organised and gifts are presented to former members of staff to thank them for their dedication.

4. Social and cultural activities – The Group is also aware of the recreational, sports and cultural needs of its members of staff.

In Italy, Assicurazioni Generali and Alleanza Assicurazioni make contributions to support the respective Company Staff Recreational Groups (CRAL) for sports, recreation and educational purposes (study grants for employees' children). Among the various programmes and initiatives promoted in 2005, Assicurazioni Generali celebrated the 50th anniversary of Trieste's return to Italy and an important photographic exhibition entitled "Trieste Fotografia" was hosted by the Circolo Generali.

In December, the Parent Company's CRAL organises the Children's Party, where gifts are given to the children of employees. A section of the HR Italia Portal was dedicated to the CRALs of the major Italian settlement to give their initiatives a greater visibility. For 2006, a project will be launched to enhance the presence and involvement of younger members of staff in CRAL initiatives.

In France, the Group funds social and cultural activities, trips and fitness, contributing 1.8% of outlay. In particular, an association has been created in Saint-Denis that allows employees to enjoy numerous sports and cultural activities such as swimming, tennis, horse-riding, football, choral singing, chess, visits to exhibitions and so on. In collaboration with the Université de Tous les Savoirs, the Group has also founded a club that gives employees access to conferences with top speakers from the fields of economics and social sciences and from universities.

In Germany, Central Krankenversicherung supports two company groups involved in tennis and jogging, organising competitions and other events on a company level.

In Israel, the Group occasionally organises holidays, cultural and leisure events for employees and their families.

Labour/management relations

In June 2005, an agreement was signed in Italy with the trade unions (TU) for the implementation in all Group companies of the Collective Bargaining Agreement for the insurance sector. The document draws on and substantially corroborates the framework rules established by the Group trade union agreement reached in 2000 and subsequently renewed, which aim to establish information, procedure and treatment standards to be met in company integration projects.

On a strictly contractual level, complex negotiations were conducted in 2005 with the Generali Group's TU representatives, which led to the signing of the Group's Supplementary Company Agreement on 3 March 2006. The new contract will be applied not only to Assicurazioni Generali employees, but also to members of staff of Generali Vita, GGL, GSA, GSI, INA, Assitalia, FATA, Consorzio INA/Assitalia di Roma, La Venezia Assicurazioni, Risparmio Assicurazioni, SIA and Datel. As far as the latter is concerned, special rules have been established for call centre staff.

The new agreement is a very important step towards equality in supplementary benefits for employees and a move to streamline related management/administration aspects.

Lastly, on the same day Assicurazioni Generali and its TU representatives signed a profit-sharing agreement to replace the one that expired in 2005.

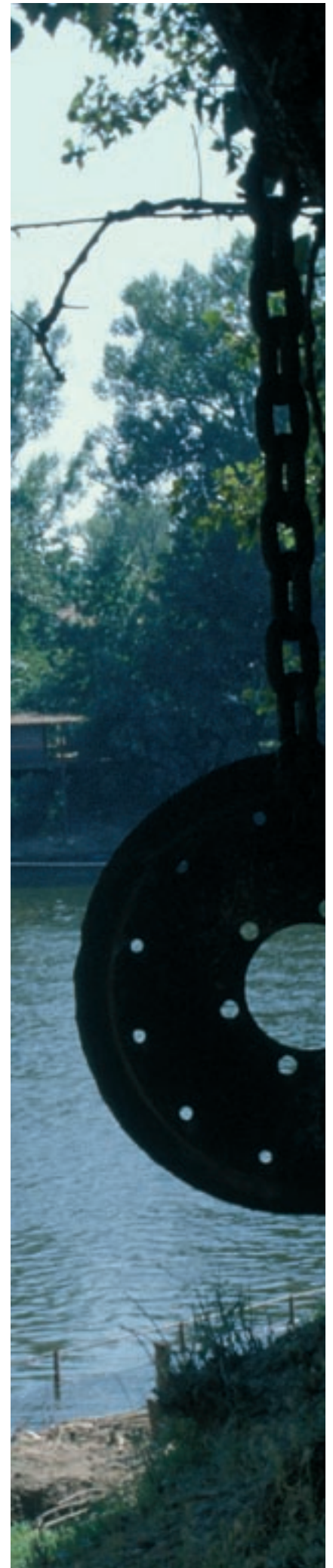
In France, an agreement signed in 2004 between management and the trade unions came into effect in 2005. Its aim is to implement a policy for the creation of a consistent and supportive group and to harmonise salaries by level.

A new Collective Bargaining Agreement was reached in Spain in October 2005, devised to make work conditions and salaries consistent in all Spanish Group companies.

In Austria and Germany there is generally no direct contact between companies and the trade unions. Negotiations for the Collective Bargaining Agreement are conducted through national federations of insurance companies.

The Parent Company's Group Trade Union Relations Department is in charge, among other things, of managing relations with the **European Works Council (EWC)** and overseeing its functioning. The purpose of the EWC is to represent workers. It was created within the Group in 1997 pursuant to a European directive and its members include delegates from those EU countries where the Group has at least 50 employees.

Under this agreement, the Parent Company accepts to inform and consult the EWC representatives – on the occasion of restricted or plenary annual meetings – on Group activities, operations and strategies, as well as on any social, union and employment repercussions at an international level. The Council also provides an ideal forum where councillors and worker representatives can try to find a common language (a process favoured by specific training of councillors) to achieve a sense of belonging to the Group.



The Central Head Office presented a “European Social Charter on the Generali Group” to a Restricted Committee of the EWC in early 2006, which explicitly lays down the principles to be adhered to by all European Group companies, concerning:

- the respect of basic fundamental rights of members of staff;
- the promotion of social dialogue between management and workers’ representatives;
- the research for the best management, protection and enhancement strategies for human resources;
- the respect of trade union rights and workers’ representation.

In the short term, the Parent Company intends to share the document with the various area managers and to welcome any suggestions put forward by the restricted Committee, aiming to spread and apply the “Social Charter” to all Group companies in Europe.

The **trade union membership ratio** for employees in the Sustainability Report area is not indicated as information is only available for Italy and Spain. In France, in particular, legislation prevents employers from asking their employees for information on trade union membership. By contrast, German companies cannot provide this information as they have no direct contact with trade unions and membership is only obtained through external channels. A similar scenario holds also for Austria.

Disputes

	NUMBER OF DISPUTES		VALUE OF DISPUTES*		NUMBER OF DISPUTES PER 1000 EMPLOYEES
	2004	2005	2004	2005	
ITALY	251	229	43,813	37,674	19.35
AUSTRIA	0	0	0	0	0.00
FRANCE	29	55	3,000	2,322	6.93
GERMANY	236	232	378	462	13.16
ISRAEL	n.a.	n.a.	n.a.	n.a.	
SPAIN	7	9	318	161	3.61
SWITZERLAND	4	6	78	113	2.84
TOTAL	527	531	47,587	40,731	10.96

*VALUES IN THOUSANDS OF EUROS

- The number of labour disputes remained virtually stable between 2004 and 2005, despite a decrease in Italy and an increase in France.
- In general, and particularly in Italy and France, the overall value of the disputes (calculated on the basis of claims made by the opposing party) fell.

LABOUR DISPUTES
(SUSTAINABILITY REPORT AREA;
2004-2005)



Training

The Generali Group recognises human resources as the key to achieving its business objectives and increasing company value. It is the Group's task to provide employees with the necessary support and tools to expand their knowledge and improve relations with colleagues, while acknowledging the valuable contribution made by each member of staff to the company's success. To this end, the Group is working to consolidate its image and its fame as one of the best employers worldwide.

It is, therefore, increasingly necessary to integrate traditional human resources management schemes with innovative instruments fostering a systemic vision of business and the market, promoting widespread leadership, developing individual skills and enhancing the Company's overall professional level.

To make this vision a reality, the **Generali Group Innovation Academy** was created in October 2004, whose purpose is to organise training programmes for all Group companies in Italy and to coordinate the activity of similar training centres in other European countries, Israel and China, also through two training and development committees, namely the Comitato Formazione e Sviluppo Italia and International Training and Development Committee.

The objectives of the Generali Group Innovation Academy are:

- to guarantee better support for defining and communicating Group strategies and policies;
- to support cultural change promoted in recent years by the Group, generating and transmitting elements of identity and a feeling of belonging, in addition to a strong leaning towards business objectives (One Company);
- to develop and update staff knowledge and skills, maximising the return on investment for training in accordance with business needs;
- to create a space where the most relevant experiences of individual Group companies can be shared, both in Italy and abroad;
- to generate knowledge and promote a culture of innovation through continual ties with the national and international academic and business world;
- to develop and manage know-how assets, which are translated into competitiveness and business value through innovation processes.

An Advisory Board has been set up – including the Group Top Management as well as eminent Italian and international academic and business personalities – to help the Generali Group Innovation Academy interpret the Group's training needs according to competition and corporate strategy.

In 2005, the Generali Group Innovation Academy created a Training and Development Framework to adjust training investments to the Group's objectives and strategies. The training programmes carried out during the year were in line with the following Framework guidelines:

1. Strategic alignment – Underlying all initiatives aimed at strategic alignment and involving participants from the entire Group nationally and internationally are a broader vision and a better understanding of global issues, their interrelations and local implications.





Two new international initiatives were launched to this end in 2005: “Generali Executive Forum” and “Ulysses Programme”. The former consists of a series of meetings where Group managers and top managers can discuss – among themselves and with global leaders and experts – strategic issues and analyse current trends to decide on the best approach to change. The “Ulysses Programme”, on the other hand, is a modular programme for managers and middle managers. The programme consists of a study group of about twenty people who analyse various contexts and markets to deal with global competition. Their method follows a learning journey based on concrete experience and input from experts in a number of areas from different parts of the world.

“Being a Leader” is, instead, a training project for Italian managers aimed at developing and spreading a leadership culture where managers become a model of behaviour in the process of change. The objective of the course is to spread a management model providing a flexible and competitive response to the challenges brought about by a changeable and complex scenario. The initiative also favours the creation of a network of know-how and mutual support among Group managers to improve employee satisfaction, teamwork and development of the individual. The course, started in September 2005, will continue through 2006 and will involve around 250 people from all levels of management.

Among the Group’s new initiatives, the “Welcome Programme” is also worth mentioning. This integration scheme for new employees will involve approximately 250 members of staff in 2006. Providing knowledge about the Group and the markets in which it is active and investigating the main aspects of corporate business, the course aims to enable all participants to place themselves and their area of activity within a global Company vision, and to highlight the contribution each one can make to the value of the company.

The training activities already begun in previous years include the “Managing for Value” course, which has just come to an end. Its goal was to raise the participants’ awareness of the need for a management oriented towards the generation of value and to convey “Value Based Management” concepts and methods, applying them to insurance business and particularly to the Generali Group. Approximately 250 people took part in the programme.

2. Development of professional skills – In a business where personal qualities do make the difference, the development of individual and professional characteristics is fundamental to ensure that all members of staff are able to carry out their tasks as effectively as possible.

A seminar for manager assistants has been organised with the purpose of developing skills and knowledge. In 2005, 25 female members of staff attended the seminar; in 2006, a similar, updated seminar will be organised.

In compliance with training requirements, the Generali Group Innovation Academy has set up an e-learning course providing examples and exercises to integrate and clarify the principles and regulations applied by the Ethical Code. In 2005, about 250 Italian Group

managers attended the course and the programme will be extended to all other employees of Italian companies in 2006.

Study and refresher foreign language courses have been continued in small-group and individual classes.

3. Development of managerial skills – Within the framework of an organisation that is continually evolving and increasingly focussed on efficiency, profitability and the management of resources, managerial roles need to be redefined, and the creation and growth of a new, international, dynamic and flexible management has to be promoted, capable of taking on growing responsibility at different levels of the organisation.

In this context, the Generali Group Innovation Academy has defined a list of specific training initiatives – under the “Skill Project” – for each managerial skill, which will be used to identify individual advancement plans.

Following is a short description of **other training activities** carried out by Generali Group companies in 2005.

In Italy, most companies were dedicated to implementing the “Skill Project” in 2005. Genertel was an exception, choosing to focus on corporate values through a project described in the section of this chapter on dialogue with employees, as was FATA, which created the Organisation Manual, based on internal communication oriented towards the sharing of institutional information. The document contains organisation charts, functions and processes – shared and participated in –, thus providing clarity with regard to the company’s work, responsibilities and internal regulations.

In Germany in 2005, the AMB Generali group launched the “LEAD Management Development Programme” for its managers, to develop the capacity to promote and lead change in a number of business areas, also drawing on other experiences. The programme focusses on significant issues for the group, for example customer importance, brand name management, operating business models, leadership and change. An initial stage entailing analysis of scientific production on the subject and contact between participants and the academic world was followed by visits to a number of companies in the United States specialising in technology, which, in recent years, have successfully implemented momentous changes. Participants then went on to analyse the significance of these changes to the AMB Generali Group and discussed what they had learned with Company Heads.

In France in 2005, more than 1,000 employees were involved in training programmes. In particular, the training programme for managers launched in 2004 to favour the development of a common managerial culture was organised. A training scheme was developed, which is expected to involve all French managers in 2005 through 2007, devised around the five elements that outline what “Being a Generali manager” means: extending the strategic vision to daily business, attaining the expected results by leading the business, bringing about and promoting change, orienting one’s own structure and team towards customer satisfaction, mobilising the team.

The need was highlighted for Assurance France Generali to improve the management of the telephone calls for better relationship with





the customers and, subsequently, a “Phone Welcoming” course was set up. More than 250 members of staff have been trained in different telephone services.

In Spain, the main activities developed in 2005 revolved around the creation of a Group education plan that involved all Spanish companies, monitoring the system and e-learning through pilot projects focussing on products, languages and information technology, implementing a common system of English language study that combines lessons in the classroom and e-learning.

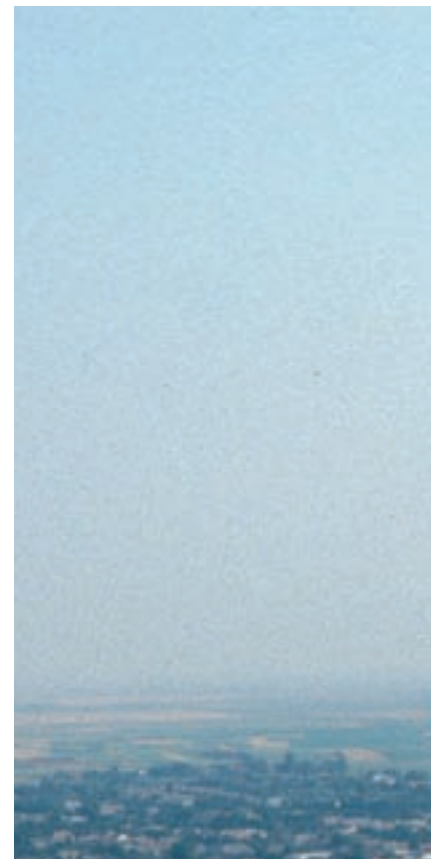
In Austria, the Human Resources Department defines centralised development strategies and pursues the alignment of strategies of locally-developed programmes. It is also responsible for identifying the individual potential and definition of growth curves for members of staff. The “Generali Akademie” provides training to managers and top managers, offering them the chance to reflect on and discuss new managerial and leadership approaches in a structured programme lasting 22 days, or in strategic conversations lasting 6 hours. The initiatives set up for middle managers and employees – such as technical, business, communication and basic insurance training – are defined at a regional level.

Adoption of indicators of the American Society of Training and Development (ASTD)

In 2005, the Generali Group adopted some of the American Society of Training and Development's performance indicators. The latter is the largest and most important international organisation of professionals in terms of human resources management and creation of intangible value.

The series of indicators identified by the ASTD Forum and developed within the framework of the "Workplace Learning and Performance Scorecard (WLP Scorecard)", provides companies worldwide with a benchmark to measure their investments in training and development in a manner that is comparable over time and with operators in other business sectors. More than 300 companies use the benchmark services provided by the "ASTD Benchmarking Forum", which includes leading international companies such as IBM, Barclays Bank, Boeing, SAP, Honda and American Express. The Generali Group joined the Forum in 2006.

While introducing the ASTD system, the Generali Group chose to apply only four of the main indicators used in the WLP Scorecard to calculate and account for investment in training and development.



	AVERAGE ANNUAL EXPENDITURE PER EMPLOYEE*		HOURS OF FORMAL LEARNING RECEIVED PER EMPLOYEE		INVESTMENTS IN TRAINING/SALARIES		AVERAGE COST PER LEARNING HOUR RECEIVED*	
	2004	2005	2004	2005	2004	2005	2004	2005
ITALY	523.1	707.8	16.9	17.7	1.04%	1.36%	30.9	40.0
AUSTRIA	862.0	872.0	35.0	55.0	1.44%	1.43%	23.8	15.9
FRANCE	810.0	601.0	21.0	19.0	2.23%	1.64%	38.0	31.0
GERMANY	919.3	978.2	27.3	36.0	2.10%	2.20%	33.6	27.2
ISRAEL	705.2	623.9	n.a.	n.a.	3.61%	3.09%	n.a.	n.a.
SPAIN	337.0	307.0	18.2	15.0	0.88%	0.78%	18.5	20.4
SWITZERLAND	1,111.6	1,094.0	29.0	27.0	2.19%	2.08%	38.3	40.5

*VALUES IN EUROS

- The heterogeneous nature of the data on training and development investments in the various countries reflects the different conditions of each market offering training and consultancy services. It is also an example of different business-related priorities, leading to variable balances between the need for professional and managerial training and, consequently, a different relationship between internal teachers and consultants and external facilitators.

↑ TRAINING ACTIVITY INDICATORS BY COUNTRY (SUSTAINABILITY REPORT AREA; 2004-2005)





Dialogue with members of staff

Regular surveys are carried out in almost all countries to evaluate **employee satisfaction**.

After the first Italian survey on employee satisfaction – the so-called “Progetto Ascoltiamoci”, implemented in 2005 and involving over 2,900 employees of Assicurazioni Generali, Generali Vita, Genertel, La Venezia Assicurazioni and GSI –, the investigation was extended in spring 2006 to members of staff of INA-Assitalia, Alleanza Assicurazioni, Intesa Vita, FATA, Banca Generali, GGL and GAM to encompass an additional 3,600 people or so. Again, the survey was conducted via the Intranet by an external consultancy company to ensure the confidentiality of responses. The participation rate rose from the already satisfactory 54% (first edition) to 70%.

The analysis focussed on the issues that are mostly significant for the evolution of Generali’s professional model: strategic alignment, innovation, communication, leadership, teamwork and human resource policies. The responses confirmed the very positive evaluation of staff commitment that emerged from the first survey, highlighting the pride of working in the Company and a strong sense of belonging to the Generali Group, witnessed by the wish to remain loyal to the Company even where other work opportunities exist. A good understanding of company strategy and objectives is also evident, as well as awareness of participating in a period of change.

The survey results underscored the need to continue working on issues related to performance evaluation systems and their relationship to pay. The need is also strongly felt to make increasing investments in training and individual development tools.

With the purpose of monitoring the effectiveness of actions and make all necessary adjustments, a decision was made to repeat the survey in all Group companies participating in the project in early 2008.

In Austria, employee satisfaction surveys are carried out on a two-yearly basis. The last one was carried out in 2004, when employees were asked to express their opinion about: information/communication, leadership, process management, company image, health and safety in the workplace and customer relations. An important result of the survey was the optimisation of cooperation between the functions involved in product innovation, which was updated. The survey to be conducted in 2006 on similar issues to the previous one will also be extended to Group staff in Central and Eastern Europe.

For the first time in 2005, the annual survey for staff and development tools evaluation was conducted on-line, an initiative that proved successful among employees.

In France, dialogue is particularly well-developed: an on-line questionnaire was sent to all members of staff with the aim of assessing opinions on their professional life and, therefore, improving their level of satisfaction. Particular attention is paid to internal communication and interviews are carried out to analyse strengths and potential improvements that can be made to means of communication (newsletters, the Intranet, the Internet, meetings).

In Germany, some companies organise individual interviews on a one-to-three-yearly basis to identify opportunities for career promotion. Since 2004, AMB-Generali has carried out annual employee satisfaction surveys to determine the general levels of satisfaction among company staff, their opportunities to combine work and family, motivation coming from their work environment and so on.

In Switzerland, employee satisfaction was investigated among 170 employees, who answered 65 questions about the workplace, collaboration between members of staff, relations with management and the state of well-being within the workplace. The survey results were, on the whole, positive; however, some proposals for improvement will be put forward in agreement with members of staff.

In Italy, in 2005, Genertel organised a **focus group** comprising representatives from different areas and offices, who shared their career experience and the values relating to personal and corporate growth. Subsequently, five “Genertel Values” have been identified: sense of responsibility, orientation to service, flexibility, ability to integrate, personal confidence.

At Europ Assistance France, the lunch break is the appointed time for the weekly focus group between personnel and management aiming to optimise communication and information.

Other forms of dialogue implemented within Group companies include, in Germany, periodic meetings between groups of managers, employees and Top Managers. Also in France, managers and middle managers are invited to participate in a yearly meeting where achieved results and future objectives are illustrated. Successively, similar meetings are organised by the various companies for their employees.

Again in France, a number of conferences are scheduled at the Group’s premises to examine sponsorship programmes for members of staff and for people outside the Group who are somehow involved in individual projects. In order to spread Generali values and Ethical Code and to illustrate the new corporate organisation of the French Group, over the year all members of staff have been given a special publication called “Cap vers de nouveaux horizons”.





2006 Objectives

- The process of standardising internal pay policies within Group companies will continue. To this end, the MBO policy will also be extended to the management of Italian companies where it is not yet applied.
- As far as training is concerned, additional ASTD indicators will be adopted to establish a benchmark for comparison with other companies.
- A “Safety Portal” will be implemented.
- Employee satisfaction surveys will be carried out.
- In Austria, the performance management system will be redefined to strengthen the link between business and individual objectives, supported by suitable financial incentives within the framework of the variable salary system for managers at various levels.
- In Italy, the “Being a Leader” programme will be extended to over 1,000 middle managers and a training programme will be launched for over 5,000 employees.

AGENTS AND OTHER NETWORKS

Agency networks

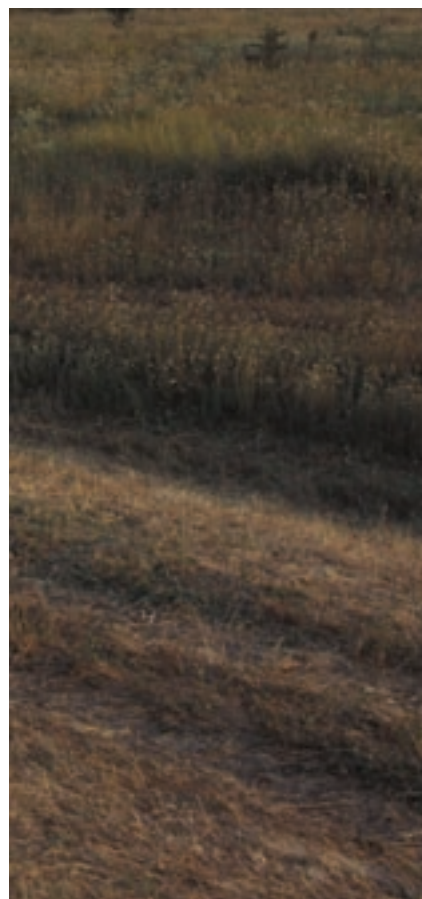
Agency networks play a primary role in the Group's multi-channel commercial structure. They consist mainly of **contracting agencies**, managed by independent agents, who are granted the authority to manage and develop the Group's insurance portfolio in their exclusive, designated area. They are generally tied agents, who only sell Group products. Some companies, on the other hand, use their own agency network – the so-called **company agencies** – where the agent and members of staff are company employees. This organisation is typical of the Austrian Group and is also adopted by Alleanza Assicurazioni in Italy and Volksfürsorge in Germany. Assicurazioni Generali, too, alongside an extensive network of contracting agencies, has five company agencies – the so-called “gerenze” – which primarily serve corporate clients.

	<4 MILLIONS PER YEAR		4-6 MILLIONS PER YEAR		>6 MILLIONS PER YEAR		TOTAL	
	2004	2005	2004	2005	2004	2005	2004	2005
ITALY	446	447	394	390	551	557	1,391	1,394
AUSTRIA	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	130	129
FRANCE	1,153	892	23	24	11	11	1,187	927
GERMANY	3,889	3,831	2	2	1	3	3,892	3,836
ISRAEL	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
SPAIN	3,068	3,263	16	14	59	62	3,143	3,339
SWITZERLAND	0	0	9	9	53	53	62	62
TOTAL	8,556	8,433	444	439	675	686	9,805	9,687



← AGENCIES BY PREMIUM BRACKET (SUSTAINABILITY REPORT AREA; 2004-2005)

- In 2005, the Sustainability Report area had 9,687 agencies, a slight decrease on the previous year. The number of agencies in Spain is increasing, whereas it is falling in France and Germany and remains stable in other countries.
- Most agencies (87%) belong to the premium bracket of less than four million euros per year.
- The number of small-sized agencies has generally fallen, in favour of new, more structured and better organised centres able to compete more effectively on the market and offer a more comprehensive service to clients. There are, nonetheless, countries like Spain where the agency network is in the process of becoming stronger and wider, and significant growth has been witnessed, particularly in terms of smaller units.
- Compared to other countries, Italian agencies are more evenly distributed, with a stronger presence (about 40%) in premium bracket of over six million euros per year. This is the predominant category in Switzerland, where none of the agencies have annual revenues lower than four million euros.



	<2 YEARS		2-10 YEARS		10-20 YEARS		>20 YEARS		TOTAL	
	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005
ITALY	15.4%	16.5%	38.6%	37.8%	28.7%	27.3%	17.4%	18.3%	2,205	2,231
AUSTRIA	56.2%	56.5%	34.1%	33.5%	4.3%	4.7%	5.4%	5.2%	185	191
FRANCE	25.0%	19.1%	31.4%	36.3%	27.0%	31.5%	16.7%	13.1%	1,314	1,118
GERMANY	33.1%	33.9%	38.3%	38.5%	17.0%	16.6%	11.5%	11.0%	3,892	3,836
ISRAEL	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	1,500	1,500
SPAIN	46.8%	45.9%	30.2%	30.9%	17.4%	16.8%	5.7%	6.3%	8,590	9,093
SWITZERLAND	21.6%	20.6%	48.3%	48.5%	21.6%	22.2%	8.6%	8.7%	584	573
TOTAL	37.0%	36.9%	33.9%	34.5%	19.5%	19.1%	9.5%	9.5%	18,270	18,542

AGENTS BY SENIORITY
OF SERVICE
(SUSTAINABILITY REPORT AREA;
2004-2005)



- Agents are the main points of reference of the agency network.
- The distribution of agents by seniority of service varies significantly in the different countries of the Sustainability Report area. In Italy and France in particular, the agents' average seniority of service is very high: approximately 45% of agents have been working with the Group for over ten years and 36-37% for over two years. In these countries, Generali can rely on a network of agents with great experience, who are very loyal and take pride in representing the Group.
- In Spain and Austria, the majority of agents are new to Generali. In Spain, this is attributable to the recent expansion of the Group's agency network that has significantly boosted the number of agents. In Austria, only a few years ago it was decided to add a certain number of agents – to be increased in the future – to the sales force on payroll and brokers, drawing in part from employed sellers.

As at 31 December 2005, the **sales force** in the Group's agency networks in the Sustainability Report area numbered approximately 145,750. In their pursuit of business, 18,542 agents have their own staff and define the latter's tasks and salary.

In Italy, in particular, agents dealing with large areas seek the collaboration of sub-agents, whose task is to manage the business – at their own risk and expense – in some zones within the area. At the end of 2005, the Group had 97,405 sub-agents, including **part-time** agents, who are especially numerous in Germany (about 90,000). Furthermore, there are 19,592 self-employed agency co-operators – typical of the Italian market – who generally find new clients on behalf of the agent and, as is the case with those collaborating with Alleanza Assicurazioni (over 13,000), collect premiums directly from the clients.

The sales force is completed by a 10,200-strong **sales force on payroll** who work for some Italian, German and French companies. These sellers are on the payroll of Group companies and work mainly in the retail segment, supported by an agency appointed by the Head Office.

In Italy, employed sellers working alongside the agency network are a typical feature of Assicurazioni Generali and Generali Vita. In Germany, on the other hand, they are quite common: all major Group companies have a sales force on payroll, especially Volksfürsorge. In France, on the other hand, GPA is the only Group company where employed sellers are the sole channel used for product distribution.

In all countries, each individual company has a specific managerial structure that defines business strategies for the coordination of the sales and agency network. Control, technical assistance and administrative support for networks are often provided through a complex macroarea structure (according to the subdivision of the territory), each led by an area manager.

Moreover, Assicurazioni Generali subdivides sales areas into inspection zones which are entrusted to a Management Inspector. The latter is responsible for directly managing agencies and employed sellers in the relevant area. Management Inspectors are entitled to adopt all the necessary measures to fully implement the Company's commercial policies, thereby assuming a key role in managing the sales network.

Sometimes, the various functions within the sales force may be career steps towards agency management, as is the case with Alleanza Assicurazioni agents. In Assicurazioni Generali and Generali Vita, too, there is a continual – and necessary – turnover of agents selected from the Company's ranks: all new agents are chosen among the employed sales force or among Management Inspectors following a suitable training period and after proving adequate sales and organisational skills.

In other cases, agents and employed sellers are recruited through a careful selection from candidates proposed by agents or specialist companies, or who have spontaneously sent in an application or responded to a job advertisement.

Other sales networks

Financial advisers are asset management experts generally operating within organised networks distributed in the territory and often belonging to captive companies, i.e. companies owned by the company or bank whose products are sold. Financial advisers channel asset management in the life line of business, their target clients being primarily individuals with medium-high income.

Group products are sold by approximately 48,500 financial advisers. This channel is particularly important in Germany, where the Group draws on the DVAG network and other minor networks, grouping almost 38,000 advisers. In Italy, Group companies – and particularly La Venezia Assicurazioni – use Banca Generali financial advisers. They numbered about 4,800 at the end of 2005, including 2,800 advisers working for Simgenia S.p.A., who are also part of the Group's agency networks. In Switzerland, a number of networks group about 3,200 advisers, dealing with 30% of the Group's life business. Lastly, in France, La Fédération Continentale life insurance company sells its policies through approximately 2,000 independent financial advisers.

Brokers and multi-firm agents (i.e. agents who hold a mandate to sell products on behalf of competitor companies) operate on the insurance market without any fixed ties to insurance companies. They adjust insurance contracts to the client's needs and have considerable contractual power with insurance companies. Brokers and multi-firm agents operate in all countries of the Sustainability Report area and





provide an important channel for acquiring new business, especially in Switzerland, Germany and Austria. In other countries, including Italy, their importance is limited to corporate clients.

In Italy, there are currently over 3,000 **bank counters** selling Generali insurance products, 2,593 of which belong to Banca Intesa, Generali's partner in the subsidiary Intesa Vita. Significant sales agreements have also been signed with the Credito Valtellinese Group and Cassa di Risparmio di Ravenna (470 counters in all), which sell policies on behalf of La Venezia Assicurazioni and Risparmio Assicurazioni. In Germany, the Group's main banking partner is Commerzbank, which sells Volksfürsorge products through its 800 branches. In addition to that, the Group has signed several distribution agreements with regional banks in the south-west of the country, with approximately 500 counters. The bancassurance company Cajamar Vida was set up in Spain in 2005, a joint subsidiary of Generali España and the Cajamar credit institute, with a network of over 750 counters. In France, La Fédération Continentale has a number of distribution agreements with major banks.

Training

As contact with consumers is generally handled by the agency network, the need for quality training of sellers is apparent. By providing its agents with highly specialist training and constant update, the Group aims to develop the potential – and therefore the value – of the network, thus ensuring that the clients' expectations are met.

Specific structures and training programmes exist, that strive to meet the needs of agents, sub-agents, sales force on payroll and financial advisers. Courses go beyond products and services offered by the Group and Group companies, including such subjects as sales techniques, psychology of sales, and agency management skills.

The sales force welcomes the Group's training efforts and values this opportunity for professional growth, repaying the Company with a high level of loyalty, as is shown in the seniority table above. This has positive repercussions on the efficiency of the productive organisation, and on the network intrinsic value.

In Italy in 2005, training for the sales network aimed at responding to growing needs in terms of expertise, transparency and customer service, through modular courses with various contents and targeted at different audiences. Comprehensive training was provided to agents, employed sellers and agency staff on the issues dealt with by ISVAP 551 Circular on transparency and suitability of asset management and insurance products.

Training for new agents was also developed and extended to include agency accounting and human resources management. Training support for preparing the examination for admission to the Public Register of Financial Advisers also continued, with a view to increasing the skills of agents, employed sellers and sub-agents to create a sales network capable of providing qualified consultancy services in the field of asset management.

In France in 2005, the “Galileo” e-learning tool has become increasingly widespread, implemented also in newly-acquired Group companies. The objective of the course is to introduce the new products to agents, brokers and their members of staff, and to all Group employees involved in the sales process.

The programme is provided through a special platform that allows each participant to be followed individually, and results have proven very satisfactory.

Dialogue with the sales networks

In all countries of the Sustainability Report area, there is a constant exchange of information between agents and the sales force on payroll. This is aimed at sharing budgets and annual business reports, and at examining and tackling recurrent operational problems. Several meetings are also held to present new products, as well as sales and marketing initiatives. The Management meets agent representatives on an annual basis to report on the year’s business, set new objectives and discuss organisational matters. Furthermore, these annual meetings provide an opportunity for the company Top Management to award the best agents/sellers, thus fostering team spirit and a sense of belonging.

In Italy, a group of Assistant Management Inspectors was set up to help agencies organise their business activity, following the requests put forward by the sales network during the 2004 road show and related meetings.

In Austria, numerous focus groups have been set up with the participation of some brokers who, as already mentioned, make up the primary distribution channel for Group insurance products. The aim is to analyse brokers’ expectations in terms of collaboration with insurance companies in general, and with the Generali Group in particular.





2006 Objectives

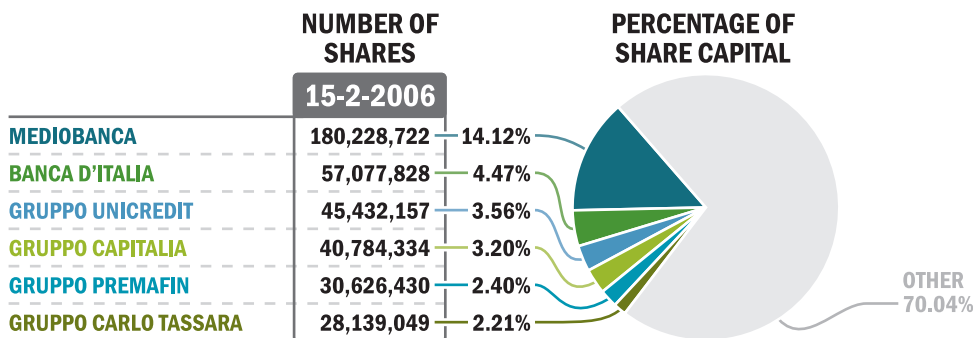
- In Italy, to continue implementing activities and initiatives to ensure dialogue with the sales network, particularly through the organisation of:
 - a road show travelling through the country and involving the entire sales network, thus providing an opportunity for the Company Managers and sales force to exchange ideas and suggestions;
 - a survey to gather opinions from the distribution network and to try and integrate the latter's requests and suggestions with clients' needs during the planning and implementation stages of products, services and processes, while optimising commercial policies and thus raising the overall level of satisfaction among clients and the sales force.
- To set up an innovative master's degree (16 classroom days) for INA-Assitalia general agents on "How to create value and competitive advantage" in agency management and organisation.

Description

At the end of the 2005 financial year, Assicurazioni Generali S.p.A. had a share capital of 1,276,017,308 euros, divided into an equal number of shares with a nominal value of 1 euro. The Company had 300,822 shareholders.

The main shareholders' agreement was undersigned in 2003 by the decision-making bodies of UniCredito Italiano S.p.A., Banca Monte dei Paschi di Siena S.p.A. and Capitalia S.p.A. This agreement commits the parties to meet regularly and, in any case, seven days prior to each meeting of Assicurazioni Generali S.p.A. to discuss any issue of common interest concerning the Company. The agreement does not pose a constraint to the exercise of rights deriving from the possession and/or ownership of Generali shares; hence, each party remains free to exercise these rights according to its own independent decisions. The agreement expires on 13 September 2006 and shall be tacitly extended. Currently, the shares held by signatories to the agreement account for 8.41% of the total Generali capital and are distributed as follows: UniCredit (3.56%), Banca Monte dei Paschi di Siena (1.65%) and Capitalia (3.20%).

The main shareholders are those who, directly and/or indirectly, including through third parties, trustees and/or subsidiary companies, hold an amount of shares exceeding 2% of the share capital.



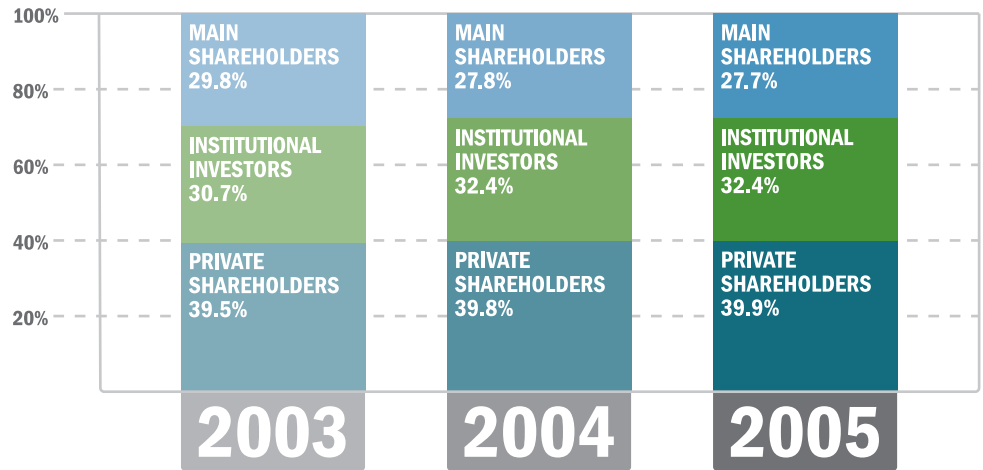
← MAIN SHAREHOLDERS (ASSICURAZIONI GENERALI; 2005)

• In the first months of 2006, the Carlo Tassara Group crossed the 2% threshold and became one of the main shareholders. The main shareholders' overall capital share is now little shy of 30% (27.7% as at 31.12.2005), while the shareholding interests of the five main shareholders remain basically unchanged.

With a view to gaining a better understanding of the results achieved, a period of three years (instead of two) is considered in the following table and indeed in the rest of the chapter.

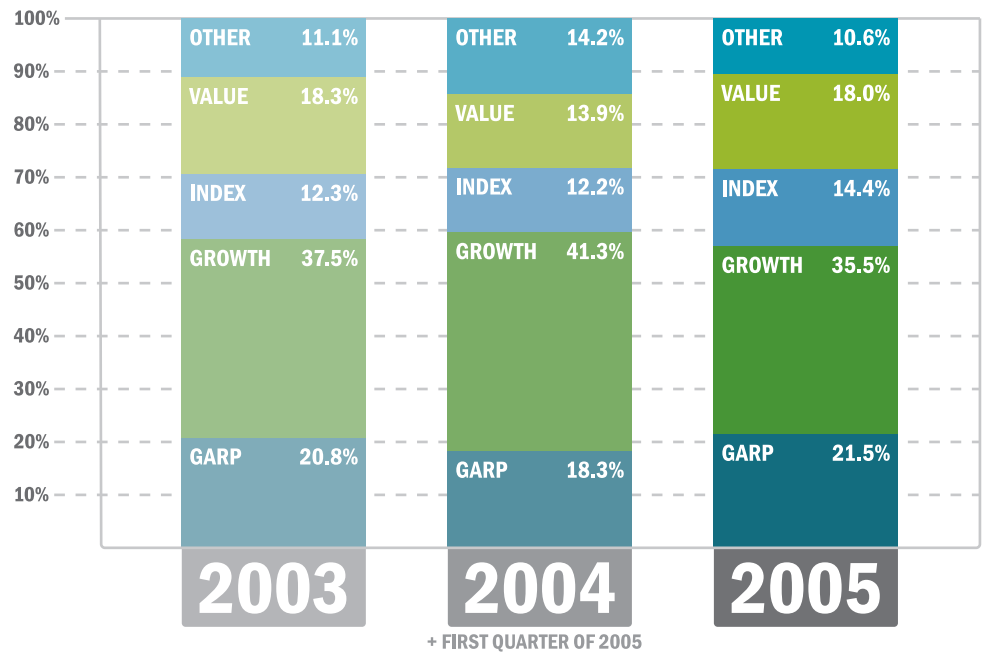


SHAREHOLDERS BY TYPE
(ASSICURAZIONI GENERALI;
2003-2004-2005)



• The shareholding interest in Assicurazioni Generali S.p.A. share capital of the various types of shareholders has remained virtually unchanged in the period: all the main shareholders are indeed institutional investors. The capital share held by the latter is overall a little greater than 60%, whilst the remaining 40% is held by private shareholders.

INSTITUTIONAL INVESTORS BY INVESTMENT STYLE
(ASSICURAZIONI GENERALI;
2003-2004-2005)



• While the overall shareholding interests of institutional investors remained unvaried, a change was witnessed in their distribution by investment style. At the end of 2005, there was a significant fall in Growth operators, i.e. those preferring investment in large or medium capitalisation companies with a good potential for future share capital value growth. In view of the reduction in the Growth category, which still remained prevalent, all the other investment styles posted an increase, with the exception of the other category.

NOTE: INVESTMENT STYLES

GARP:

GARP (Growth At Reasonable Price) institutional investors adopt an investment style that is focused on the purchase - at a reasonable price - of shares with a high growth potential.

Growth:

The strategy of Growth investors is aimed at favouring investments in companies with large or medium capitalisation, which, having historically achieved the maximum earnings performance in their sector, offer good potential for future share capital value growth.

Index:

Index investors aim to achieve a share portfolio mirroring the composition of a reference market index.

Value:

Value institutional investors favour companies which are undervalued in absolute market terms with respect to their level of dividend yields, profits and book value.

Policies

As previously mentioned, the Group considers the enhancement of its shareholders' investment to be a priority and is therefore committed to implementing an industrial policy that guarantees them an adequate long-term financial return.

Assicurazioni Generali views the pursuit of the objectives outlined in the Business Plan as the key to increasing company value and, consequently, achieving greater market credibility.



ECONOMIC-FINANCIAL
PERFORMANCE
(CONSOLIDATION AREA;
2003-2004-2005)

	2003	2004	CHANGE* 2004/2003	2005	CHANGE 2005/2004
NET PROFIT (IN MILLION EURO)	1,015.1	1,665.8	29.5%	1,918.6	15.2%
SHARE CAPITAL AND RESERVES (IN MILLION EURO)	7,484	9,719	7.2%	12,029	23.8%
PRICE OF GENERALI SHARE (IN EURO)	21.13	24.98	18.2%	29.49	18.1%
STOCK MARKET CAPITALISATION (IN MILLION EURO)	26,962	31,874	18.2%	37,629	18.1%

[*] ON EQUIVALENT TERMS

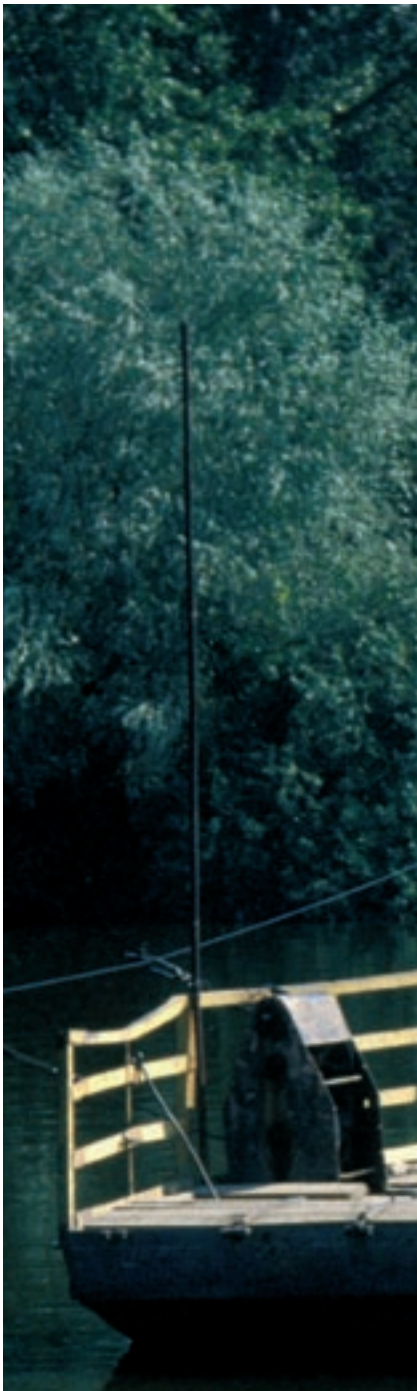
	2003	2004	2005
DIVIDENDS (IN MILLION EURO)	420.90	548.50	689.00
DIVIDEND PER SHARE (IN EURO)	0.33	0.43	0.54
DIVIDEND YIELD (%)	1.6%	1.7%	1.8%
PAY OUT RATIO (%)	76.5%	54.2%	75.2%



DIVIDEND POLICY
(ASSICURAZIONI GENERALI;
2003-2004-2005)

• In recent years, a trend towards increased return in the form of dividends paid out to shareholders can be noted, leading to a growth of:

- the dividend per share (+30.3% in 2004; + 25.6% in 2005);
- the dividend yield, i.e. the ratio between the last dividend per share and the last share price;
- the pay out ratio, i.e. the overall share of earnings paid out by the Parent Company to shareholders (in 2005).



MEETINGS BY TYPE
(ASSICURAZIONI GENERALI;
2003-2004-2005) →



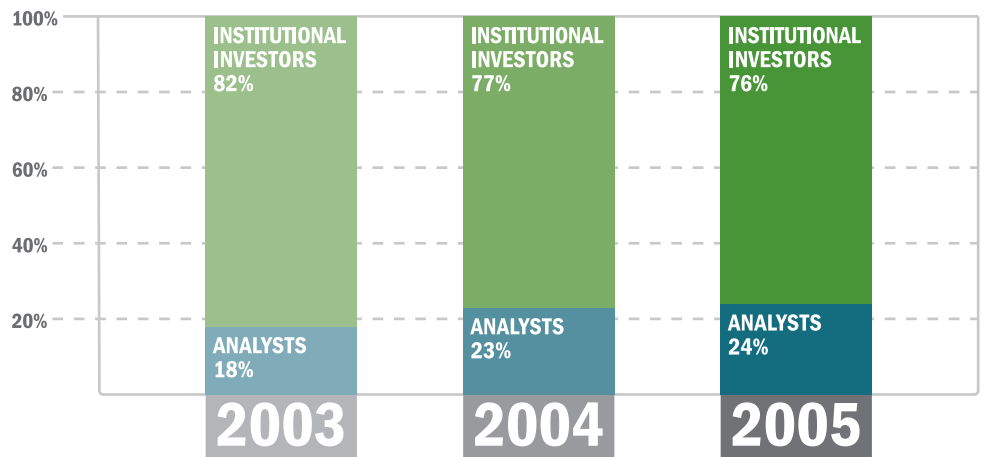
Dialogue with the investors

The Generali Group believes that investors must be guaranteed clear and up-to-date information on corporate policies, management performance and the expected profitability of invested capital. This information is of the essence for investors to make the best investment decisions. For this reason, the Group organises presentations to institutional investors and financial analysts upon the publication of its periodic financial statements and in case of extraordinary events and operations.

With a view to providing a better and more comprehensive service to its shareholders (already numbering over 300,000), the Company has long ago established two offices, the Shares Office and the Investor Relations Office. The Shares Office deals with private shareholders, whereas the Investor Relations Office deals with financial analysts and institutional investors.

Shareholders may contact the two above-mentioned Company offices directly through the “Investor Relations” section of the institutional website www.generali.com. The website also provides information on corporate governance, the Company’s economic and financial performance and on the shareholders’ meeting, traditionally held at the Trieste Central Head Office on the last Saturday of April.

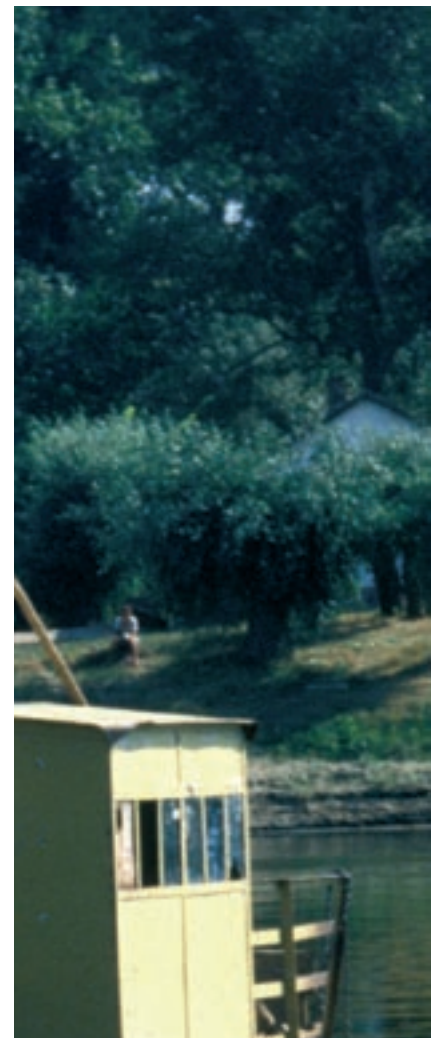
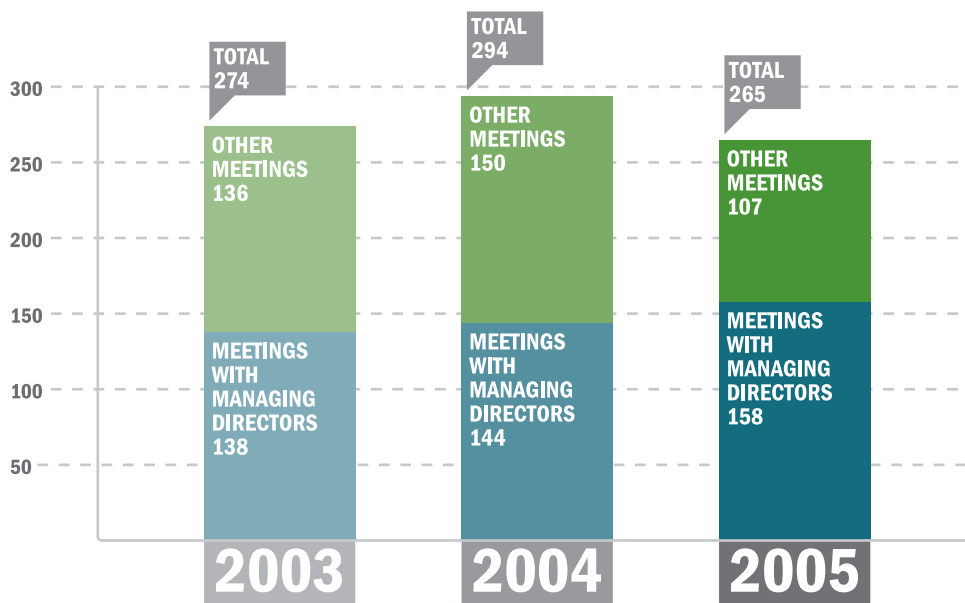
As already mentioned, the Investor Relations Office is called upon to maintain the relations with the financial community and deals primarily with institutional investors and financial analysts.



- A moderate downward trend can be observed with regard to the frequency of meetings with institutional investors – including direct contacts with institutional investors, their managers and analysts –, against an increase in meetings with independent financial analysts.

Meetings with institutional investors may take place in any of the following forms: one-on-one meetings with individual analysts/investors; institutional meetings; participation in industry-specific conferences organised by the major international stock exchanges; road shows.

The growing importance of the role played by the investor relations for listed companies requires an ever greater involvement of the company's Top Management. In particular, in the past year, both Managing Directors have been involved in major institutional meetings and each of them has attended an industry-specific conference organised by the major international stock exchanges as well as three road shows at the main European and North American stock exchanges.



← MEETINGS WITH INVESTORS (ASSICURAZIONI GENERALI; 2003-2004-2005)

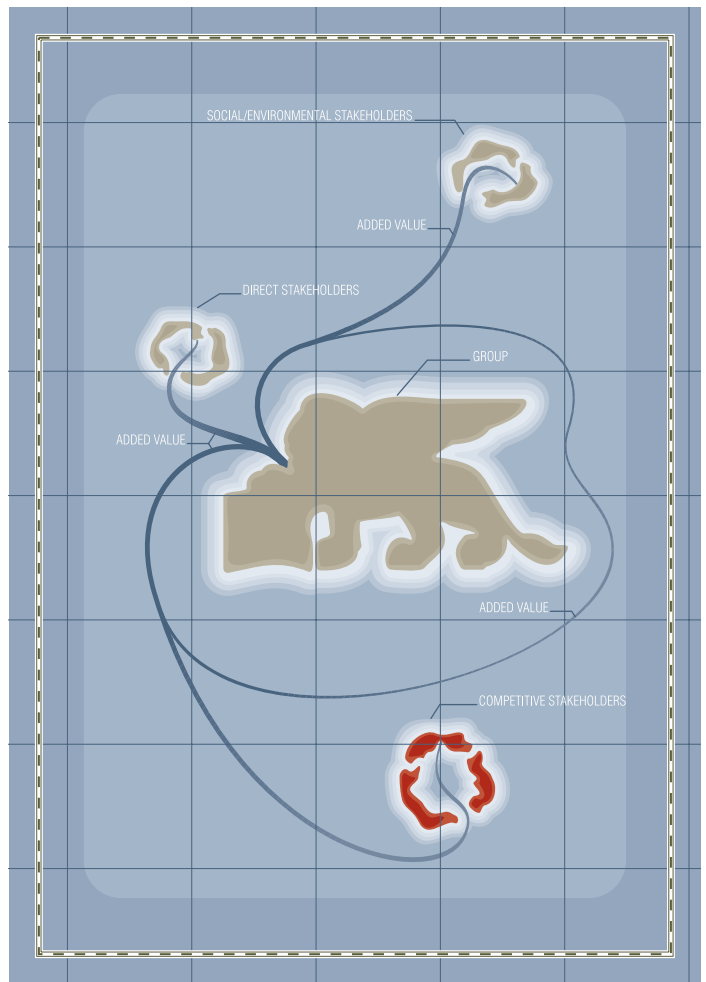
- In 2005, as the overall number of meetings with analysts and investors fell, there was a marked increase in the frequency of meetings attended by Assicurazioni Generali Managing Directors. In the past year, the latter figure rose to almost 60% of the total number of meetings (approximately 50% in the previous years).



2006 Objectives

In 2006, the Group will cultivate relations with investors oriented towards ethical investment, presenting the Group also from the point of view of its commitment to developing a socially-responsible and environmentally-friendly growth.



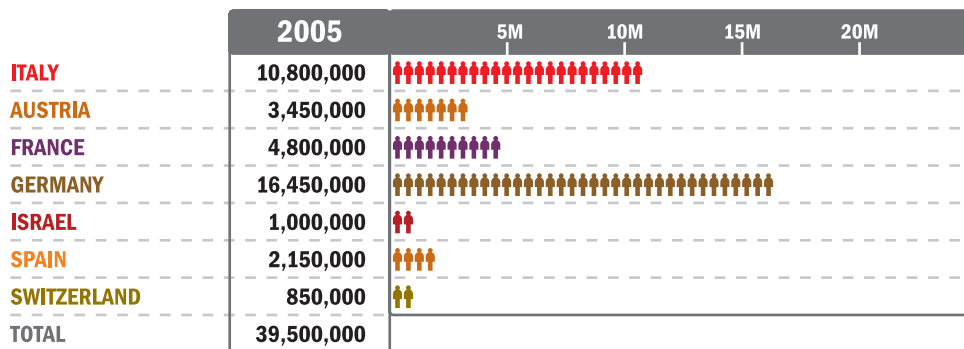


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COMPETITIVE STAKEHOLDER

CLIENTS

Description



← TOTAL CLIENTS
(SUSTAINABILITY REPORT AREA; 2005)

- In 2005, the overall number of Group clients in the Sustainability Report area rose to almost 39.5 million.
- The Group's insurance activity is focussed on the retail and small business segment: only 4% of its clients are medium/large businesses.

	LIFE		HEALTH		MOTOR		OTHER NON-LIFE	
	2004	2005	2004	2005	2004	2005	2004	2005
ITALY	4,982,901	4,831,652	193,318	191,222	3,645,150	3,622,329	3,748,971	3,724,546
AUSTRIA	521,130	530,127	398,456	393,734	934,856	936,512	2,226,197	2,276,197
FRANCE	1,473,422	1,518,161	298,632	360,258	1,405,124	1,350,844	2,029,670	1,932,566
GERMANY	6,394,172	6,589,090	1,488,296	1,569,700	2,242,146	2,056,320	6,141,128	5,864,376
ISRAEL	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
SPAIN	512,386	550,512	45,166	54,377	755,085	759,970	1,054,175	1,085,255
SWITZERLAND	353,154	369,382	64,290	71,593	276,601	292,391	391,914	399,505
TOTAL	14,237,165	14,388,924	2,488,158	2,640,884	9,258,962	9,018,366	15,592,055	15,282,445

- The sum of clients in the various lines of business exceeds the overall number of clients, as some of them may have signed several contracts covering different risks with Group companies.
- The number of clients and, similarly, the number of policies in the life and health lines of business has increased against 2004 (see table below), and fallen in the motor sector and in other non-life lines of business.

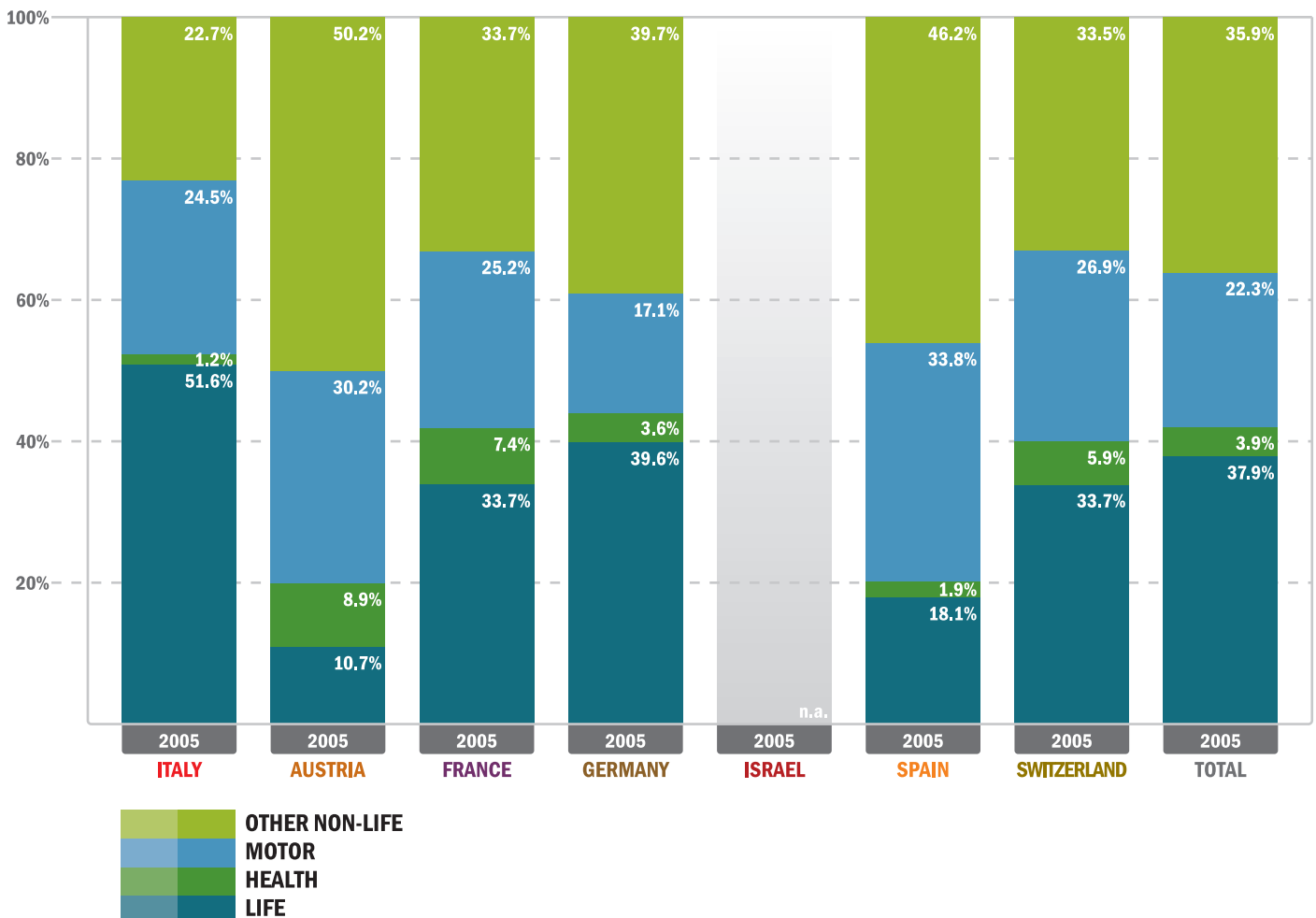
↑ NUMBER OF CLIENTS BY LINE OF BUSINESS
(SUSTAINABILITY REPORT AREA; 2004-2005)

	LIFE		HEALTH		MOTOR		OTHER NON-LIFE		TOTAL	
	2004	2005	2004	2005	2004	2005	2004	2005	2004	2005
ITALY	9,311,568	9,253,386	218,855	206,608	4,516,890	4,403,602	4,103,462	4,074,606	18,150,775	17,938,202
AUSTRIA	777,870	800,451	623,826	666,460	2,260,127	2,256,740	3,675,414	3,750,767	7,337,237	7,474,418
FRANCE	1,988,587	2,188,006	454,815	481,680	1,703,047	1,638,953	2,364,043	2,189,632	6,510,492	6,498,271
GERMANY	12,006,659	12,191,799	1,045,185	1,108,713	5,445,533	5,278,230	12,250,347	12,224,222	30,747,724	30,802,964
ISRAEL	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
SPAIN	515,441	571,198	52,058	58,830	1,020,114	1,065,971	1,407,029	1,453,794	2,994,642	3,149,793
SWITZERLAND	404,376	423,265	66,869	74,465	318,886	337,089	412,639	420,631	1,202,770	1,255,450
TOTAL	25,004,501	25,428,105	2,461,608	2,596,756	15,264,597	14,980,585	24,212,934	24,113,652	66,943,640	67,119,098

POLICIES BY LINE OF BUSINESS
(SUSTAINABILITY REPORT AREA;
2004-2005)



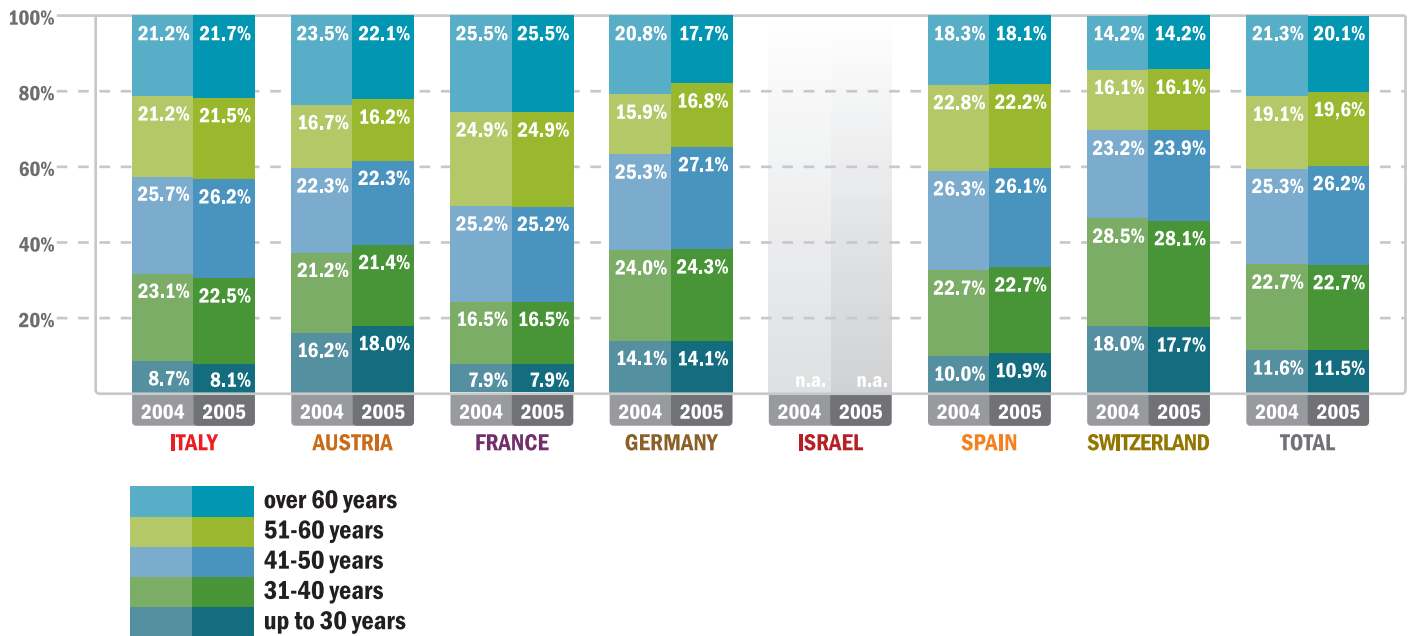
- In all lines of business, the number of policies exceeds the number of clients as some people may hold more than one policy in the same line. Clients with more than one policy are particularly numerous in the life line of business – where each client has on average 1.8 policies – and in the motor sector.



PERCENTAGE OF PORTFOLIO BY
COUNTRY AND LINE OF BUSINESS
(SUSTAINABILITY REPORT AREA; 2005)



- The percentage breakdown of the insured portfolio in each country – namely the ratio between the number of policies underwritten in the various lines of business in a country and the total number of policies underwritten in the same country – shows a concentration of contracts in the life line of business, which even exceeds 50% in Italy.
- This is not the case in Austria and Spain, where motor and other non-life lines of business policies account for over 80% of contracts.



- Group clients are divided into various age brackets. The middle age bracket (particularly clients between 41 and 50 years of age) is indeed the largest, as this is the age when people generally have a certain amount of assets and savings at their disposal and, therefore, a greater need for protection. The youngest age bracket, under 30, is the group owning fewer insurance policies in virtually all areas.
- Switzerland has the youngest clients (over 45% of clients are under 40), whereas in France half are over 50 and a quarter over 60.

↑ PERCENTAGE OF CLIENTS BY AGE BRACKET (SUSTAINABILITY REPORT AREA; 2004-2005)

Policies

The Group is continually monitoring the developments in insurance cover needs and analysing the success of new products on the market, focusing on the **quality** of the response and service provided to clients. This information is used to improve and develop its product range and to supply highly-qualified, professional consultancy to find the best solutions tailored to individual client needs.

The comprehensive and flexible product range offered by the Generali Group can therefore satisfy the needs of all client segments, not only in terms of insurance coverage generally, but also of retirement savings and asset management.

In developing individual and collective **life products**, great importance is attached to those with high security content and to investment and asset management products – especially unit- and index-linked contracts, recently characterised by a minimum guaranteed return –, and products for family income protection (specific coverage in case of premature death, severe illness or loss of self-sufficiency).

As far as **non-life products** are concerned, multi-risk policies are becoming increasingly widespread. These are contracts comprising a number of sections, each dedicated to a specific type of risk (fire, theft, third party liability, etc.); the client can then choose which coverage to purchase according to his specific needs, to his own advantage in terms of guarantees and costs. These products mainly concern the coverage of house-related risks and, in the small and



medium business market segment, they are targeted at the various operator categories, namely shopkeepers, craftsmen, practices, etc..

Motor insurance policies are generally characterised by a marked customization of tariffs, which means that the premium is more adequately tailored to the insured risk. These policies often provide the client with an opportunity to extend the minimum coverage to include additional risks (collision damage waiver, driver accidents, assistance, etc.).

In Italy and Austria, the recent trend is to create specially-designed products for population brackets showing specific, evolving needs, such as women or individuals over 50-55 years of age.

One of the most ground-breaking products has been introduced in Germany. It is a new general third party liability (TPL) policy whereby the policyholder can claim damages caused by people who are uninsured and unable to provide compensation. The guarantee is limited to damages exceeding a given amount. In order to qualify for compensation, the policyholder appeals to a court that ascertains the liability and insolvency of the person who caused the damage.

In Switzerland, “Generali Planet” aims to provide a comprehensive service to clients who have suffered damages. The client simply makes a phone call and the service deals with all the necessary actions to be taken.

All Generali Group companies feel responsible for providing a suitable response to the increasing demand for coverage in the consumer health and welfare area, caused by the progressive reduction in government-provided services and by the ongoing socio-economic changes, especially the ageing of the population. The Group offers numerous **products with social value** which, although in line with business interests, aim to respond to these deeply-felt needs.

To protect policyholders and their families against severe illness and non-self-sufficiency, numerous Group companies offer the so-called Dread Disease and Long Term Care insurance policies:

- Dread Disease policies are normally combined with life policies, but may also be offered independently. These contracts involve the payment of a lump sum or annuities on the occurrence of one of the illnesses listed in the policy. The financial support helps the insured party face the needs for greater care and the possible inability to continue working – with a consequent reduction in income – for the rest of his/her life;
- Long Term Care policies involve the payment of a lump sum or annuities for the rest of the insured party’s life, upon the occurrence of the latter’s non-self-sufficiency in performing daily activities (eating, washing, getting dressed and undressed, moving around, personal hygiene).

The health and accident sector includes many products with social value, involving – for example – a lifetime annuity following a severe disability, or coverage for organ transplants, treatment of cancer, highly-specialised diagnostic and therapeutic services, hospitalisation expenses (diagnosis, specialist visits, etc.), and basic and/or post-hospitalisation home care. Other packages of services offer home care to the insured party – including telemedicine services –,

thus integrating the coverage provided by the national health service and enabling the policyholder to find the best possible treatment options at world level and obtain a number of medical opinions.

In Spain, Estrella – the first insurance company to launch on the Spanish market a policy guaranteeing medical and hospital treatment in case of serious illness – offers policyholders the possibility to renew health insurance even after the age of 70 (the limit set by the Spanish market for the renewal of this type of contracts) for services offered by doctors and hospitals – more than 3,000 spread over the whole country – having an agreement with the company.

In Italy, Assitalia launched a new policy in 2005 dedicated explicitly to severe disability following road traffic accidents. In addition to conventional compensation calculated in proportion to the level of disability, if the insured party's mobility is reduced because of impaired motor skills, the policy will cover the expenses necessary to adjust his/her home to the new mobility needs.

Other products exist that are aimed at enhancing prevention and the adoption of a healthy lifestyle. Banco Vitalicio in Spain and Cosmos Lebensversicherung in Germany, for instance, offer life policies with reduced premiums for non-smokers. In Italy, two Alleanza Assicurazioni products provide non-smokers with the opportunity to sign up to the optional “severe illnesses” coverage at special discounted premiums. INA Vita offers a policy to encourage educational commitment and accompany children throughout their school years, offering a bonus to the insured capital if they finish high school with a mark of not less than 90/100 or university with a mark above 106/110.

Finally, the Italian company FATA offers accident and general third party liability coverage to voluntary associations at discounted rates.



Client services

Generali Group products are distributed primarily through agents. The **agency** network is therefore extensive. The widespread presence of agencies in the territory is an essential element in providing an adequate response to diverse client needs.

Clients can visit the agency to underwrite policies, pay premiums and – most importantly – to receive specialist advice and find the most suitable solution to their own insurance and asset management needs.

	AGENCIES	POPULATION	CLIENTS	POPULATION PER AGENCY	CLIENTS PER AGENCY	CLIENTS PER 1000 INHABITANTS			
	2005	2005	2005	2005	2005	100	200	300	400
ITALY	1,394	58,001,940	10,800,000	41,608	7,747	186			
AUSTRIA	129	8,141,348	3,450,000	63,111	26,744	424			
FRANCE	927	62,426,100	4,800,000	67,342	5,178	77			
GERMANY	3,836	82,868,988	16,450,000	21,603	4,288	199			
ISRAEL	n.a.	n.a.	n.a.	n.a.	n.a.				
SPAIN	3,339	41,378,936	2,150,000	12,393	644	52			
SWITZERLAND	62	7,274,005	850,000	117,323	13,710	117			
TOTAL	9,687	260,091,317	38,500,000	26,850	3,974	148			

SIZE OF AGENCY NETWORK
(SUSTAINABILITY REPORT AREA, 2005)



- The extended agency network highlights a series of highly different circumstances. Spain, for instance, is mainly characterised by small agencies spread throughout the country (indeed, it posts the lowest population per agency, an indicator of the number of potential users, and the lowest number of clients per agency). By contrast, in Switzerland there are few, large agencies covering wide areas and a vast number of potential and real clients. The highest number of clients per agency is posted in Austria, where agencies are managed directly by company staff.
- The number of clients per 1,000 inhabitants is an indication of how widespread the Generali brand is in the various countries: where this figure is high – such as in Austria and, to a lesser degree, Germany and Italy – the client portfolio has already reached a good level of expansion, where it is low – such as in Spain – there is greater potential for increasing the number of clients.

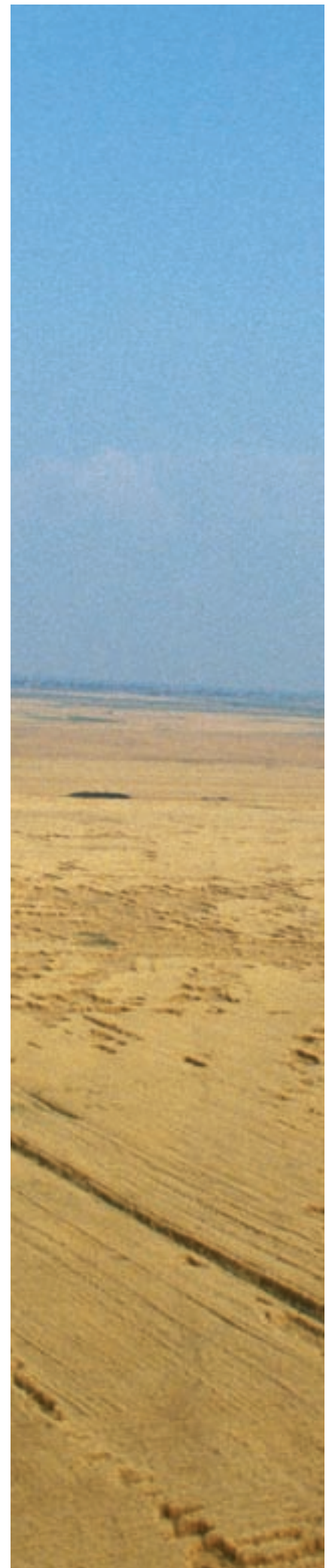
Most Group companies also use **call centres** and the **Internet** to provide client services such as quotes, reporting of complaints and requests for general information and to provide assistance in emergency situations. Emergency services often require specific support from Europ Assistance. Since its inception, this company has always provided specific guarantees and assistance for home and family, travel and health. The Europ Assistance worldwide network has a round-the-clock operations centre that ensures timely and effective intervention, providing suitable medical assistance where necessary.

Customer service centres are very widespread especially in Austria (one in each region), and they are real client contact points with long opening hours. Some companies accept telephone notification of claims and provide information and assistance on claims relating to

both clients and injured third parties. In 2005, more than 1.7 million accidents were reported to call centres in countries in the Sustainability Report area. The figure was particularly significant in Spain, where Banco Vitalicio's claim service is active 24 hours a day, 365 days a year.

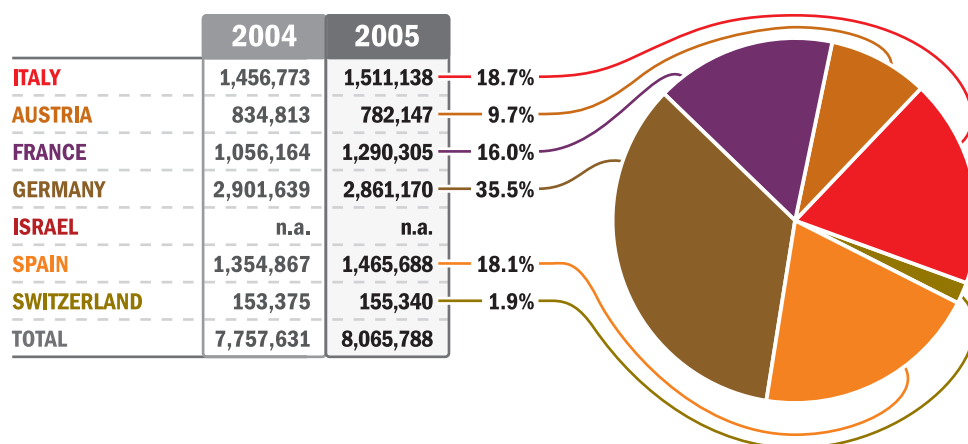
In France, Generali Assurances has created "virtual agencies" on its own website, whereby agents can offer customised solutions and clients can identify and contact the nearest agency by e-mail. Clients can also access a restricted area to visualise their own contracts, expiry dates, premiums, etc.. La Fédération Continentale, having created something similar to virtual agencies, has gone a step further and constructed a specific module on its website dedicated exclusively to financial advisers, offering a wide range of products and services.

All Group companies use the Internet to promote their products and establish or facilitate initial contact with consumers, though **direct sales** via the Internet are still rather limited. This is not the case with direct sales companies (Genertel in Italy and Cosmos in Germany) and Europ Assistance, which carry out all their operations via the Internet and the telephone.



Management of non-life claims

In the non-life lines of business, the efficiency and effectiveness of the service are mostly assessed upon settlement of damage claims. In many countries, the Group is equipped with common facilities to optimise the management and settlement of claims. In Italy, for example, GGL is responsible for the management and settlement of claims on behalf of Italian Group companies. Call centres are used to collect notifications of claims and to provide information and assistance on existing claims.



CLAIMS DECLARED
(SUSTAINABILITY REPORT AREA;
2004-2005)



- The number of claims notified in 2005 exceeded 8 million (+4% on 2004). Their distribution among different countries was basically in line with the division of insured risks, the highest share being reported in Germany, where the largest number of non-life policies were held.

	NUMBER OF CLAIMS		VALUE OF CLAIMS*	
	2004	2005	2004	2005
ITALY	1,182,928	1,274,583	2,652,896	2,809,458
AUSTRIA	771,066	724,597	752,876	810,434
FRANCE	n.a.	1,130,145	1,144,753	1,428,262
GERMANY	2,838,202	2,828,162	2,107,463	2,048,825
ISRAEL	n.a.	n.a.	222,856	337,100
SPAIN	1,347,665	1,455,387	665,858	761,712
SWITZERLAND	154,723	160,509	258,589	275,430
TOTAL	6,294,584	7,573,383	7,805,290	8,471,222

*VALUES IN THOUSANDS OF EUROS

- In 2005, over 7.5 million claims were settled by payment, total payouts amounting to around 8.5 billion euros. Some of the payouts concerned claims notified in the previous years.

On average, Generali Group companies settle 95% of health insurance claims, 70% of fire, motor and general third party liability

claims, and 55% of accident claims within the year of notification. Any differences among countries and/or lines of business can be ascribed to the type of insured risks and, consequently, to the nature of the claims to be settled, which may require longer assessment procedures to quantify the damage incurred. In case of health insurance claims, for example, the assessment procedure is almost immediate, whereas in case of disability the injured party must reach a stable condition before the damage can be properly assessed.

Sums paid – life lines of business

	CLAIMS		EXPIRING POLICIES	
	2004	2005	2004	2005
ITALY	18,670	17,863	340,326	306,422
AUSTRIA	2,381	2,615	40,668	43,155
FRANCE	n.a.	n.a.	n.a.	n.a.
GERMANY	79,264	78,850	323,950	310,356
ISRAEL	n.a.	n.a.	n.a.	n.a.
SPAIN	3,325	3,997	11,182	10,792
SWITZERLAND	1,336	1,242	6,132	7,211
TOTAL	104,976	104,567	722,258	677,936

← SETTLED LIFE POLICIES
(SUSTAINABILITY REPORT AREA;
2004-2005)

- In 2005, payouts were made for about 780,000 policies in the life lines of business, involving expiring policies or claims (insured party's death or disability). Compared to 2004, the number of claims saw a reduction due to the significantly lower number of expiring policies.

	CLAIMS		EXPIRING POLICIES LUMP-SUMS		EXPIRING POLICIES ANNUITIES	
	2004	2005	2004	2005	2004	2005
ITALY	462,560	438,479	3,491,484	5,014,578	43,653	45,823
AUSTRIA	29,162	30,535	432,434	370,104	34,835	34,740
FRANCE	1,157,000	1,166,590	621,465	759,529	184,071	202,766
GERMANY	457,145	447,056	3,129,779	2,722,715	340,086	370,479
ISRAEL	116,940	133,551	54,087	56,871	6,970	9,178
SPAIN	62,707	64,979	199,156	161,191	454,423	475,940
SWITZERLAND	56,991	47,492	144,080	162,068	0	0
TOTAL	2,342,505	2,328,682	8,072,485	9,247,055	1,064,037	1,138,928

VALUES IN THOUSANDS OF EUROS

- For these policies, over 12.7 billion euros (11.5 billion in 2004) were paid out to settle claims in the form of lump-sums or annuities.
- The sums paid out to settle claims remained substantially unchanged, whilst the sums paid out in the form of lump-sums or annuities on expiring savings policies saw an increase (exceeding 10 billion euros overall, against little more than 9 billion in 2004).

↑ PAYMENTS ON LIFE POLICIES
(SUSTAINABILITY REPORT AREA;
2004-2005)



Complaints and disputes

In Italy, **complaints** are handled according to ISVAP Circular no. 518/D of 21st November 2003, which introduced the obligation for all insurance companies to set up – starting from 31st March 2004 – an electronic register to record complaints and relevant ISVAP requests for information.

The ISVAP Circular also defined the responsibilities related to the electronic record management and relations with the Supervisory Authorities, specifying that the manager of the Internal Audit Department is in charge of the complaint register and deals with any problems concerning complaint management. For reasons related to the effectiveness and efficiency of the management of user complaints, the process adopted by the Group also led to the identification in each company of an organisation unit responsible for managing the filing, analysis and administration of complaints.

In France and Germany, national laws specify solely the need to develop an adequate complaint management process, but do not set out any obligations with respect to reporting activities or to the compulsory creation/maintenance of specific registers. However, all Group companies in these countries prepare a regular report for the Top Management and thus keep evidence of received complaints and their outcome.

Spanish legislation is more similar to Italian provisions, with specific obligations concerning the preparation of an annual report. However, the reports drafted by Group companies are more frequent, with a view to keeping the Top Management constantly informed and taking any necessary corrective actions as promptly as possible.

Switzerland has no equivalent national legislation. The Swiss group willingly adheres to the provisions laid down by the Private Insurance Ombudsman Foundation and by SUVA (the leading accident insurer in Switzerland) established more than thirty years ago by the Swiss Insurance Association. Each company submits annual reports to the Group on complaints.

	RECEIVED		ACCEPTED		AVERAGE RESPONSE TIME		
	2004	2005	2004	2005	2004	2005	10 20 30 DAYS
ITALY	0.037%	0.059%	0.012%	0.015%	37	31	
AUSTRIA	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	
FRANCE	0.047%	0.055%	0.024%	0.030%	16	20	
GERMANY	0.042%	0.053%	0.004%	0.003%	14.4	13.2	
ISRAEL	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	
SPAIN	0.088%	0.089%	0.017%	0.017%	17.4	14.2	
SWITZERLAND	0.004%	0.003%	0.001%	0.002%	25	26	

← PERCENTAGE OF NUMBER OF COMPLAINTS TO POLICIES (SUSTAINABILITY REPORT AREA; 2004-2005)

- In 2005, the companies included in this report again received – according to the various national systems – a small number of complaints (on average 5 complaints per 10,000 policies). The figure drops to 1 per 10,000 if only accepted complaints are considered, i.e. those recognised on further investigation as being founded.
- The average response time swings between 13 days (Germany) and 31 days (Italy), while response time saw an acceleration in virtually all countries.

	TOTAL		OF WHICH MOTOR		OF WHICH GENERAL T.P.L.	
	2004	2005	2004	2005	2004	2005
ITALY	46,141	42,174	31,729	26,872	10,781	10,829
AUSTRIA	17,852	14,268	16,089	12,681	675	604
FRANCE	n.a.	7,915	n.a.	1,300	n.a.	4,723
GERMANY	3,328	8,013	2,129	7,880	451	2,078
ISRAEL	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
SPAIN	30,601	28,133	16,045	14,808	6,380	5,920
SWITZERLAND	130	154	33	47	41	43
TOTAL	98,052	100,657	66,025	63,588	18,328	24,197

↑ NUMBER OF INSURANCE DISPUTES (SUSTAINABILITY REPORT AREA; 2004-2005)

- As at 31st December 2005 – in the Sustainability Report Area – the Group was involved in 100,657 pending disputes generated by its insurance activities and acted as defendant in virtually all cases. The disputes were generally initiated by injured parties alleging inequitable compensation for damages.
- The main lines of business involved, similarly to the previous year, were motor insurance and general TPL, accounting for about 87% of all disputes
- As previously mentioned, the high number of disputes arising in Italy (over 40% of the Group total figure, though fewer than in 2004), is mainly ascribable to motor third party liability business, due to the lack of legally-established mechanisms to assess personal injury, common in other countries.

	TOTAL		OF WHICH MOTOR		OF WHICH GENERAL T.P.L.	
	2004	2005	2004	2005	2004	2005
ITALY	2,154,276	2,104,098	459,710	514,516	1,194,946	1,150,668
AUSTRIA	56,104	48,258	46,544	38,201	2,649	2,337
FRANCE	n.a.	260,905	n.a.	37,739	n.a.	154,611
GERMANY	31,602	78,554	7,875	37,622	8,986	20,225
ISRAEL	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
SPAIN	328,657	310,864	221,292	198,857	46,706	47,225
SWITZERLAND	34,351	33,449	13,481	9,842	15,879	16,660
TOTAL	2,604,989	2,836,128	748,902	836,777	1,269,166	1,391,726

VALUES IN THOUSANDS OF EUROS

INSURANCE DISPUTES
(SUSTAINABILITY REPORT AREA;
2004-2005)



- The average value of these disputes is little more than 28,000 euros (approximately 26,500 in 2004). The value of individual disputes is, however, prudentially assumed to be equal to the sums sought by claimants.
- Disputes relating to the motor and general TPL sectors also account for most of the amount (almost 80% of the total).

In 2005, as was the case in 2004, neither the EU nor the national **antitrust authorities** took any measures against Group companies. Only in Italy did the insurance **supervisory authorities** issue fines. These fines were, however, less numerous and less significant in terms of amounts than in 2004, in fact they were virtually halved and totalled approximately 2 million euros.

Dialogue with the clients

The Generali Group believes that customer satisfaction must be its ultimate priority, this being the key to building and strengthening trust and appreciation over time.

For years, the Group has been regularly conducting **customer satisfaction surveys** throughout the Sustainability Report area to check the level of satisfaction in relation to Generali products and services, as well as the perception of the “Generali” brand. The surveys are conducted either directly through questionnaires and telephone interviews, or through third companies. The results are normally analysed by each company’s Marketing Department – sometimes in collaboration with the Claims Management Office – to define or implement any measures that may be deemed appropriate to best meet client expectations, thus enhancing the level of satisfaction. These surveys are particularly frequent and wide-ranging in companies of the Europ Assitance Group, given the importance of service quality in the specific assistance service provided by these companies.

In Italy, a survey was conducted in 2005 to measure the degree of satisfaction among retail clients of the Parent Company and of Generali Vita. The primary areas of analysis included the client profile, all the major stages of the service provided to the client, the latter’s perception of the Company and his/her general relations with the Company and the sales network. The survey consisted of 3,000 telephone interviews equally distributed among motor, non-motor and life insurance policyholders. The sample group was representative of the reference population under examination, totalling approximate-

ly 2.3 million retail clients. The survey was conducted by means of a questionnaire developed in collaboration with specialised research companies.

With a view to spreading a client-centred culture and creating a common market knowledge base, the Group's Strategic Marketing Department promoted the acquisition – in Italy – of three multient market studies from a specialised financial research institute. The studies consisted in about 15,000 in-home interviews and 7,000 telephone interviews, aimed at analysing consumer behaviour, lifestyles and preferences, their social and cultural evolution in different consumption environments, their financial decisions and their perception of advertising communication. The results of the studies were diffused within the Italian Group. Two studies were also launched to identify client behaviour in relation to issues specifically linked to the insurance industry, such as health and retirement savings, in order to identify critical points and needs and to generate the most suitable responses within Group companies.

In Austria, the Group's Marketing Department performs regular customer surveys and ad-hoc studies on six different elements: brand, products, clients, advertising and communication, events and sponsorships, future orientation.

In France, two national surveys are being carried out on important issues connected with the insurance industry, namely individual and occupational pension and savings plans. Moreover, to promote contact between the sales force and clients, GPA and the Group's financial management organise quarterly Advisory Meetings in collaboration with "Investir", a leading financial magazine in France. The meetings are open to the public and focus mainly on supplementary pension plans and savings topics.

In Germany, besides a large-scale survey, Cosmos organises a yearly event called "Client Arena", whereby some clients are invited to describe their experiences and impressions on the company directly to the management and the employees.

Quarterly studies are conducted in Spain with motor and household insured claimants through ICEA (a research centre for insurance companies) and other major research institutes, to assess the quality of the company's claims management service. Telephone interviews are carried out to measure 15 parameters enabling ICEA to elaborate a market benchmark for companies to assess the quality of their services. The Marketing Department and the managers of the Claims Management Office meet on a three-monthly basis to evaluate the results of quality surveys on the company's call centre service and to identify measures for improvement.

In Switzerland in 2005, the Claims Management Office conducted a survey to assess the quality of the company's call centre services by directly interviewing clients. The results led to performance improvements, partly achieved through more specific and suitable training of operators. Again in 2005, the annual survey conducted by the Swiss Reader's Digest with its own clients on their satisfaction and the reliability level of national companies saw Generali's nomination as the "Most Reliable Brand".



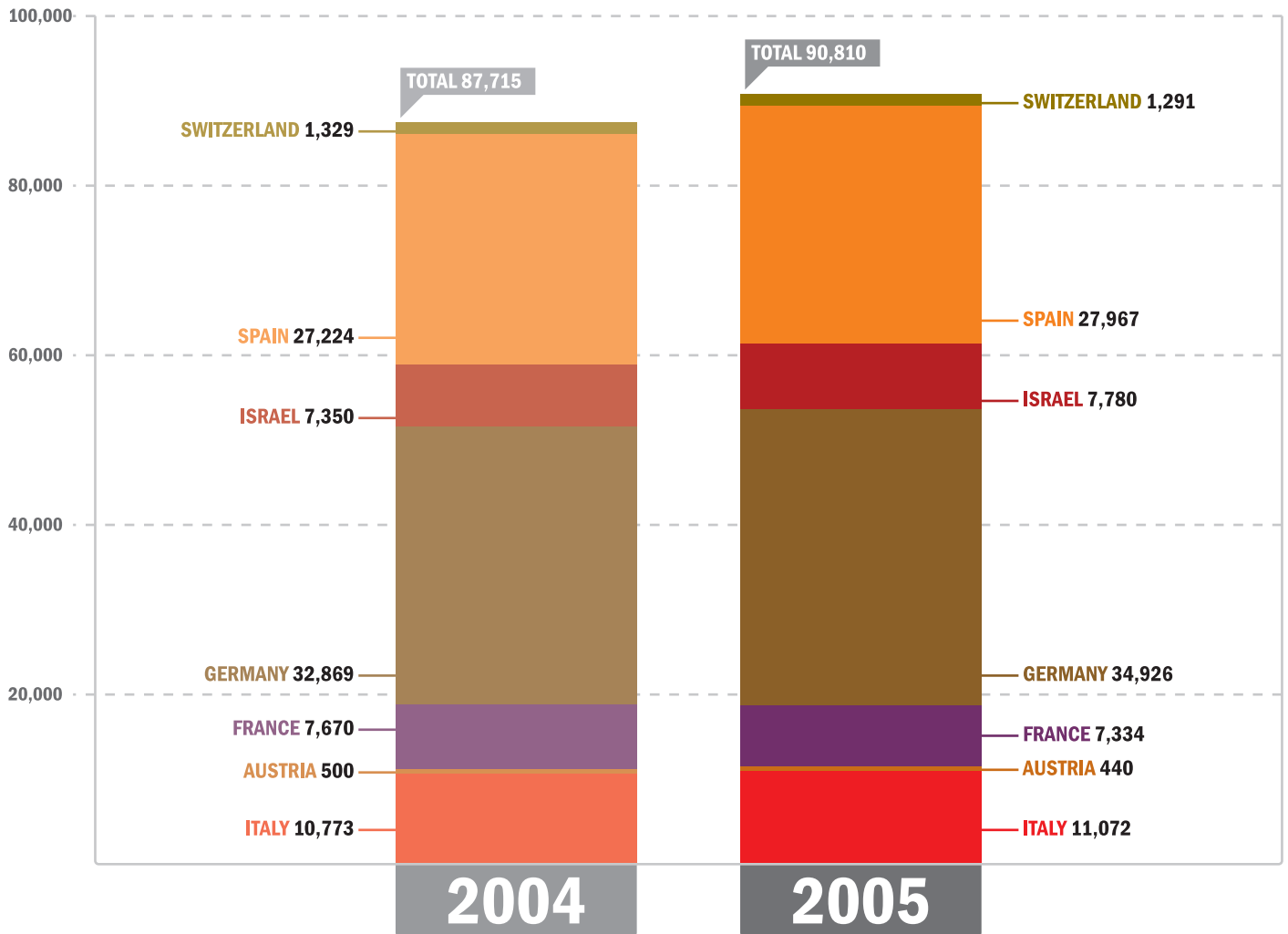


2006 Objectives

- Acquire new clients while increasing the satisfaction and loyalty of existing clients by:
 - further developing health insurance and retirement products to offer solutions that are increasingly oriented to customer needs;
 - creating new products – both in the life and non-life lines of business – featuring a streamlined structure to allow greater offer diversification.
- Enhance relations with insured parties/claimants, particularly in the claims management and settlement stages, also implementing special training programmes for staff members who come into direct contact with clients.
- Optimise distribution to constantly improve customer satisfaction – including through a better knowledge of the client and his/her lifestyles – while taking into account the needs of the sales force.

SUPPLIERS

Description



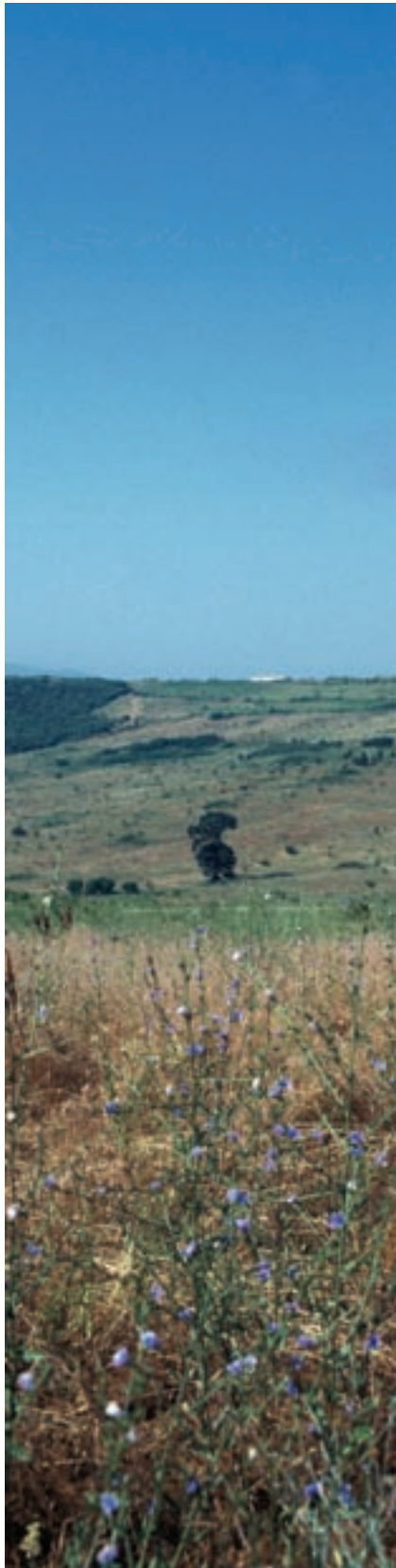
- In 2005, the Generali Group had relations with over 90,000 suppliers in countries of the Sustainability Report area (approximately 3,000 more than in 2004). The figure is distributed differently among the various countries. In countries where supply is more fragmented, the number of suppliers saw a further increase (Germany, Spain), while the opposite occurred in countries where the number of suppliers is already very low (Austria and Switzerland).
- The number of suppliers depends on the volume of business in each territory and on the centralisation policies adopted in purchase management. In Spain, for example, the number of suppliers is very high as the process to centralise purchase management is still ongoing and suppliers to different Group companies are counted more than once.



NUMBER OF SUPPLIERS
(SUSTAINABILITY REPORT AREA;
2004-2005)



SUPPLIERS BY TYPE
(SUSTAINABILITY REPORT AREA;
2004-2005) 



	GOODS		SERVICES RELATED TO BUSINESS		OTHER SERVICES	
	2004	2005	2004	2005	2004	2005
ITALY	135	556	10,242	9,029	396	2,081
AUSTRIA	250	220	42	33	208	187
FRANCE	904	957	5,193	5,060	749	256
GERMANY	16,326	17,348	12,545	13,330	3,998	4,248
ISRAEL	380	420	3,470	3,600	3,500	3,760
SPAIN	11,069	10,913	15,618	16,519	537	535
SWITZERLAND	331	307	420	442	578	542
TOTAL	29,395	30,721	47,530	48,013	9,966	11,609

- Suppliers of services are the most numerous category. Among them, services related to the Group's core business (surveys, professional consultancies, training, printing, translations, etc.) prevail over support services (cleaning, maintenance, transport, etc.).
- An overall increase in the number of suppliers was registered in all categories.
- Some suppliers are included in two or all of the three categories; this is why the sum is greater than the total figure indicated above.

Policies

In all the countries of the Sustainability Report area, relations with suppliers are mostly centralised in a single specially set up department, from the early supplier search stage to the signing of contracts. The only exception is Germany, where relations with suppliers are managed over two levels of responsibility: the Group's strategic purchases are managed by AMB Generali Holding, whereas each company deals directly with operational purchases.

In Italy, a single warehouse was set up in 2005 for the purchase and stock management of stationery, printed material, business gifts, etc.. The warehouse falls under the responsibility of Generali Servizi Amministrativi (GSA) Group purchase management department. This decision was made with a view to rationalising and harmonising the purchase of goods and services for all Group companies, while optimising stock management. In order to make it easier for individual companies to purchase materials, a direct purchase procedure was developed for goods listed in a virtual catalogue. This catalogue may be accessed by authorised members of staff through the Intranet.

Relations with external professionals (consultants, experts, loss adjusters, lawyers, private investigators, etc.), on the other hand, are managed directly by the different companies – particularly by GGL, a Group claims settlement company.

Ethical Code for Relations with Suppliers

In 2005, GSA – which, as previously mentioned, handles purchases on behalf of Group companies in Italy – adopted an Ethical Code for Relations with Suppliers, based on the principles set out in the Generali Group’s Ethical Code described in the chapter “Group, Identity”.

The document – made up of three sections: guiding principles, rules of conduct, implementation principles – aims to favour the development of lasting and mutually satisfactory relations with qualified suppliers, to the benefit of relations with all stakeholders.

In drafting the Code, reference was made to the “Guidelines for a System based on Sustainability and Integrity in Relations with Suppliers” drawn up by the Procurement Executive Circle, a community comprising procurement executives from the major companies operating in Italy.

The document governs relations with suppliers, based upon the Group’s commitment to uphold the principles of **lawfulness, transparency, fairness and loyalty** in all stages of the procurement process. In particular, it establishes the selection and evaluation criteria for suppliers and lays down the minimum content for contracts. It leans towards direct relations, governed by objective criteria.

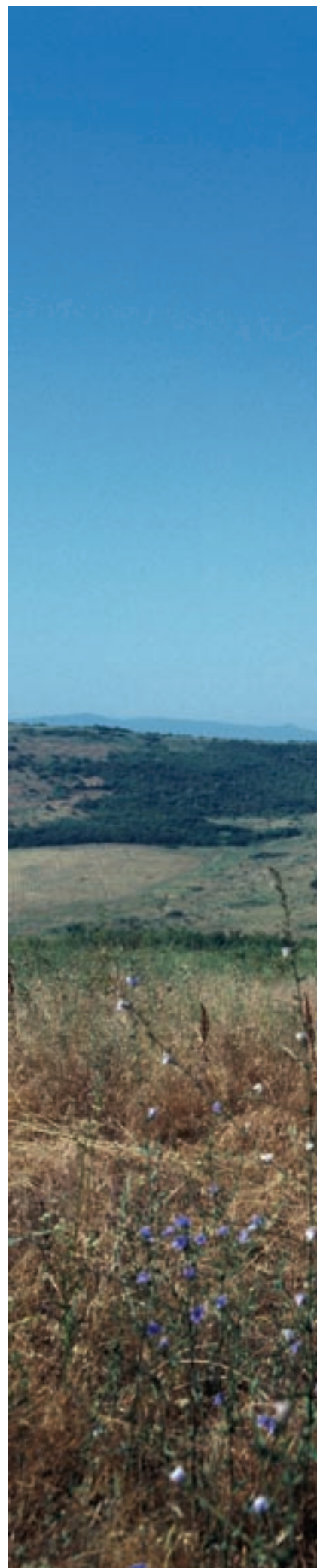
Under no circumstances should personal relationships and interests be of influence in assigning a contract or order. To avoid any kind of **conflict of interest**, the roles of the person who places the order and the person who signs the contract, i.e. the Group Purchase Department, are kept separate. The task of this department is to manage the procurement process, and in particular to: monitor the correctness of the purchase process; check and formally approve the specifications defined by the party requesting the supply; define the criteria for the selection of suppliers and for the awarding of the supply contract; monitor the payment process.

The Ethical Code for Relations with Suppliers establishes a series of supplier **selection criteria** based on:

- compliance with specified requirements;
- objective competitiveness of services and products;
- financial, technical and quality reliability of the supplier, verified using the most objective criteria (Chamber of Commerce, other bodies, references);
- Group-generated revenues not exceeding 30% of the supplier’s global revenues, to avoid situations where the supplier becomes financially dependent on the Group;
- geographic location, favouring suppliers who can ensure coverage in all the geographical areas where the Group operates.

Loyal and sustainable competition is promoted, ensuring that anyone who meets the necessary objective requirements can take part in the selection process. As a general rule, estimates are requested from three different suppliers for each order; the estimates are then attached to the order file with an indication of the reasons for the final choice. The documents are then acquired by scanning and remain available for subsequent checks.

In particular, great attention is paid to avoid creating or maintaining dominant positions or situations of economic dependence and





the Company is committed to ensuring that EU and national principles and legislation on competition are complied with. If imbalances should arise, the Group is committed to avoiding exploitation of its strength and to promoting initiatives to address the imbalance.

Within the framework of an open and transparent relationship – and in accordance with the confidentiality that is always guaranteed to effective and potential suppliers – the Group is committed to welcoming and protecting innovative contributions (in terms of products, processes, technology, procedures, etc.) from suppliers.

Contracts must be very clear and equitable and govern the following aspects: description of supply, contract clauses (prices, delivery terms, evaluation of conformity with the order, invoicing and payment), subcontracts, termination and resolution, price variations and penalties. As far as payment is concerned, the agreed terms may only be breached if the supplier has not fulfilled his contractual obligations; any delays attributable to justified reasons must be promptly communicated and explained, alongside any penalties to be paid by the supplier.

Exceptions to the Ethical Code for Relations with Suppliers are allowed – where documented and justified based on clear and transparent grounds – only in specific cases of an exceptional and urgent nature.

By adopting the Ethical Code for Relations with Suppliers in Italy, the Group has made an active commitment to ensuring that the Code's principles and rules of conduct are followed by all parties involved in the purchase process (**integrity of supply**). To this end, suitable operating mechanisms have been implemented to prevent violation – by suppliers and their supply chains – of applicable regulations concerning health and safety in the work place, environmental protection and public health, as well as of the following international principles:

- the United Nation's Universal Declaration of Human Rights,
- the International Labour Organization Conventions,
- the United Nations Convention on the Rights of the Child.

If suppliers violate these principles, the Group will implement the appropriate sanction mechanisms. Supply contracts also contain special clauses that establish sanctioning procedures aimed at preventing crimes against the Public Administration or environmental disasters.

2006 Objectives

- Adoption of the Ethical Code for Relations with Suppliers by all Group companies.
- In Italy, optimising Group IT purchases through the Group's recently-established IT Purchase Department.
- In Austria, implementing the Group's procurement policy, also collaborating with purchase departments in other countries.

Investment policy

The Generali Group is aware of the significant role it can play indirectly – in its capacity as institutional investor – in protecting the environment and human rights, and in social issues in general. Its choices may indeed favour companies that stand out for their policies in these fields and/or exclude those companies that, conversely, fall short of minimum requirements.

The 2004 Sustainability Report outlines the Group's investment criteria, which – in line with the specific nature of the insurance industry – have always focussed on the issuer's safety and reliability. This means rejecting mere speculation and carefully avoiding all high-risk investments, including those posing an environmental or social risk.

In particular, the Group is sensitive to social issues, and considers the following elements as grounds for non-investment:

- violation of human rights legislation;
- lack of clear corporate governance rules;
- exploitation of child labour.

In case of investments in companies that operate in countries where the respect of human rights is regularly undermined, preference is accorded to those companies that:

- provide a comprehensive report of their operating practices and policies in the country in question;
- embrace a code of ethics or policy statement regarding human rights.

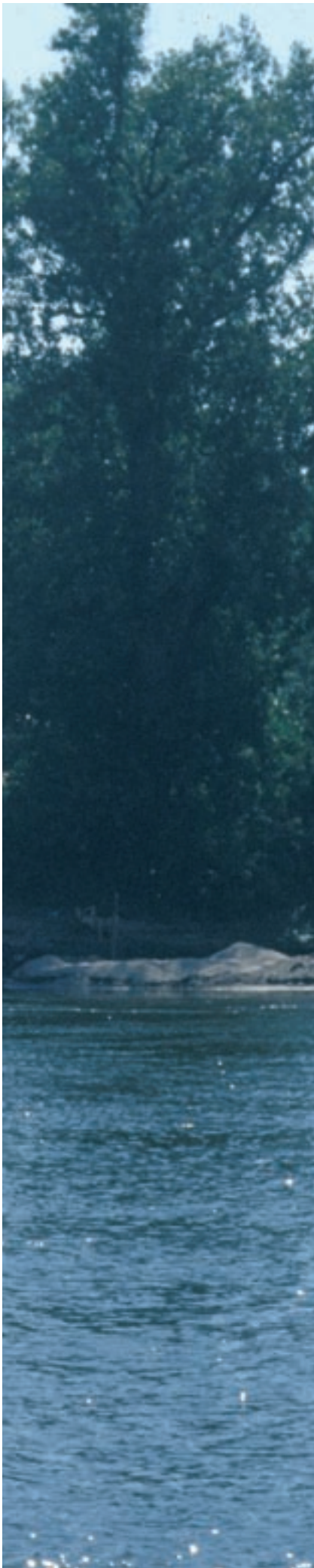
In 2005, detailed analyses were carried out to examine the issue of ethics within the sphere of Group investment. Its aim was to identify straightforward, practical criteria to ensure that, while using its capital and resources to fulfil its commitments to policyholders, the Company does not in any way support the business of companies that fail to meet the minimum requirements for preserving human rights and the environment.

A number of available options were examined before it was decided that the Group would apply the ethical guidelines adopted by **Norway's Government Pension Fund** to investing the capital managed by all Group companies.

Norway's Government Pension Fund was chosen primarily because it shares the same objectives as the Generali Group.

Norway's Pension Fund was constituted on 1 January 2006, combining the previous Government Petroleum Fund and the National Insurance Scheme Fund (now Government Pension Fund – Global and Government Pension Fund – Norway respectively), with capitalisation of approximately 175 billion euros. Its aim is to ensure that a reasonable share of the country's wealth deriving from petroleum is passed on to future generations, in the light of a sharp drop in future profits from petroleum and an increase in government spending on pensions, health and welfare. To this end, the Fund must ensure high, long-term profitability by investing income from the nation's oil re-





sources, and directing such yield to cover the shortfall in pensions. Long-term prospects and high returns without resorting to high-risk ventures are essential for the insurance industry in consideration of its continuing commitment to policyholders.

Moreover, the ethical guidelines adopted by the Fund are in line with the sustainability concept inherent in the Generali Group's investments, as expressed in the 2004 Sustainability Report.

Norway's Government Pension Fund enhances its financial interests whilst developing its ethical stance by:

- exercising property rights to generate long-term financial income based on the UN Global Compact and the OECD guidelines for corporate governance and multinational companies;
- excluding from investment issuing companies that, directly or through their subsidiaries, produce arms that may be used to violate fundamental humanitarian principles;
- excluding from investment companies, which may unacceptably contribute to:
 - serious or systematic violations of human rights such as murder, torture, deprivation of freedom, forced labour, exploitation of child labour;
 - serious violations of individual rights in times of war or conflict;
 - serious environmental harm;
 - serious corruption;
 - other particularly serious violations of basic ethical standards.

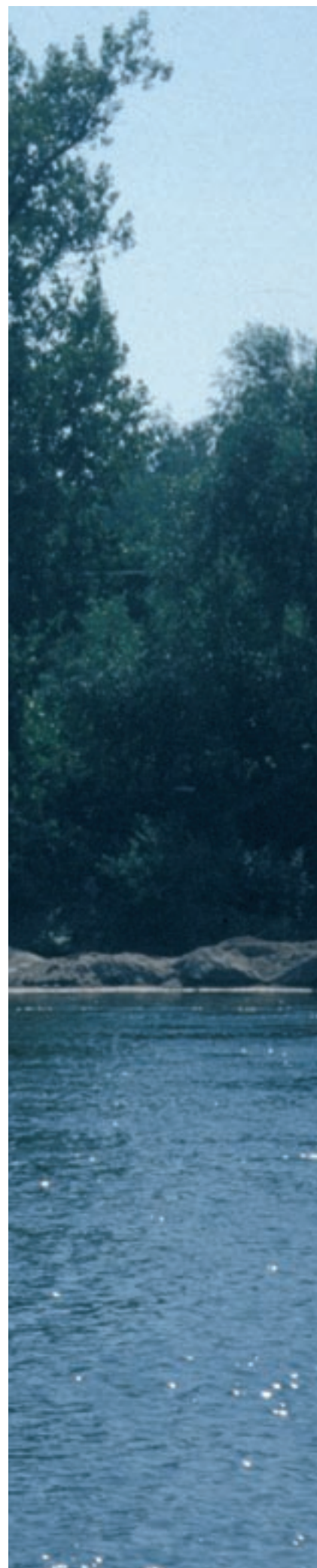
The Norway's Government Pension Fund has established an Ethical Committee of experts – providing advice to the Norwegian Ministry of Finance, which is responsible for the Fund – as part of a procedure for exclusion from investment. Seventeen companies have so far been excluded on the grounds of their involvement in the development or production of nuclear weapons, cluster bombs or anti-personnel mines.

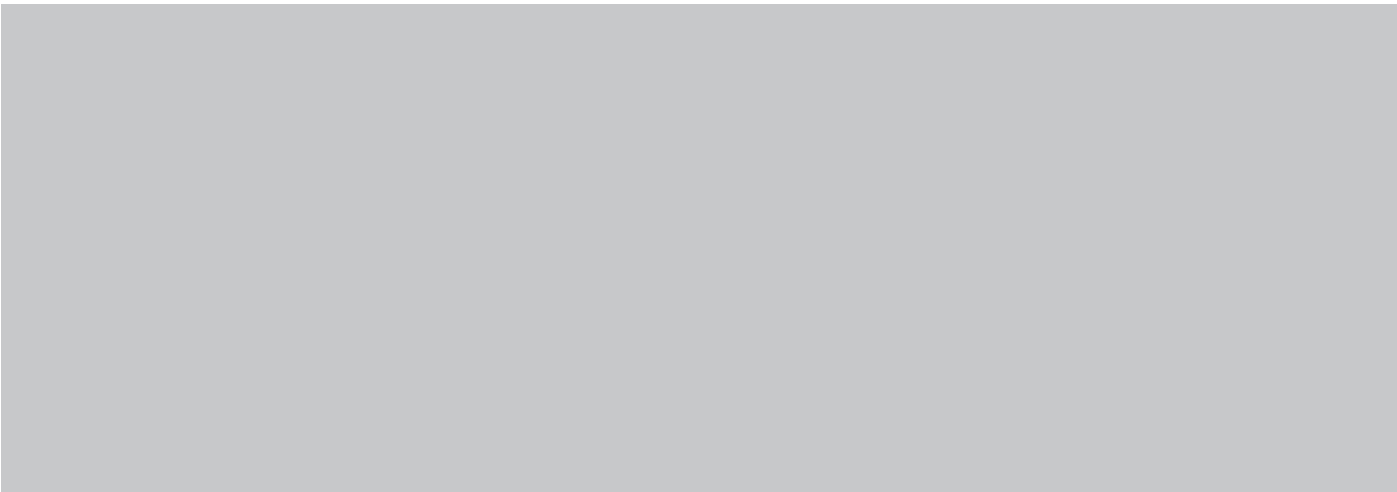
Conversely to the majority of ethical indexes, the Fund does not adopt generic criteria that may exclude entire production sectors from investment on the basis of moral or environmental issues. Indeed, as was highlighted last year, the latter are often controversial and changeable over time (for example, the use of genetic engineering or nuclear energy, the production of alcoholic beverages, etc.). Instead, the Fund lays down that all companies may be fit for investment, with the exception of those excluded on the grounds of serious violation of ethical standards.

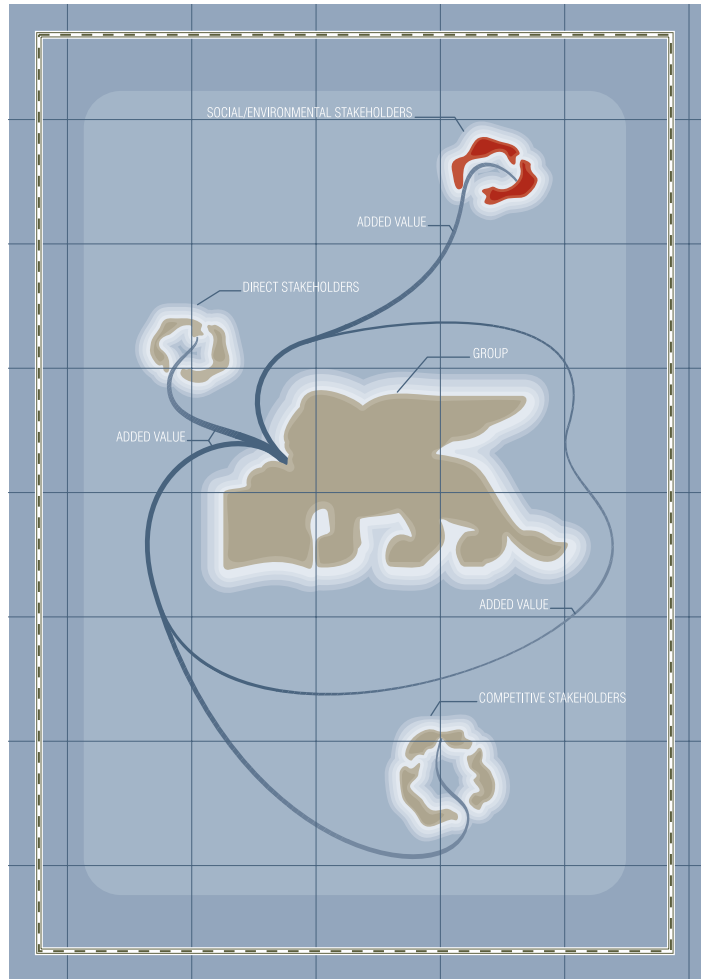
By adhering to the ethical criteria adopted by Norway's Government Pension Fund, the Generali Group basically refuses to invest in companies that have been excluded by means of the relevant procedure. As regards the companies that have been excluded after the adoption of these criteria, the Group has granted sufficient time for fund managers to leave any investments within said companies without causing negative repercussions on the relevant portfolios.

2006 Objectives

By 2006, Generali Group investments will comprehensively be aligned to Norway's Government Pension Fund ethical criteria.







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COMMUNITY

Relations with the community

Establishing positive and harmonious relations with local communities has always been a top priority for Generali Group companies.

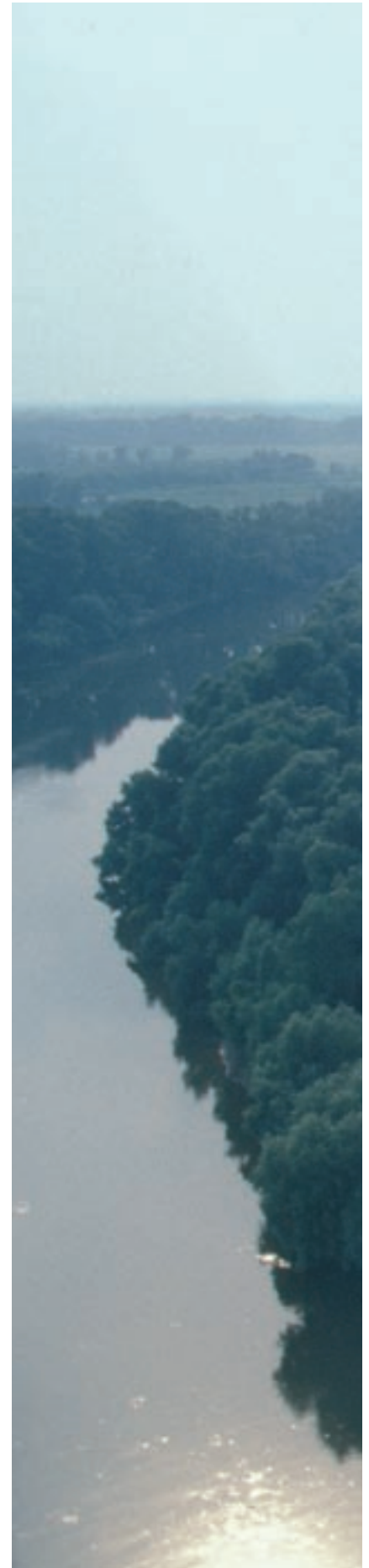
Over the past 175 years, the Group has always promoted and established profitable relations with local communities. The Parent Company's international expansion has always been pursued with a view to developing and enhancing the local resources, recognising the importance of the contribution local people can make with their market knowledge. The Group has established new companies or purchased already existing ones, always employing local staff. Thus, its growth has also benefited the local economies it operates in. Recent corporate acquisitions in a number of Eastern European countries show the same trend. Within the scope of the reorganisation undertaken in recent years, several company offices have been transferred, e.g. the relocation of the French Group companies to Saint-Denis. During these complex processes, the Group's major objective has always been the interaction with the social fabric with a view to promoting integration and fostering the development of the both Group and the community it operates in.

In particular, the Group pays constant attention to the needs of local communities and acknowledges the moral duty of concretely contributing to:

- supporting scientific research, especially medical research, geared towards finding effective treatments for serious illnesses;
- alleviating hardship and suffering through support of charitable initiatives;
- promoting high-profile cultural and artistic events, in the conviction that these events can really improve the quality of life;
- supporting educational initiatives, in particular for economic, actuarial and technical-insurance topics, and raising social awareness;
- encouraging sports, as they play a major educational role in children's healthy growth;
- protecting and safeguarding the environment.

Assignment criteria are used in the decision making process to identify which initiatives are going to be supported. These criteria refer firstly to the above areas of intervention which Generali decided to fund with priority. Before allocating funds, all proposals are carefully scrutinised. The Group rigorously evaluates the social value of each event as well as the integrity and trustworthiness of promoters and organising committees; checks are made at a later date to ensure that the funds actually arrived at the designated destination.

However, individual Group companies can make autonomous decisions: in some cases they channel resources allocated for the community into one or just a few far-reaching initiatives, and in others they share the funds among several different projects. As a general rule, companies privilege long-term projects, the significance and scope of



which require a multi-year commitment. Occasionally one-off interventions may be envisaged.

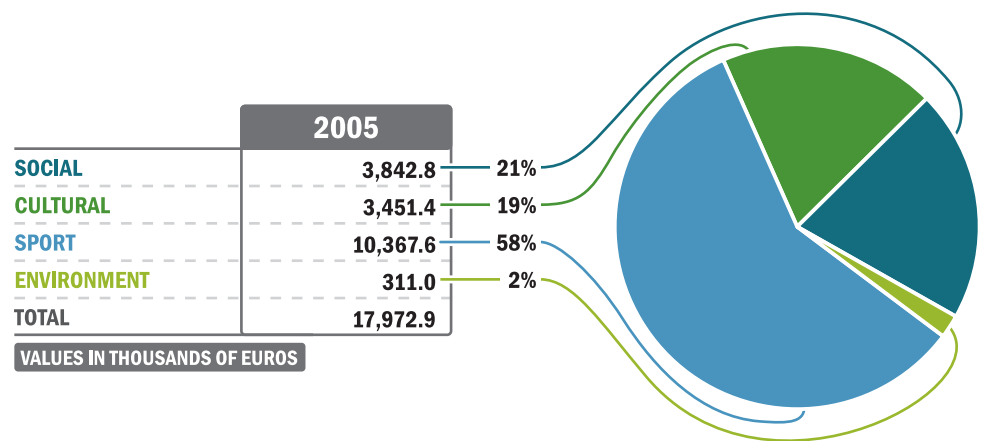
2005 highlights

Considering the number and significance of the initiatives carried out by Group companies to the benefit of local communities, last year as well as this year, a wider area was taken into account – as compared to the Sustainability Report – to encompass all the countries around the world where Generali operates.

In 2005, the Generali Group allocated 18 million euros (2.5 of which by the Parent Company) to community initiatives, divided into the following areas of intervention:



DISTRIBUTION OF FUNDS TO COMMUNITY BY AREA (CONSOLIDATION AREA; 2005) →



- The allocation of resources is influenced by the type of initiative and particularly by the role of advertising which may lead to a considerable increase in the Company's economic effort. The high percentage of sums actually destined to the world of sports is due to the important role of advertising in the sponsorship of professional sports events or high-profile initiatives.

The primary initiatives that the Generali Group supported in 2005 are outlined below. Considering the multiplicity of these projects, sub-areas are used to describe the various activities. It should be noted, nonetheless, that some projects may fall under more than one sub-area, and some could even fall under more than one main area. Prevalence is the criterion adopted in such cases.

Social area

1. Aid

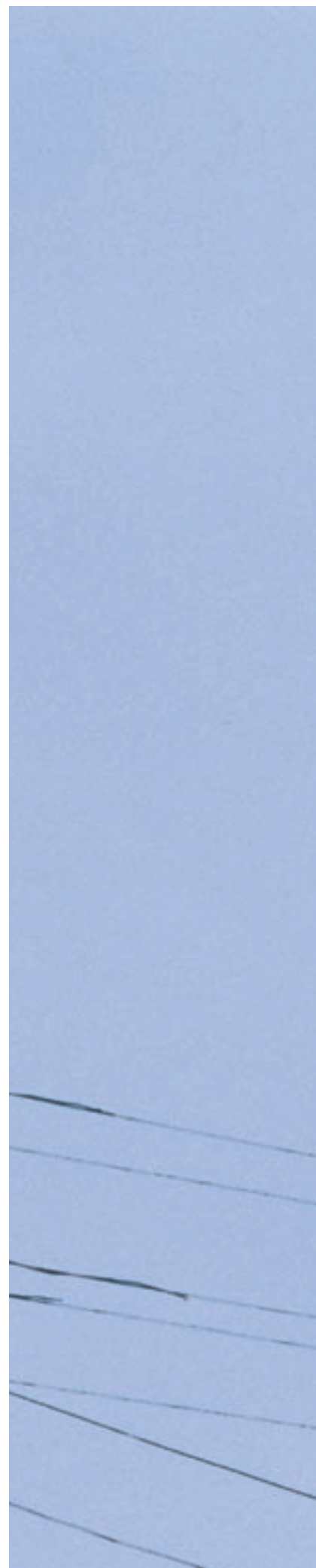
The Group has always been committed to providing extensive social support. In addition to the major initiatives outlined below, it sponsors numerous smaller programmes, most on a yearly basis, which provide basic needs (primarily hot meals) for the poor, homeless and social outcasts. These include support to “**Banc des Aliments**” in Spain and to **San Vincenzo de’ Paoli Association**, on behalf of Europ Assistance France.

The Group pays particular attention to projects involving children and young people, the future society.

- Europ Assistance Italia has been supporting Rumanian children since 2004. This year, a new campaign of cause-related marketing dedicated to homeless children on the streets of Bucharest has been launched through the Comitato Onlus **Eurasolidale**. Europ Assistance, in collaboration with the Milan Foundation “**Aiutare i bambini**”, contributed to building a centre adjacent to the Santa Macrina centre, in Bucharest. The Santa Macrina centre has focussed on preventing and reducing the causes of children’s homelessness since 1998. The new building is a multi-functional space that provides a number of services to the children. An area has been allocated to theatrical plays and exhibitions of objects realised by the children themselves. One section of the building is used as a temporary shelter for women and children who are victims of violence or who find themselves in desperate need. Europ Assistance has made its corporate resources and tools available in addition to providing a financial donation, including a 24-hour helpline where qualified medical personnel provide remote assistance.

Support projects are not limited to meeting the basic needs of at-risk children and youths. Their major goal is helping children to develop their talents, integrate in the community and find a job:

- the Israeli company Migdal has always been greatly concerned with social issues, and continues to pay great attention to the numerous, serious problems afflicting the country. Over the years, it has been supporting vital initiatives such as the **Elem Association** that helps at-risk teenagers, mainly immigrants, and the “**Wheel House**” for children with serious disabilities;
- FATA (a Group company and Italy’s leading provider of agricultural insurance coverage) has been supporting a **pilot agricultural project** for young former fighters promoted by the diocese of **Arua in Uganda**, since 2005. The two-year initiative draws on production, processing and sales of products to reintegrate people between the age of 13 and 30 – who returned to their villages, after a peace agreement was signed by the government and rebel groups – into a normal, socio-economic way of life;
- the American organisation **United Way** has received a donation from Generali USA Life Reassurance Company as well as a sum collected by the employees. United Way takes care of over 400 poor children (and their families) every day, in particular through “**Operation Breakthrough**”, a non-profit agency which helps children to develop to their full potential in a healthy, warm and stimulating environment;
- don Vatta’s **San Martino al Campo Community** is a voluntary association based in Trieste that assists and provides shelter for the





poor, people in need, drug addicts and the unemployed, especially young people, who are also given the opportunity to find a job;

- the **Fundação do Gil**, which helps children who, for a number of reasons, experience long stays in hospitals, prisons or welfare institutions. Generali Portugal began supporting this foundation in 2005.

Group companies are particularly aware of people who are suffering, especially children: in Germany, Central Krankenversicherung makes annual donations to **Verein LebensWert**, an association that takes care of terminal cancer patients, and **Förderverein für krebskranke Kinder**, an association which supports children with tumours and their families, as does the **Floga** association in Greece. This association was supported by Generali Hellas, which donated to it the funds it had set aside for charitable purposes in 2005. In Hungary, the Group supports the **Children's Magic Mountain** foundation, which helps treat children with asthma and allergies.

Furthermore, the Group has been supporting orphans sheltered by **SOS-Kinderdörfer** for years. In Austria, each Regional Management “adopts” a shelter home for children providing direct aid, and in some cases also the direct, personal involvement of some employees. In 2005, the Austrian Group allocated part of the funds collected for the tsunami victims to the international SOS-Kinderdörfer organisation which used the money to finance a project for children in Sri Lanka. Generali also supports this worthy cause in Switzerland.

Lastly, some Group companies have been supporting for many years associations whose activity is somehow linked to the insurance business. These include:

- the Swiss Group companies, which continue to provide solid support to the work of the **Samaritan Federation of Switzerland**, a voluntary association that provides emergency and social/health services, also offering training in the field of accident prevention and first-aid;
- the Austrian companies which support **Österreichische Bergrettung** – an association of 10,000 volunteers providing mountain rescue services – also through the organisation of meetings on risk management and safety in the mountains;
- the Dutch companies which support **Slachtofferhulp Nederland**, an association that helps the victims of crime and accidents, providing legal advice and psychological support.

A huge number of natural disasters occurred in 2005 around the world, affecting countless victims and causing massive damages. The Group participated in some important initiatives to help the afflicted populations with one-off interventions, including the following worthy of special mention.

- The Generali Group donated a million euros (a sum that included also voluntary contributions from employees from different country, who took up the call to contribute) to the **Italian Civil Defence** for supporting Asian communities affected by the tsunami of 26 December 2004 and rebuilding projects in the affected areas. The money went to building a **school in Akurala (Sri Lanka)**, expected to be completed in 2006. The building will house 375 students at primary and technical vocational high school level, and will feature a modern infrastructure to meet the educational needs of children and teachers. Again through the Italian Civil Defence, the Parent

Company contributed to the humanitarian mission in the Bahr al Ghazal region in southern Sudan, named “**Ponte Italia**” after the bridge over the Payee river – a tributary of the Nile –, which was the first great project realised in the region. The bridge means local populations will no longer be isolated during the rainy season thus allowing humanitarian aid to be delivered to the area throughout the year. It lays the foundations for economic and social development in the area.

- In the United States, Generali USA Life Reassurance allocated a sum to the **Hurricane Katrina Relief Fund**, and employees added to this sum with voluntary donations.
- In Mexico, Group companies used the entire resources set aside for the community, equalling 1% of their net profit, to provide social assistance to people affected by the hurricanes in the south east of the country.

At Christmas, Intesa Vita handed over a considerable sum that was divided among 34 **voluntary associations providing social aid** that were indicated by employees in a survey.

2. Scientific research

The Group makes its commitment to scientific research a priority. The Group sponsors numerous and diverse initiatives, especially in the medical field that is more directly connected to the insurance business. Its commitment focuses on illnesses that are currently among the most frequent causes of death.

- The Parent Company is very active in the field, and has been financing cancer research through the **Vollaro Foundation** in Lugano and the **European Institute of Oncology (IEO)** in Milan directed by professor Veronesi. In 2004, alongside some IEO shareholders, Generali constituted the **CERBA Foundation** – the European Centre for Advanced Biomedical Research –, which aims at setting up a multi-disciplinary centre in Milan for the study of the most common pathologies (oncology, cardiology and neurodegenerative diseases) and the neonatology care. The centre will deal with experimental and clinical research, treatment and diagnostic services, and will include facilities for training and scientific culture. The proximity of the structures and the sharing of resources will help optimise efficiency and place the Centre on a par with world class centres in the United States and Japan. The project – sponsored by local and national public institutions – was implemented in 2005 when the first bricks for two new buildings were laid. Works are expected to be completed in 2007. One building will house clinical exam rooms, with a particular focus on diagnostics and prevention, the other will accommodate patients and their families.
- Assicurazioni Generali is also among the partners, including some pharmaceutical companies, the Universities of Trieste and Udine and other research companies, of the Trieste’s **Centro di Biomedicina Molecolare (CBM)**, a company providing groundbreaking services and research in molecular biology. The Centre, whose laboratories are fully equipped with cutting edge technology, specifically promotes the transfer of technology for economic development, and provides advanced services to companies and research institutions. In 2005, it acquired highly sophisticated equipment and undertook projects in the field of nanobiotechnology and stem cells. An “operational clinical network” was also set up to pursue clinical experimentation through regional “centres of excellence”.





- Banca Generali has confirmed its ongoing support for the **Associazione Italiana Sclerosi Multipla (AISM)**. In 2005 a fund-raising event was organised at the Strehler theatre in Milan with the voluntary participation of musicians, nationally acclaimed actors and leading exponents of the Italian cultural world. The show explored the theme of authenticity, through personal stories, speeches, songs and performances. In addition to the funds raised, Christmas donations were also given to the Trieste and Milan AISM branches. In 2005, Banca Generali also launched its support for the **Associazione Italiana Ricerca sul Cancro (AIRC)**, making a significant contribution to a concert by the La Scala Philharmonic Orchestra, held at La Scala Theatre in Milan, celebrating the association's 40th birthday. Both events were attended by numerous members of staff and financial advisers of the Bank, who decided alongside the company to make their own personal contribution.

Constant attention is also paid to research developments in economics, especially in those areas of interest which are more closely connected to insurance and finance.

- In Switzerland, BSI, through its **BSI GAMMA Foundation** (Global Asset Management Methods and Applications), promotes theoretical and empirical research in the field of asset management and capital market dynamics, in particular through the organisation of an annual, international competition where the best research proposal on asset management is awarded.
- In Germany, Aachener und Münchener has been financing an **“Award for technology and applied science”** for thirty years. The award is presented to scholars who make great strides forward in engineering.
- In Italy, Generali Vita is associated with **Pension Forum** at the Bocconi University in Milan, which is engaged in research for the development of pension funds.

Among one-off donations in the field of scientific research it is worth mentioning:

- a study carried out for Generali France to integrate sustainable development criteria in underwriting professional line risks (an insurance solution for companies that includes responsibility deriving from employee relations, professional responsibility, etc.);
- the **“ISI-Project”** – supported by Generali Netherlands – that aims at mapping all the major trends for intermediaries in Holland as well as developing and stimulating innovation.

3. Training/education

The Group has undertaken numerous initiatives in this field, which bear witness to its commitment in the countries and communities in which it operates. The Group pays special attention to education linked to the insurance business and, more generally, to the spreading of the insurance culture. It has also participated in some programmes for the less fortunate, such as the sick, disabled and immigrants, with a view to fostering their integration in schools and the community.

Group companies maintain gainful relations with **universities** and **post-university schools**, taking part in several exchange projects: internship, lectures by Group employees, provision of grants, etc..

- In Italy, Assicurazioni Generali has been supporting the Master's Degree in Insurance & Risk Management (MIRM) organised by the

School of Management (MIB) of Trieste since its creation, through the provision of grants and the involvement of its staff members in class activities. In the 2004-2005 school year, it was decided that the course should be held entirely in the English language. This has encouraged numerous foreign students to join, mainly from Central and Eastern Europe, including some employees of Generali companies. In 2005, Generali Vita contributed to launching a specialist, post-graduate course at the Carlo Cattaneo University, Castellanza (Varese). Alleanza Assicurazioni supports the master's degree in Innovation Management provided by the Scuola Superiore Sant'Anna (Pisa), providing grants to its students.

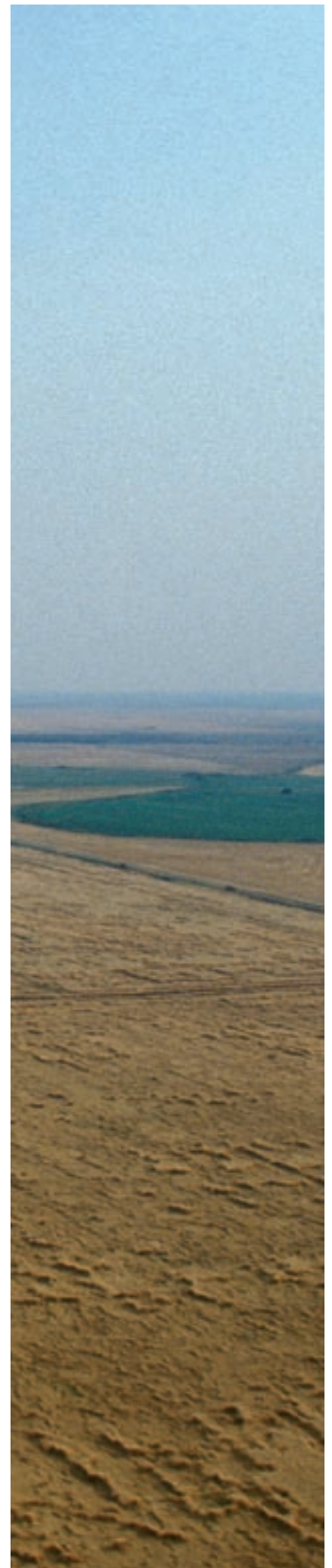
- Group companies located abroad have also developed relations with local universities. In Germany, Generali Informatik provides grants for students at the University at Aachen; in Turkey, Generali Sigorta works with the Bosphorus University, supporting the Erasmus student exchange programme. In France, the Group has been supporting the Université de Tous Les Savoirs for many years. Each year the French university institute organises cycles of lectures open to the public on a whole range of topics, in collaboration with the Ministry of Education and the Ministry of Culture. In 2005, the Parent Company pledged a considerable sum to the Catholic University in Paris to establish a chair in Ethics and Finance.

Other significant funding initiatives to education and training institutions are described below:

- Alleanza Assicurazioni set up an initiative to support the work of the **Nova Spes International Foundation**, which since 1980 has organised conferences and collaborated with many world-renowned Bodies and Institutions including Accademia dei Lincei, the Italian National Bioethics Committee, Harvard University, the London School of Economics, and Stanford University among others. Through a constant dialogue with several Nobel prize winners, the Foundation focusses on the need for a balanced and harmonious development of people and society;
- for years, the Parent Company has been supporting the activities of the **United World College of the Adriatic** in Trieste – an international institution offering young people from around the world the chance to meet and interact with the community they live in – providing grants to its students;
- Generali-Providencia in Hungary supports the **Insurance Education Institute (BOI)**.

Group initiatives to provide aid to the less fortunate, especially children, include:

- **“Tlalim”**, the multi-award winning project which bears witness to the remarkable effort undertaken by Migdal, an Israeli company. This initiative supports ill children who are absent from school for extended periods, providing home schooling, e-learning courses, call centres and closed circuit television broadcasts to help them continue their studies. In collaboration with “Tlalim”, in 2005 Migdal financed a programme for children helped by **Gam veGam**, an association based in Tel Aviv that provides initial support for children who have run away from home or who have been forced out of their homes until a suitable accommodation for them is found. The project enables children assisted by Gam veGam and who had left the conventional education system to join the “Tlalim” virtual school. Migdal's new initiatives in 2005 included the **“Atidim”** programme which aims to reduce differences in Israeli society through





education, and offers teenagers with a high potential the chance to guide the process of change in suburban areas. The group and individual programmes are aimed at people between the age of 13 and 30, and accompany them through their entire school career from middle school to degree level. In particular, Migdal financed 10 grants for “Atidim”-assisted students;

- Assicurazioni Generali’s support for **Associazione Mus-e**. The Rome-based association uses music and sport to integrate immigrant children in schools;
- Assicurazioni Generali and Alleanza Assicurazioni have worked with **ASPFI** for many years, a non-profit organisation that uses technology to promote the integration of people with disabilities in school, workplace and the community.

Several other initiatives geared especially to young people, but also to adults, are supported by Generali in the various countries where it operates.

- Generali France has been awarded the “Argus d’or” prize by Argus, a major insurance publication, for social innovations in its initiative called “**Les pauses sourires**” (Smiling pauses). This wide-ranging series of events, including historical and cultural exhibitions, guided tours, and a series of conferences on a variety of topics, is organised for the benefit of Group employees. In 2005, 93 initiatives were organised and 5,000 people participated in them.
- In Switzerland, Generali supports **Young Enterprises Switzerland (YES)**, an organisation that promotes the entrepreneurial spirit of young people between the age of 15 and 20. Through their schools, they create mini-companies that participate in national and international competitions.
- In the Czech Republic, Generali has sponsored **Bambiriada** over the years, an association that depends on the Ministry of Education and whose task is to organise annual parties for children in a number of locations, showing them how they can enjoy leisure time outside the city.
- A joint project was undertaken with the **Lisbon zoo** in Portugal. Many interesting and innovative events have resulted aimed primarily at small children, such as the “International Children’s Day”, the adoption of a newborn lion called Leonardo (Leo), and the “How do you imagine Leo” competition, which was open to all primary schools in the country.

4. Raising social awareness

The Group plays a vital role in raising awareness of insurance-related topics, especially regarding road traffic.

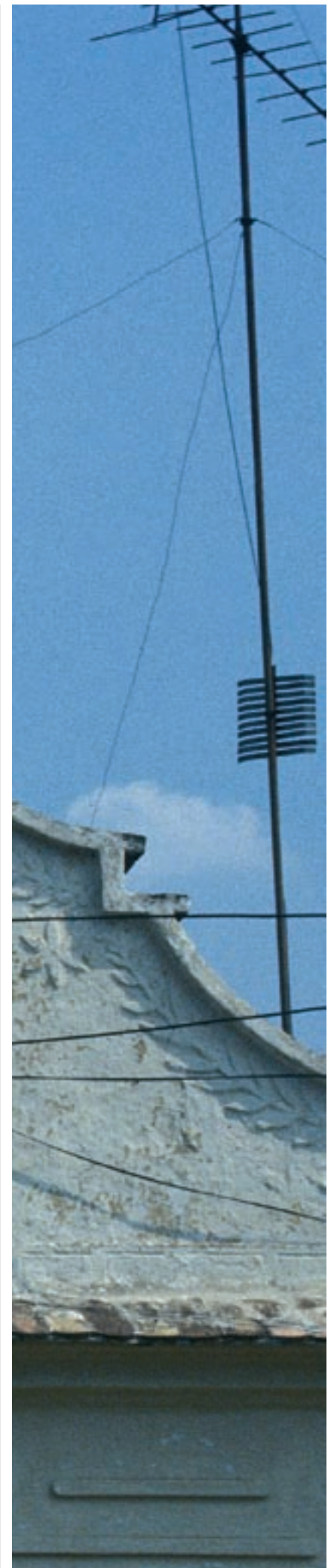
- Generali has entered a cooperation in France alongside Sécurité Routière, a company specialising in road safety, and FFSA (the French Federation of insurance companies) to **improve road safety**.
- In Central and Eastern European countries, the Group has been sponsoring for years initiatives that aim to raise social awareness, such as “**Apple and Lemon**”, an annual road safety educational campaign for adults and children, organised in collaboration with the national police in different cities of Hungary and the Slovak Republic. During the event, children award good drivers with an apple and punish reckless rule-breakers with a lemon. In Hungary, funding has been given to “**Szimba**” which takes its name from the cartoon lion which is also the symbolic name for a student insur-

ance policy sold by Generali-Providencia. This initiative is targeted at children in hundreds of nursery and primary schools in Hungary, inviting them to enter an arts and crafts competition on the theme of health, healthy lifestyles, sports and road safety.

- In Argentina, the Caja de Ahorro y Seguro provided extensive human and financial resources to “**Alerta Vial**”, a strong-impact campaign reflecting the company’s major business objectives. The programme was launched in August 2005 to make the public aware of the high number of people dying every year in road accidents and to raise the interest of several entities (Federal Police, Autoclub, oil companies, and the media, among others) in this initiative sponsored by the company. Collaboration is indeed the key to optimizing resources while devising and coordinating a suitable campaign targeted at drivers and future drivers to be implemented through school programmes, with a view to reducing the number of road fatalities. Some teething troubles were encountered at the start of the project mainly due to difficulties in involving the various entities. Recently, a programme with the same objectives has been launched by the President, thus leading the company to redefine the campaign’s goals to match the official initiative.
- In 2005, BSI supported the **Germoglio Foundation** of the Lions Club in Locarno, Switzerland. The foundation runs an out-patient therapy centre for people afflicted with Alzheimer’s disease who live with their families and have low levels of self-sufficiency. The initiative’s main objective is to raise awareness and encourage family members to keep the afflicted person at home – avoiding or delaying his/her transferral to a nursing home –, by allowing them to have more time off.

The Group has also committed to support activities aimed at raising public interest in social issues such as war, drugs and social outcasts.

- The Parent Company helps support the work of the **Luchetta Ota D’Angelo Hrovatin Foundation**, which assists children in war-torn countries who need medical care unavailable to them in their own country. In particular, it provides accommodation for them and their families in homes managed by volunteers. In 2004, the Foundation created an award for journalists in memory of four journalists from Trieste killed twelve years ago in Mostar and Mogadishu. It turns the spotlight on members of the media who have done outstanding work towards raising awareness of the importance of solidarity and protecting children from any form of violence.
- Assicurazioni Generali has also continued its work with the **San Patrignano Community** for drug addicts. For several years it has been sponsoring a wine and culinary event organised by the youths who live in the community, with a view to showing that serious issues like drug addiction and isolation can actually be overcome.
- In Switzerland, BSI has also contributed to the organisation of the first **International contest of social satire, “Gino 2006”**. Satirical cartoons are used to attract people’s attention to situations and contradictions in today’s society relating to the handicapped and/or disabled people (or to any other potential reasons for their isolation). The contest takes its name from the main character of a book of cartoons published in 2003 – the European year of people with disabilities –, which took an ironic, thought-provoking look at various situations and institutions.





- In Turkey, Generali Sigorta supports the **Community Volunteers Fund** which helps young people develop and implement various social projects with a view to channelling their efforts towards socially useful activities.
- In 2004 Europ Assistance France also sponsored the **Forum pour la Gestion des Villes**, an association that promotes collaboration between public administrations and private firms in managing the city.
- The **BSI Centenario Foundation** – created in 1973 on the Bank’s 100th anniversary –, awards people or Bodies who make a contribution to developing relations between Italy and Switzerland, improving understanding between the Swiss people or expanding a common cultural wealth. The award last went to professor Carlo Bertelli, an art historian and international scholar who has worked at the Lausanne University and Academy of architecture, Mendrisio.

5. Volunteering activities

Some Group companies go beyond allocating funds, and actively involve company resources, human and otherwise. In some cases, companies play an active role in getting others (members of staff, clients and so on) to take part in projects.

- Support for “**SOS-Kinderdörfer**” in Austria which entails each regional management office “adopting” a shelter for children, is – as mentioned above – direct and based also on the involvement of some Group employees.
- Collaboration with the associations **Secours populaire** and **Paris tous petits**, which dates back to the relocation to Saint-Denis, France, is based on the voluntary contributions of some members of staff.
- Some 25 Migdal Group employees volunteer to visit sick children at home under the “**Tlalim**” project in Israel. Not only do they help with tutoring, but they also bring warmth, friendliness and hope to the children and their families. Its sponsorship of the **Hapoel Migdal** basketball team in Jerusalem and the judoist **Arik Ze’evi**, is part of a broader programme of promoting sport.
- BSI supports **Terre des hommes** through voluntary work by its employees. This non-governmental organisation defends the rights of children in developing countries.
- Europ Assistance Group companies provide their internal services, such as operating centres and units, assistance services and remote medical consultations among other things, to selected projects.

Cultural area

The Group has always shown special dedication to cultural affairs, supporting a number of artistic initiatives.

1. Exhibitions

The Group's patronage of the arts is mainly targeted at sponsoring permanent and temporary exhibitions.

- The Austrian Group set up the **Generali Foundation** in 1988, a non-profit organisation whose objectives include promoting contemporary art and putting together a collection based on photography, film and video. The funds it allocates are used to buy works which are displayed in three annual international exhibitions before they join the permanent collection. A travelling exhibition displaying selected works owned by the Foundation was organised in 2005. The tour included stops in Munich (Germany), Rotterdam (Holland) and Zagreb (Croatia), and was sponsored by local Group companies.
- Since its inception, BSI has been outstanding in promoting and spreading culture and art, not only through its patronage of the arts, but also through the organisation of events in which it itself is protagonist. The **BSI Art Collection** was created in 2000 with a view to linking the bank to contemporary, pioneering collections, and has led to the acquisition of works by certain artists of the sixties and seventies, many of which are permanently displayed in BSI branches. The bank later decided to invest in such artists as Armleder, Barry, Bure and Gillick, entrusting each with the task of decorating a floor of the new BSI building in Lugano with specially commissioned works that perfectly match the design of the new premises. The building was renovated by architect Camponovo and inaugurated in September 2005.
- In 2005, Assicurazioni Generali supported numerous major art exhibitions, including the "**Canaletto Exhibition**" held in Rome at the prestigious Palazzo Giustiniani under the aegis of the Italian Senate. The Company also sponsored the "**Cina: le vie della seta**" exhibition in Treviso and the "**Il Teatro dell'Arte**" exhibition organised by the Villa Manin centre for contemporary art with a selection of masterpieces from the Ludwig Museum in Cologne, one of the leading modern art galleries in the world. Assicurazioni Generali supports the **Amici della Biennale di Venezia Association**, contributing also to the organisation of the important biennial artistic event. For a number of years, Generali has also allocated resources to the **Patriarcato di Venezia**. In 2005 it contributed to expand the old library.
- In Germany, Central Krankenversicherung is highly dedicated to art and literature. In addition to sponsoring some exhibitions held in castles and museums, it supports the **Kölnische Kunstverein** by setting up shows and helping the association prepare and organise the "Central-Kunstpreis", an internationally acclaimed biennial art competition. It also actively participates in the organisation of the annual international literary festival in Cologne.
- In France, Generali sponsored "**Splendore di Venezia**", an exhibition of masterpieces of the most famous Italian painters from the 1500's held in Bordeaux and Caen, and the Institut de France's restoration of a **fresco by Primaticci** in the chapel of the abbey of Chaalis. The Saint-Denis offices hosted an exhibition of medieval works, held with the help of local archaeologists and the Jacque-





mart-André exhibition, set up in association with the Institut de France.

- The Swiss Group sponsors the **Pierre Gianadda Foundation** in Martigny. In a building that also hosts a Roman museum, an automobile museum, a sculpture park home to permanent works by Rodin, Arp, Mirò and other great artists, the Foundation organises annual temporary art exhibitions that are normally among the top 100 and often the top 10 most visited temporary exhibitions in the world, also thanks to the passion and ability of Leonard Gianadda, who succeeds in putting together even those works owned by private collectors and museums which are normally reluctant to lend their masterpieces out. Generali sponsored several initiatives in 2005, including an exhibition by the French photographer Henri Cartier-Bresson.
- In Rome, INA sponsored the “**exhibition of Eritrean Askari troops**”, the famous African army that fought alongside Italy in World War I. Its contribution was used for the conception and creation of the catalogue for the show. Assitalia sponsored a display of historic exhibits found in the sea, called “**L’isola del mito**”, held in Trapani during the Sicilian leg of the America’s Cup boat race.

2. Music and dance

The Group is greatly dedicated to supporting shows by famous artists and the work of major institutions, but is also mindful of initiatives for young artists. It plays an important role on a local scale, where it sponsors a range of projects.

- Numerous **theatres** receive support from the Group. The company most devoted to this field is Assicurazioni Generali. It has supported some of the leading Italian lyrical theatres over the years: the La Fenice theatre in Venice, the Verdi theatre in Trieste and, alongside INA, the Accademia di Santa Cecilia in Rome and the Maggio Musicale theatre in Florence. Several Group companies abroad also support theatres: in Austria, Generali supports Staatsoper; in Hamburg Volksfürsorge sponsors the prose theatre Thalia; in Switzerland it provides funding for San Gallo theatre, while in Slovenia Generali sponsors the Ljubljana theatre.
- Numerous concerts and musical events benefit from Group company funding, including the three annual **Gesellschaft der Musikfreunde** concerts in Austria and an internationally acclaimed flute concert in Romania. Assicurazioni Generali and INA sponsored a rendition of Brahms’ music performed by two artists of international stature, the violinist Uto Ughi and the pianist Rudolf Buchbinder, at the Accademia di Santa Cecilia in Rome. The Parent Company also contributed to the performance by Berliner Philharmoniker at the La Fenice theatre in Venice and to the production of “Tosca”, directed by Zubin Mehta, which opened the season of the Maggio Musicale theatre in Florence.

BSI sponsors a number of concerts. Since 2002, it has been supporting the “**Martha Argerich project**”, a musical event involving a series of concerts featuring numerous established or young instrumentalists playing alongside the famous Argentinean pianist, including the winners of grants provided by the BSI to students at the Lugano Conservatory. After a year-long break, the “**Trio di Trieste Prize**” was reinstated in 2005. Dedicated to chamber ensembles with piano, the prize will now be awarded every two years.

The event, backed by the Parent Company, was awarded the Gold Medal of the Presidency of the Italian Republic. In the Czech Republic, in 2005 Generali Pojistovna again offered its contribution to “**Prague Autumn**”, a festival of classical music, and confirmed its sponsorship of the famous violinist **Pavel Šporci** dating to 2004.

“**Folkest**” – one of the most prominent folk festivals in Europe presenting dozens of concerts in the Friuli-Venezia Giulia Region – received again in 2005 funding from Generali, as did the Tarvisio’s “**No Borders Music Festival**”, another important, regional music event dedicated to the spreading of culture overcoming ethnic, language, social and geographical barriers.

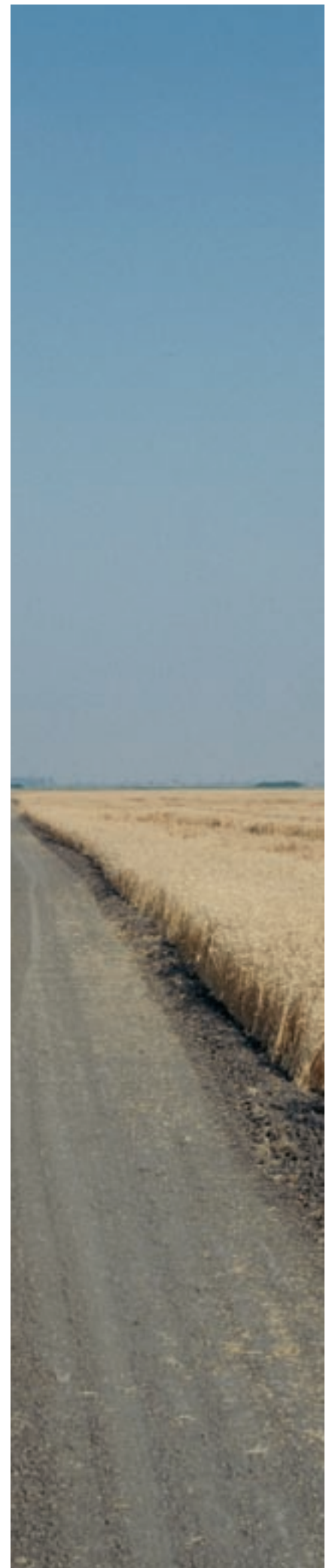
Among the initiatives devoted to young artists, it is worth mentioning the **Orpheum Foundation** supported by Generali Schweiz for several years, and **Europa Dance**, an academy for young dancers that puts on a summer programme culminating in performances by the students, sponsored by Generali France. Assicurazioni Generali, Generali Vita and La Venezia have sponsored a concert by the young Luigi Cherubini orchestra, dedicated to the music of Sergej Prokofiev at the “**Ravenna Festival**”.

- Theatrical performances include the “**Processo a Caio Giulio Cesare**” held in the charming Trajan’s marketplace in Rome. The event was sponsored by the Parent Company as part of its ongoing, annual commitment to the Civita Association. Generali Portugal, on the other hand, chose to reach out to the audience at large supporting pioneering and “young” projects, like the work of the “**Companhia Teatral do Chiado**” and the musical “**Concerto para dois**” based around Fernando Curado Ribeiro, a famous Portuguese actor who worked in theatre, radio and cinema in the 1940’s. In Croatia, the Group sponsored “**Eurokaz**”, an international festival of modern theatre.
- Aachener und Münchener Versicherung also plays an important role in the world of entertainment. The company has for the past decade sponsored **Aachener Karnevalsverein** – an association that organises the famous carnival –, and “**Aachen Kultursommer**”, a huge event featuring over one hundred concerts, plays and dances held every summer in the city squares, museums and churches. The Dialog Lebensversicherung is also very active at a national level. In Augsburg it sponsors the Opera ball and the press charity ball, two renowned local cultural traditions.

In France, relocation to Saint-Denis gave rise to many years of sponsorship for the “**Saint-Denis Music Festival**”, a musical event that is held every year throughout the entire month of June. In Spain, since 2002 Banco Vitalicio has backed the **Palau de la Musica**, an association promoting and spreading music, with a view to strengthening Barcelona’s image as a cultural and musical centre.

3. Artistic/literary awards

Some of the initiatives benefiting from the contribution of Assicurazioni Generali in 2005 are well established, such as the “**Campello literary prize**”, sponsored by the Parent Company, and the “**Medienpreis der AachenMünchener**”, a nationally acclaimed prize presented by Aachener und Münchener Versicherung since 1997 for articles on insurance-related topics. In 2005, FATA proposed





again a **photography competition** centred on the theme of different aspects of the world of agriculture. The great social value of this initiative aiming at enhancing and spreading knowledge of agriculture, attracted the sponsorship of the Ministry of Agriculture, Food and Forestry Policies.

4. Publishing

The Group supported the publication of numerous prestigious works, including art catalogues and commemorative books. In 2005, Assicurazioni Generali launched an important collaboration with the **Lorenzo Valla Foundation**, contributing to the publication of precious volumes of classical Greek and Latin works by Mondadori, geared to an educated audience and university students. Funding from Generali and other institutions contributed to keeping the price of the volumes low, to encourage the book's distribution among young people and the less affluent. This policy helped the works of Foundation's collection become the best selling commented editions of classics worldwide.

Environmental area

Alleanza Assicurazioni has been an active supporter of environmental issues for many years, and has again organised an array of projects. In particular, it has been supporting "**Il cammino dell'Alleanza**", a project with high social value that received a number of national awards, since 1998. The initiative aimed at recovering footpaths around the nation is still hugely popular with hikers and nature lovers. Alongside the Federazione Italiana Escursionismo (FIE), who oversaw the design of maps, preparation and maintenance for the paths, Alleanza has already recovered 20 footpaths, for a total of over 800 kilometres, over the past eight years. Several guides and maps were also published – the last of which was devoted to the path that winds through the hills of Tortona –, showing the routes and providing cultural, natural, historic and culinary information. A section of the Company website is dedicated to this initiative containing descriptions of the route. Visitors to the site can request a free guide, also available from all company agencies.

"Il Cammino dell'Alleanza" was followed by other health and nature projects, all simple and direct.

Since 2002, Alleanza has been the major sponsor of the "**Fitwalking Tour**", a series of events-ideas aiming to draw attention to the art of walking. The campaign was launched by the Damilano brothers (Maurizio Damilano won the gold medal for race walk at the Moscow Olympics) with a view to promoting this sport as an element of psychological and physical wellbeing.

In spring 2003, the first guides of the "**Guide Outdoor – Alleanza Deagostini**" collection were published. The guides illustrate paths and routes of special interest and are dedicated to people who want to uncover the pleasure of an outdoor holiday, fully appreciating the natural resources of each area. They also list the different outdoor activities available locally. Six regional guides and three monographic guides have been published so far, all including a detailed map of suggested itineraries.

The following projects on the subject of the environment have also been implemented:

- Assicurazioni Generali continues its long-term commitment to the **Fondo Ambientale Italiano (FAI)**, a foundation active in the field of environmental protection, conservation and promotion of Italy's artistic and environmental heritage. In 2005, the Company contributed, in particular, to a one-off concert by Wiener Philharmoniker at La Scala theatre in Milan, directed by Maestro Riccardo Muti, whose profits went to the foundation. Moreover, during the events organised by FAI to promote areas of artistic interest which are normally closed to the public, the Company agreed to open to visitors some of its rooms at the Trieste Head Office. Banca Generali also contributed to FAI, sponsoring its national meeting.
- Generali Hong-Kong sponsored a team that took part in a 25 km walk, held alongside the traditional 50 km walk, organised annually by **Green Power**, an independent environmental organisation, which focuses in particular on renewable energy sources, and plays a role in several governmental advisory bodies. The event is held on the Hong Kong Trail in the southern part of the island, and is the largest fund-raising race. The proceeds are donated in their entirety to educational programmes for nursery, primary and middle schools.
- BSI has implemented a number of environmental initiatives. In particular, it has contributed to the “**VEL project on electric vehicles**”, launched by the Association on sustainable mobility. This body organises an exhibition in Lugano to showcase environmentally friendly vehicles and sustainable mobility solutions. BSI also supports the “**cable railway on Mount San Salvatore**” which has been operating for over one hundred years, allowing tourists to admire one of the most attractive areas in the surroundings of Lugano. It also helps finance the “**Grandi Giardini Italiani**” project, which invites people to visit beautiful Italian gardens in the summer months, some of which are open to the public for the first time.
- In France, the Group has made a financial contribution to a survey assessing knowledge and sensitivity among top managers to environmental issues and sustainable development.





Sports

The Group's contribution to sports is wide-ranging and is based around several criteria. When sponsoring professional teams or major events attracting large audiences the commercial interest prevails although linked to various kinds of community interests, while in case of initiatives and sports events for younger age brackets social factors play a crucial role.

1. Youth sports

The Group supports numerous, small-scale events for youth groups, often by providing uniforms or sports equipment. This helps young people and many groups continue their highly educational work in a wide range of sports disciplines, such as tennis, handball, football, swimming, volleyball, basketball, rugby, sailing, motorbike racing and so on. Among others, it is worth mentioning the donation of a small bus to the **Arcobaleno** basketball team by Assicurazioni Generali.

Larger projects worthy of special mention are listed below.

- Assicurazioni Generali continues to support the **Sport Integrato Association** set up at the Carducci high school in Trieste. It promotes the involvement of students, including those with different abilities, in sports such as skiing, sailing, athletics and team sports like volleyball, basketball and football. The Parent Company has also continued its support for an **athlete with disabilities**, a silver medal winner at the Paralympics in 2004;
- Generali France supports the French amateur horse riding championship, the "**Generali Open de France**", the largest European event of its kind: it attracts more than 12,000 competitors, many under 18 years of age;
- Generali Portugal sponsors the **Generali Go-Karting Team**, a team comprising company members of staff who compete at the national company Go-Kart Endurance championships, a very popular sport in the country. Moreover, it sponsors young athletes who practice an assortment of sports at the **Lusiada University**, a famous, private college in Lisbon. For both sports and socio-cultural reasons, Generali Portugal also sponsors events involving **Vintage Cars** such as the Rali dos Templarios, held in the shadow of the Templari di Tomar castle, the Algarve Classic Cars and the Rali das Camélias, which was reinstated by the company after a several-year absence;
- the Group also sponsors the **Nastase Costica & Minhnea** tennis school in Romania.

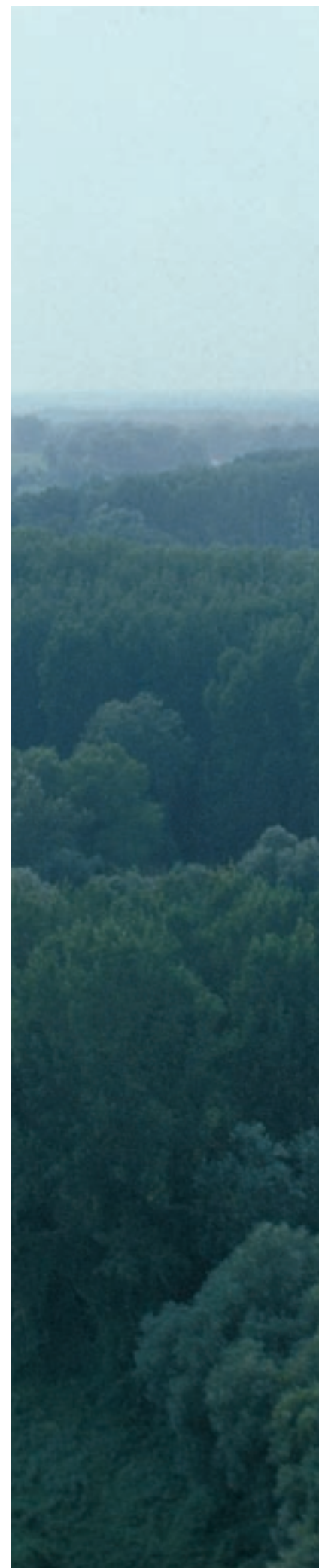
2. Professional sports and large audience events

Group companies are very active with this kind of sponsorship and play a key role in their countries. With the Group's commitment, rewarded in image and marketing, communities can hold national and international scale events with positive repercussions for the local economy and image. In developing markets, this can mean a chance for great economic growth, with implications on a number of levels. Sponsoring famous teams and athletes can also encourage young people to take up the sport and emulate great champions. In many cases, the companies welcome the chance to put on large audience sports and cultural events to enhance loyalty among customers, employees and sales networks. These include "**GPA on ice**" in France, a very entertaining ice-skating event that has been winning high praise at corporate communication and marketing levels.

In 2005, the major sports events sponsored by Group companies were:

- **professional events** at international level, such as the European men's volleyball championship held in Rome (INA-Assitalia), tennis tournaments such as the "Generali Open in Kitzbühel" (sponsored by Generali Austria and Generali Providencia, Hungary) "Ladies Linz" (Generali Austria), "Watson Water Champions Challenge 2005" (co-sponsored by the Hong Kong branch) and the "Timisoara Challenger" in Romania, and equestrian competitions such as the "International Olympic Showjumping Championship (CSIO)" that is held in Lucerne or San Gallo on alternate years (Generali Schweiz) and "CHIO" (sponsored by Aachener und Münchener Versicherung for over 50 years), sailing regattas like the "Nations' Cup" in Trieste (Assicurazioni Generali), "Generali Solo" (Generali France), the "Easter Vodice Regatta" (Generali Croatia) and the "Maratona Internacional da Nazaré" (Generali Portugal);
- **large audience events** such as the "Barcolana" regatta in Trieste (Assicurazioni Generali and Banca Generali), the "Bavisela" European marathon in Trieste (Assicurazioni Generali) and the catamaran regatta "RaidCat Costa do Estoril-Generali" (Generali Portugal), very popular sports events which are also associated with large parties and personalities from the world of sport and music;
- **Federations and national teams:** in France, the Group has become the major insurer and a leading sponsor of many national teams, including the equestrian, golf, volleyball, softball and cricket teams; Assicurazioni Generali, on the other hand, again sponsored the International Bridge Federation in 2005; Generali Austria and Poland together sponsored the national Polish ski jump team;
- **football teams** in the premier league and second division (Ina-Assitalia, AM Versicherung, Generali Netherlands and Generali Slovenia) also women's (Volksfürsorge), basketball team (Migdal), handball (Genertel) and volleyball (Aachener und Münchener Versicherung); and leading athletes such as the Israeli judoist Arik Ze'evi who Migdal has decided to sponsor until the 2008 Beijing Olympics after he won a bronze medal at the Athens Olympics, the sailor Yann Eliès who was sponsored by Generali France in the French Figaro-Bénéteau championships and Hubert Schwarz, an extreme sports athlete whose major sponsor in 2005 was Aachener und Münchener Versicherung;
- the **CETURSA ski resort** in Sierra Nevada (Banco Vitalicio, since 1993);
- **sports clubs** such as "GYSEV" Sporting Club (Generali Hungary); Associaçao Naval de Lisboa (Generali Portugal).

Among the sports events the Group sponsored exclusively in 2005, the **annual meeting of the International Federation for Equestrian Sports** (jointly sponsored by Assicurazioni Generali, Generali France, Generali Belgium and Generali Spain) and an ice hockey tournament in Vienna merit special mention.





2006 Objectives

- Further develop relations with major research centres and universities, based on the belief that it is important to establish effective collaboration with the academic world and the field of insurance education, but also with a view to teaching young people about the Group's values and corporate model.
- Strengthen backing for organisations that support the weakest members of society.
- Give greater support to the promotion of national cultures in the countries where the Group operates.
- In sports, support youth, amateur sports and sports events involving people with different abilities.

As previously mentioned in the chapter “Group – Identity”, an organisational structure whose purpose is to define the Group’s environmental policy was implemented in 2005. The **Eco-Committee** is the body now appointed to handle environmental issues, controlled by the Corporate Centre General Manager. Implementation of this structure is testimony to the importance the Generali Group attaches to the environment. Since its creation, the newly-appointed corporate body has adopted an operational approach to these issues, providing a dynamic snapshot of the situation to identify the potential for improvement.

The Eco-Committee has examined both direct impact, i.e. related to the performance of the Group’s activities, and indirect impact, i.e. associated with purchasing, planning and supplying insurance products and with institutional investment operations.

Direct environmental impacts

Energy consumption and mobility were identified as significant areas requiring intervention as early as 2005.

In terms of **electrical energy consumption**, the area of action was initially restricted to Italy for a quick identification of measures to be implemented. Information were collected in relation to Group companies and other bodies in Italy, mainly agencies and claim settlement offices. Overall 43,484,980 kilowatt-hours were consumed in 2005. Consumption proved particularly high in Mogliano Veneto, in part because of its specific characteristics.


The outcome of this analysis is the first vital step towards defining an environmental policy aimed at energy saving. In 2006, monitoring of energy consumption indicators will be extended to other countries in the Sustainability Report area. The “**kilowatt-hours per employee**” will then be calculated for each country. This indicator was selected to provide a measurement of environmental impact and define the most appropriate actions for reducing consumption. The Polytechnic of Milan was appointed to develop a project related to the Mogliano Veneto Generali offices to reduce energy consumption, incorporating plans to draw on renewable energy sources. Once the project is deemed viable, it will also be implemented within the Group’s real estate property, providing customers with low energy consumption buildings.

The Group is attaching increasing importance to **mobility**, with a view to coping with problems linked to traffic and environmental pollution. Hence, the decision has been made to:

- implement measures to optimise staff commutes from home to the workplace;
- limit and rationalise work trips.

In particular, a company mobility manager was appointed at the Parent Company pursuant to the Decree of the Italian Ministry of the Environment on “Sustainable mobility in urban areas” dated 27 March 1998. The mobility manager collaborates with other large





companies – involving over 16,000 employees – in a specific study that is being conducted by the Trieste municipal administration. Its aim is to identify the travel habits of employees in their commute to work, and pinpoint their needs. The objective is to involve large businesses and their employees – whose impact on city traffic is significant – in planning and managing alternative solutions that favour more sustainable means of transport from an environmental point of view, such as public transport, cycling and car-pooling. All members of the Trieste staff were sent a questionnaire in early 2006 as part of the project. The municipal administration will use the results of the survey in its evaluations and decisions associated with mobility in the city. Within the Generali Group, the results may be used to rationalise the employees’ commute to work and raise awareness of the environment.

The Head Office also supported an initiative called “Andiamo a lavare in modo diverso” (Let’s go to work in a different way), organised by the Trieste municipal administration on 22 September 2005 as part of the European Commission’s “Mobility Week”. In all, 1,500 European cities participated in the initiative which saw employees and other members of staff travelling to work using means of transport other than the car, cutting traffic and urban pollution, for the day at least.

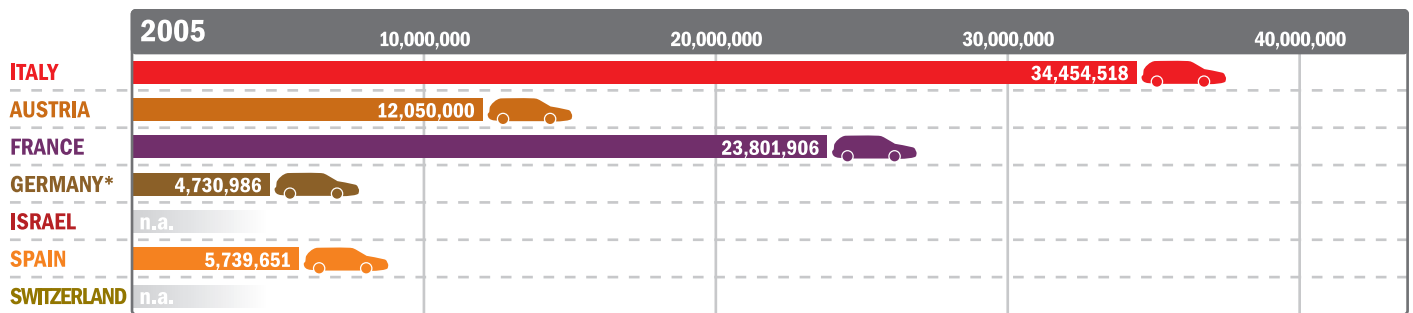
Generali’s awareness of sustainable management of mobility, however, dates back further and, in particular, mobility management has been a key aspect every time it has relocated to new premises in past decades as part of the Group’s territorial reorganisation processes. In Italy since 1989 – the year in which the Assicurazioni Generali offices moved from Venice and Milan to the current Mogliano Veneto premises – a shuttle service, managed by the Company, has been running for staff members, providing eight different coach routes to and from Mestre, Venice, Marghera and Mogliano Veneto at the start and end of each working day.

In Rome as well, following the transfer of the Generali Servizi Informatici and Generali Asset Management offices to another area of the city, shuttle services were set up whereby small shuttle buses connect the offices and the nearest underground stations at the start and end of each working day. GSI is also linked with the INA offices located in the heart of the city, again by a shuttle bus service running the entire working day for business-related purposes only.

In Germany as well, there is a similar shuttle service between the two Volksfürsorge offices in Hamburg, used mainly for the distribution of post, parcels and other materials.

A growing commitment to mobility also became apparent when some important Group offices were recently relocated. In choosing the new sites, the Group took into account the accessibility of the new location and the efficiency of public transport in the area (Saint-Denis in France, Adliswil and Nyon in Switzerland). Moreover, the French branch of the Group subsidizes its staff members in and around Paris for 60% of the cost of an annual season ticket in a move to encourage public transport.

The Group also started to monitor the **kilometres driven by staff members on a mission by own car** – an indicator identified to measure the Group’s environmental performance.



[*] THE FIGURE RELATING TO GERMANY REFERS TO THE ADMINISTRATIVE STAFF ONLY

- The results indicate that there is a need to distinguish between the mileage travelled by the administrative staff and that travelled by the sales force. For obvious reasons, the measures undertaken to reduce mileage can only be applied to the former, while other solutions may be more appropriate for the sales force, such as providing incentives to purchase eco-compatible cars. As an illustration of the impact of the above-mentioned distinction in Italy, the figure relating to the administrative staff alone would shrink to 11,771,746 km (22,621,772 km refer to the sales force on payroll).

Italian Group Companies are now all fully equipped with a **video-conference** room and virtual work areas are being developed and fitted out with web conferencing equipment, exploiting the technological means available to effectively implement the decision to limit travel among employees and other staff members.

Lastly, on the subject of direct environmental impact, issues relating to **paper consumption** – the latter being a material specifically relevant to the nature of the Group’s business – are under scrutiny, as is **waste management** in general. Given the difficulty in calculating 2005 figures, data will be available from 2006. A data collection system is currently being implemented in Italy, and will be extended Group-wide in due course.

 KILOMETRES DRIVEN BY STAFF MEMBERS ON A MISSION BY OWN CAR (SUSTAINABILITY REPORT; 2005)



Indirect environmental impacts

As previously mentioned, Group activity can also have an indirect effect on the environment.

Procurement ecology relates to the influence the company can exercise in its purchasing activities on its own suppliers with a view to raising their environmental awareness. In 2005, in Italy the Group adopted an **Ethical Code for Relations with Suppliers**, which is outlined in more detail in the chapter “Competitive Stakeholders – Suppliers”. This section only examines the provisions relating to the integrity of supply and monitoring of the supply chain. According to these provisions, the Group encourages its suppliers to adopt the principles laid down in the relevant Ethical Code and sets up operational systems to prevent regulations on health and safety in the workplace, environment and public health from being infringed by suppliers and supply chains. To this end, supply contracts contain special clauses establishing sanctions that aim to prevent crimes against the Public Administration or environmental disasters.

Product ecology, on the other hand, is intended as inducing eco-compatible behaviour in the Group’s clients through planning and providing products and services. In this case, a clear distinction must be made in the non-life lines of business between the individual and corporate insurance products provided by Group companies.

The promotion of eco-compatible behaviour through products for individual clients sold at a fixed rate is a rather marginal aspect, as an increase in the percentage of uncovered risk (i.e. to be borne by the policyholder) is envisaged only should the insured party’s non-observance of compulsory safety standards be ascertained at the claim-settlement stage.

In the corporate sector, where the risk rate is calculated on a case-by-case basis, the chance of encouraging eco-compatible behaviour in the client is much higher. In particular, the Parent Company’s policy for the assumption of property risks and general third party liability emphasises two main aspects:

- on the one hand, “preventive consultancy” is provided during the risk evaluation phase, with the aim of helping clients set up or improve safety measures to effectively reduce the conditions of risk exposure, thus leading to more favourable premium levels for that risk;
- on the other hand, the risk rate and consequently the premium required from the client are increased if formal and/or substantial gaps in the adoption of suitable preventive measures are found. The absence or insufficiency of said measures may even lead the Company to refuse to provide insurance cover.

A specific mention should be made of third party liability (TPL) insurance.

As regards liability for employees, for example, Assicurazioni Generali’s insurance conditions specifically provide that the employer is covered only if the employee has a regular contract and workplace compulsory safety legislation is complied with.

On the other hand, specific legislation exists for insurance conditions in the pollution third party liability sector, promoting actions to prevent environmental damage. These may include compensation of expenses for emergency or temporary measures to prevent or minimize claimable damage, as well as the avoidance of damages caused by deliberate non-compliance with legal provisions or non-prevention of damage. The Company is therefore clearly committed to involving insured companies in its effort to comply with existing legislation (on environmental protection, in this specific case) and in the prevention of risks, making these conditions fundamental for insurance coverage.

The Parent Company also belongs to the “Pollution Third Party Liability Insurance Pool”, a body whose purpose is to share among its Italian member companies catastrophic risks caused by environmental pollution. This body – which also involves some reinsurers – has contributed to spreading a more uniform knowledge of this specific risk sector among insurance companies.

Finally, the Company promoted an **agreement between ANIA and CONFINDUSTRIA**, whereby, assuming that “...*environmental protection is an important factor of competitiveness at an international level, and sustainable development is an objective shared by the major industrialised countries...*”:

- ANIA undertakes to raise awareness among insurance companies so that tariff conditions adopted when drawing up insurance policies for pollution TPL are in favour of companies that belong to the CONFINDUSTRIA system and are eco-certified under ISO 14001 and EMAS standards;
- CONFINDUSTRIA undertakes to inform member companies of ANIA’s activities in the area of environmental issues.

This agreement very effectively illustrates the business partnership strategy adopted by the Company (and more generally by ANIA) in the area of environmental protection.

As previously mentioned, a further indirect impact is associated with the insurance companies’ institutional **investment activity** related to the management of their own capital and of assets covering the commitments towards policyholders. The Group handles such a noteworthy amount of resources that it can afford to induce a virtuous approach to the environment in the companies it chooses to invest in. It can, for instance, decline to support companies that pose a high risk to the environment, or it can opt to invest in companies whose environmental efforts are outstanding. In the chapter “Competitive Stakeholders – Candidates for investment” the Group’s investment policies are outlined in greater detail.





2006 Objectives

- Extending the data collection for electrical energy consumption to the Sustainability Report area.
- Monitoring paper consumption and waste disposal.
- Improving the monitoring of kilometres travelled by car per employee for work purposes, while implementing a distinction between administrative staff and the sales force.
- Increasing the usage of virtual meeting halls by using web conferencing and teleworking tools to reduce staff travel.
- Implementing an initiative in Austria to reduce energy consumption, which is expected to slash energy and water costs by 10%.

APPENDIX

Structure of the Board of Directors and of Committees

BOARD OF DIRECTORS							COMMITTEES					
OFFICE	MEMBERS	EXECUTIVE	NON-EXECUTIVE	INDEPENDENT	[****]	NO. OF OTHER OFFICES [**]	INTERNAL CONTROL COMMITTEE		REMUNERATION COMMITTEE		EXECUTIVE COMMITTEE	
							[***]	[****]	[***]	[****]	[***]	[****]
CHAIRMAN	ANTOINE BERNHEIM	✓			100%	11					✓	100%
VICE-CHAIRMAN	GABRIELE GALATERI DI GENOLA		✓		100%	7			✓	100%	✓	100%
MANAGING DIRECTOR	SERGIO BALBINOT	✓			100%	8					✓	100%
MANAGING DIRECTOR	GIOVANNI PERISSINOTTO	✓			100%	14					✓	100%
DIRECTOR	LUIGI ARTURO BIANCHI		✓	✓	100%	3	✓	100%				
DIRECTOR	ANA PATRICIA BOTIN		✓	✓	50%	2			✓	100%		
DIRECTOR	GERARDO BROGGINI		✓	✓	100%	4	✓	100%			✓	100%
DIRECTOR	CLAUDIO CONSOLO		✓	✓	83%	1						
DIRECTOR	LAURENT DASSAULT		✓	✓	83%	2						
DIRECTOR	DIEGO DELLA VALLE		✓	✓	50%	5			✓	100%		
DIRECTOR	ENZO GRILLI		✓	✓	83%	2						
DIRECTOR	PIERGAETANO MARCHETTI		✓	✓	50%	2					✓	100%
DIRECTOR	KLAUS-PETER MÜLLER		✓	✓	33%	4						
DIRECTOR	ALBERTO NICOLA NAGEL		✓		100%	1					✓	50%
DIRECTOR	ALESSANDRO OVI		✓	✓	100%	2	✓	100%				
DIRECTOR	ALESSANDRO PEDERSOLI		✓	✓	100%	4	✓	100%				
DIRECTOR	REINFRIED POHL		✓		50%	4						
DIRECTOR	VITTORIO RIPA DI MEANA		✓	✓	100%	2						

NUMBER OF MEETINGS HELD IN THE REFERENCE FINANCIAL YEAR
 BOARD: 6 INTERNAL CONTROL COMMITTEE: 5 REMUNERATION COMMITTEE: 2 EXECUTIVE COMMITTEE: 2

[**] THIS COLUMN SHOWS THE NUMBER OF DIRECTOR OR AUDITOR OFFICES HELD BY THE PERSON IN OTHER FIRMS LISTED ON ITALIAN OR FOREIGN REGULATED MARKETS, IN FINANCIAL, BANK, INSURANCE OR LARGE COMPANIES. THE REPORT ON CORPORATE GOVERNANCE CONTAINS A COMPLETE LIST OF OFFICES.

[***] ✓ IN THIS COLUMN INDICATES THAT THE MEMBER OF THE BOARD BELONGS TO THE COMMITTEE.

[****] THIS COLUMN SHOWS THE PERCENTAGE OF MEETINGS OF THE BOARD AND OF THE COMMITTEES ATTENDED BY DIRECTORS.

Board of Auditors

OFFICE	MEMBERS	PERCENTAGE OF MEETINGS OF THE BOARD OF AUDITORS ATTENDED	NUMBER OF OTHER OFFICES [**]
CHAIRMAN	GIANFRANCO BARBATO	90%	-
PERMANENT AUDITOR	PAOLO D'AGNOLO	100%	-
PERMANENT AUDITOR	GAETANO TERRIN	100%	2
SUBSTITUTE AUDITOR	GIUSEPPE ALESSIO-VERNI	-	-
SUBSTITUTE AUDITOR	PAOLO BRUNO	-	-

NUMBER OF FURTHER MEETINGS ATTENDED DURING THE FINANCIAL YEAR:

9 (1 IN SHAREHOLDERS' MEETINGS - 6 IN THE BOARD OF DIRECTORS - 2 IN THE EXECUTIVE COMMITTEE)

INDICATE THE QUORUM REQUIRED FOR THE SUBMISSION OF LISTS BY MINORITIES FOR THE ELECTION OF ONE OR MORE PERMANENT AUDITORS (PURSUANT TO ART. 148 TUF): 3/100 OF THE SHARE CAPITAL

[**] THIS COLUMN SHOWS THE NUMBER OF DIRECTOR OR AUDITOR OFFICES HELD BY THE PERSON IN OTHER FIRMS LISTED ON ITALIAN REGULATED MARKETS. THE REPORT ON CORPORATE GOVERNANCE CONTAINS A COMPLETE LIST OF OFFICES.

Other provisions of the Voluntary Self Regulatory Code

	YES	NO	EXPLANATION*
PROXIES AND OPERATIONS WITH RELATED PARTIES			
HAS THE BOARD OF DIRECTORS ASSIGNED POWERS AND DEFINED THEIR:			
A) LIMITS	✓		
B) PERFORMANCE MODALITIES	✓		
C) AND FREQUENCY OF REPORTING?	✓		
HAS THE BOARD EXAMINED AND APPROVED MOST SIGNIFICANT ECONOMIC, FINANCIAL AND ASSET OPERATIONS (INCLUDING OPERATIONS WITH RELATED PARTIES)?	✓		
HAS THE BOARD DEFINED GUIDELINES AND CRITERIA FOR THE IDENTIFICATION OF "SIGNIFICANT" OPERATIONS?	✓		
ARE THE ABOVE MENTIONED GUIDELINES AND CRITERIA DESCRIBED IN THE REPORT?	✓		
HAS THE BOARD DEFINED PRECISE PROCEDURES FOR EXAMINING AND APPROVING OPERATIONS WITH RELATED PARTIES?	✓		
ARE THE PROCEDURES FOR APPROVING OPERATIONS WITH RELATED PARTIES DESCRIBED IN THE REPORT?	✓		
PROCEDURES APPLYING TO THE MOST RECENT APPOINTMENT OF DIRECTORS AND AUDITORS			
WERE THE LISTS OF CANDIDATES FOR THE OFFICE OF DIRECTORS SUBMITTED AT LEAST TEN DAYS BEFORE THE MEETING?			**
WERE ALL DIRECTOR CANDIDATE RECOMMENDATIONS ACCOMPANIED BY EXHAUSTIVE INFORMATION?			**
WERE ALL DIRECTOR CANDIDATE RECOMMENDATIONS ACCOMPANIED BY AN INDICATION OF ELIGIBILITY AS INDEPENDENT ACTORS?			**
WERE THE LISTS OF CANDIDATES FOR THE OFFICE OF AUDITORS SUBMITTED AT LEAST TEN DAYS BEFORE THE MEETING?	✓		
WERE ALL AUDITOR CANDIDATE RECOMMENDATIONS ACCOMPANIED BY EXHAUSTIVE INFORMATION?	✓		
MEETINGS			
HAS THE COMPANY APPROVED ANY MEETING REGULATIONS?	✓		
ARE THE REGULATIONS ATTACHED TO THE REPORT OR IS THERE AN INDICATION OF WHERE TO OBTAIN/DOWNLOAD THEM FROM?	✓		
INTERNAL CONTROL			
HAS THE COMPANY APPOINTED PERSONS ENTRUSTED WITH INTERNAL CONTROL?	✓		
ARE THOSE PERSONS HIERARCHICALLY INDEPENDENT OF THE PERSONS RESPONSIBLE FOR OPERATIONAL SECTORS?	✓		
ORGANIZATIONAL DEPARTMENT ENTRUSTED WITH INTERNAL CONTROL (PURSUANT TO ART. 9.3 OF THE CODE)	PERSON ENTRUSTED WITH THE GROUP'S INTERNAL AUDIT		
INVESTOR RELATIONS			
HAS THE COMPANY APPOINTED PERSONS ENTRUSTED WITH INVESTOR RELATIONS?	✓		
ORGANIZATIONAL DEPARTMENT AND CONTACTS (ADDRESS/TELEPHONE/FAX/E-MAIL) OF THE PERSON ENTRUSTED WITH INVESTOR RELATIONS	INVESTOR RELATIONS - DR. PEDRO MARTINS PIAZZA DUCA DEGLI ABRUZZI, 2 34132 TRIESTE TEL: +39040671876 - FAX: +39040671260 - PEDRO_MARTINS@GENERALI.COM		

[*] BRIEF EXPLANATION OF THE REASONS FOR ANY INOBSERVANCE OF THE RECOMMENDATIONS OF THE CODE.

[**] THE BOARD OF DIRECTORS HAS NOT DELIBERATED ON THE ISSUE YET.

GLOSSARY

- **AA1000 (AccountAbility1000):** a standard developed by the Institute of Social and Ethical Accountability (ISEA) to promote the adoption of CSR principles, thus providing stakeholders with quality assurance in accounting, auditing and social and ethical reporting.
- **ANIA:** Italian Association of Insurances Companies (Associazione Nazionale fra le Imprese Assicuratrici).
- **Asset Management:** the business of managing third party (and other) financial investments.
- **Benchmark:** an objective reference parameter used to evaluate company performance in relation to analogous companies.
- **Best practice:** the most significant experiences or those achieving the best results which are adopted in similar contexts.
- **Broker:** an insurance or reinsurance intermediary whose profession entails creating direct contacts between an insurance or reinsurance company, with whom he has no binding commitments, and people who intend to draw on his services to obtain risk coverage. He helps determine the content of contracts and where necessary participate in their management and execution.
- **Captive company:** company which provides its products and services to companies in its group.
- **Claim:** an event insured against in the contract.
- **Collision damage waiver:** policy that covers accidental damage to the insured vehicle.
- **Combined ratio:** overall costs for claims and expenses expressed as a percentage of the value of earned premiums for the financial year. The combined ratio is equal to the sum of the expense ratio and loss ratio.
- **CONFINDUSTRIA:** Confederation of Italian Industry representing Italian companies.
- **Consolidated financial statements:** a document that shows the financial and asset status, economic results and variations in the shareholders' equity of a group of companies considered as a single economic body. It derives from combining the financial statements of the companies belonging to a group, net of amounts relating to internal group operations.
- **Consolidation area:** a group of companies brought together by means of the "integral consolidation" method and included in the Consolidated financial statements.
- **Core business:** the main area of business for a company operating in many fields.
- **Core competence:** competence critical to the development and success of a company.
- **Corporate Centre:** the body of the Group that is responsible for managing, coordinating and controlling activities within the scope of the general guidelines defined by the Parent Company Board of Directors.
- **Corporate Governance:** a governance system encompassing various bodies (levels, composition, competence, etc.) and the rules that govern the relations between them (right to vote, delegation of powers, etc.).
- **Credit rating:** credit evaluation by quantifying the likelihood of a person's/company's insolvency.
- **CSR (Corporate Social Responsibility):** "Companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis. [...] Being socially responsible means not only fulfilling legal expectations, but also going beyond compliance and investing 'more' into human capital, the environment and the relations with stakeholders". (Source: "Promoting a European framework for Corporate Social Responsibility" - the European Commission's Green Paper).
- **Customer satisfaction:** a process of knowing clients' perceptions and expectations concerning a service or product. It is used to compare in relative terms the value of a particular service offered to the public.
- **Customer service:** a group of services provided to the client.
- **Direct business:** premiums from insurance contracts.
- **Disputes:** disputes pending before the judicial authorities.
- **Dividend:** part of the net profits of a joint-stock company distributed to shareholders annually.
- **Dow Jones EuroStoxx 50:** this euro-area index represents 50 leading European companies in their fields, listed on the Dow Jones EuroStoxx Index.
- **Dow Jones EuroStoxx Insurance:** a weighted index based on capitalization measuring the performance of the insurance sector in European Monetary Union member countries.
- **Eco-Committee:** a decision-making body that considers issues relating to environmental policies.
- **Ecology of supply:** attention to environmental issues in the supply chain.
- **E-learning:** activities that exploit the potential of the Internet to provide users with education and training.
- **EMAS (Eco Management and Audit Scheme):** a management and environmental control system compliant with European Community Regulation no. 761/01, which establishes the rules governing the voluntary adoption of environmental management systems and the drawing up of Environmental Statements.
- **Embedded value:** represents the intrinsic value of an insurance company and equals the sum of adjusted shareholders' equity and portfolio value.
- **Employed sellers:** the sales force on payroll.
- **Engagement:** the process of involving stakeholders.
- **Environmental policies:** statements by an organisation regarding its intentions and the principles it adheres to in the field of environmental issues.

- **Ergonomics:** a scientific study of the relationship between man, machine and workplace with a view to meeting the worker's psychological and physical needs and increasing efficiency.
- **Ethical Code:** the ethical code expresses the commitments the company has assumed towards its internal stakeholders. This document is voluntarily drawn up and is used by companies to decide which approach to adopt with regard to significant environmental, social and economic issues. This proves particularly important in countries that have no national protection of human and labour rights or the environment.
- **Expense ratio:** acquisition and administration costs expressed as a percentage of the value of earned premiums for the financial year.
- **Fair value:** evaluation of what could be defined as equitable "market" value in compliance with international accounting principles IAS/IFRS.
- **Financial advisers:** professionals who provide financial intermediation.
- **Focus group:** type of quality survey where a group of people is questioned on the personal attitudes to a particular subject.
- **GBS (Study Group for Social Reporting):** a group set up in 1998 with the objective of contributing to defining the contents and characteristics of the social report.
- **GRI (Global Reporting Initiative):** an institution created in 1997 by UNEP (see paragraph) and CERES (Coalition for Environmentally Responsible Economies) whose objective is to develop and disseminate the guidelines for drawing up a voluntary report on economic, environmental and business performance of company activities.
- **Guidelines for Corporate Governance and Multinational Enterprises in the OECD:** recommendations addressed by governments to multinational enterprises, basically concerning voluntary principles and standards for responsible business conduct.
- **IAS/IFRS principles:** international accounting principles.
- **Index-linked (contracts, products):** Stock Market index-linked policies.
- **Information technology:** technology used to gather, preserve, update and convey information needed by any operating body.
- **Institutional investors:** bodies whose purpose is to carry out and manage investments for themselves or third parties (banks, insurance companies, trustees, pension funds, etc.).
- **Intranet:** Internet network accessible only to company staff.
- **Investor relations:** relations between the company and its investors.
- **ISO (International Organization for Standardization):** international network of technical standard-setting bodies. The major standards include ISO 14001 (referring to environmental management systems) and ISO 9000 (relative to quality systems).
- **ISO 14001:** a standard relating to environmental management systems issued by the ISO international standards body. The standard outlines the requirements for environmental management systems, thus enabling companies to plan a policy and establish objectives, with consideration to legislation and information regarding major environmental issues.
- **ISVAP:** Istituto per la Vigilanza sulle Assicurazioni Private e di interesse collettivo (Italian Supervisory Authority for the Private Insurance Sector).
- **Joint venture:** association of two or more companies, sometimes of different nationalities, working together on a single project.
- **Life insurance policies:** insurance contracts that award payment of a lump sum or an annuity if a life-related event occurs.
- **Loss ratio:** the cost of paid and outstanding claims during the financial year as a percentage of the value of earned premiums for the financial year.
- **Media relations:** relations between the company and the media.
- **MIB30:** a weighted index of the 30 top Italian companies traded on the Milan Stock Exchange.
- **Mibtel:** a capitalization-weighted index of all stocks traded on the Milan Stock Exchange computerized trading system.
- **Mission:** the corporate mission and basic objectives pursued.
- **Mobility manager:** person responsible for optimising the mobility of employees in their commuting to work and during work-related trips.
- **Multi-brand:** a commercial approach based on the use of multiple brands.
- **Multi-channel:** a range of products and services provided through multiple sales channels. The definition considers the type of distribution channel used to provide the products and services, as well as the methods by which clients can access them.
- **Multi-client (survey):** a survey carried out by an institute for more than one client which is therefore more in-depth and takes into account a wider sample.
- **Multi-local:** marketing approach that aims to act as a local operator on all the markets in which the company is active.
- **Nanotechnology:** branch of science studying individual atoms and molecules to create electronic components thousands of times smaller than existing ones.
- **Newsletter:** information bulletin.
- **Non-life insurance policies:** insurance contracts that cover damage to people and things caused by external and uncertain events (injury, sickness, fire, theft, etc.).
- **OECD:** Organisation for Economic Co-operation and Development, grouping 30 countries that share a commitment to democratic government and market economy.

- **Outside the Sustainability Report area:** all the companies not included in the Sustainability Report area.
- **Performance indicators:** specific indicators selected to meet corporate information needs and used to monitor the company. They can be of a financial, productive, commercial, environmental and social nature, or concern more than one aspect.
- **Policy:** insurance contract.
- **Preda Code:** a self-enforced code of conduct for listed companies.
- **Premium:** is the sum the policyholder must pay the insurer; it is effectively the “price” of the insurance policy.
- **Premiums of accepted reinsurance:** premiums from reinsurance contracts.
- **Product ecology:** a policy aimed at minimizing the environmental impact of a product’s life cycle.
- **Property risks:** they include: fire, technological risks, theft, misconduct, suspension of business, hail, etc..
- **Protected categories:** the disabled, orphans and widows of men who died in the workplace or performing their duties or in war, refugees, victims of terrorism, etc..
- **Reinsurance ceded:** flow of risks ceded by a company to one or more insurers, in order to share the risk.
- **Renewable energy:** energy generated from sources, whether direct or indirect, connected to the sun. Renewable energy sources therefore are: sun, wind, water, biomass, geothermal energy and tides.
- **Retail:** segment of the market which primarily includes individuals, professionals, shopkeepers and craftsmen.
- **Retirement products:** life insurance products that cater for supplementary retirements needs.
- **Risk Management:** systematic application of management policies, procedures and practices aiming to identify, analyse and monitor risks.
- **Road show:** a series of meetings between companies and institutional investors (or agents, etc.) which take place in different locations.
- **Shareholders’ agreement:** agreements among shareholders concerning the company management, i.e. the existence over time of the same shareholders as a “group”.
- **Speed of claims settlement:** the percentage of claims reported in a financial year and settled in the same year.
- **Stakeholders:** individuals and groups who can influence the success of a company, or who have an interest in the decisions made by the company: shareholders, employees, clients, suppliers, public institutions, competitors, local communities, lobbies, mass media, etc..
- **Stock Exchange capitalization:** when referring to a company, it is the value obtained by multiplying the market price of a share by the number of shares outstanding.
- **Stock option:** option contracts for purchasing the shares of a company – issued with an increase of capital for this express purpose – which grant the right to purchase the shares at a set price within an established period of time. They are used as a means to supplement salaries and as a loyalty tool for individual employees, special categories, or all staff members.
- **Subsidiary agency:** an agency depending directly on the Company and managed by a salaried member of staff (agent), employing internal members of staff, who are also company employees.
- **Supplementary retirement scheme:** a form of retirement savings, designed to create income to supplement pensions paid by the public pension system during retirement.
- **Sustainability Report area:** all the companies included in the Sustainability Report (SR). These companies are from: Austria, France, Germany, Israel, Italy, Spain and Switzerland.
- **Sustainable development:** “Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs” (Source: Brundtland Report, World Commission on Environment and Development, 1987).
- **Trade Union density:** the percentage of workers who are members of the Trade Union.
- **Turnover:** an index indicating staff turnover due to resignations, retirement, death or other reasons which make it necessary to hire a new employee to replace a person who is no longer employed.
- **UN Global Compact:** a voluntary initiative launched and sponsored by the United Nations, promoting and disseminating the principles of sustainable development.
- **UNEP:** the United Nations Environmental Programme that promotes sustainable development among companies and the general public.
- **Unit-linked (contracts, products):** policies that require paid up premiums and benefits to be expressed as units of an investment fund they are linked to.
- **Webconferencing:** company meetings held via Internet.

GRI IDENTIFICATION TABLE

1. Vision and strategy

1.1	Statement of the organisation's vision and strategy regarding its contribution to sustainable development.	YES	15	G
1.2	Statement from the Chairman describing key elements of the report.	YES	4	G

2. Profile**Organisational Profile**

2.1	Name of reporting organisation.	YES	15	G
2.2	Major products and/or services.	YES	15	G
2.3	Operational structure of the organisation.	YES	20	G
2.4	Description of major divisions, operating companies, etc..	YES	27	G
2.5	Countries in which the organisation's operations are located.	YES	27	G
2.6	Nature of ownership.	YES	73	G
2.7	Nature of markets served.	YES	34	G
2.8	Scale of the reporting organisation.	YES	32	G
2.9	List of stakeholders: key attributes of each and relationship to the reporting organisation.	YES	10	G

Report Scope

2.10	Contact person(s) and data for information on the report.	YES	144	G
2.11	Reporting period.	YES	6	SRA
2.12	Date of most recent previous report (if any).	YES	6	SRA
2.13	Boundaries of report.	YES	8	SRA
2.14	Significant changes in size, structure, ownership, or products/services that have occurred since the previous report.	YES	6	SRA
2.15	Basis for reporting on joint ventures, subsidiaries, etc..	YES	6	G
2.16	Explanation of the nature and effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement.	YES	6; 32	G

Report Profile

2.17	Decisions not to apply GRI principles or protocols in the preparation of the report.	NO		
2.18	Criteria/definitions used in any accounting for economic, environmental, and social costs and benefits.	YES	133	G
2.19	Significant changes from previous years in the measurement methods applied to key economic, environmental, and social information.	YES	6	G
2.20	Policies and internal practices to enhance and provide assurance about the accuracy, completeness, and reliability of the sustainability report.	YES	6	G
2.21	Policy and current practices with regard to providing independent assurance for the full report.	NO		
2.22	Sources for additional information on economic, environmental, and social aspects of the organisation's activities.	YES	28	G

3. Governance structure and management systems**Structure and Governance**

3.1	Governance structure of the organisation.	YES	20	G
3.2	Percentage of the Board of Directors that are independent, non-executive directors.	YES	130	G
3.3	Process for determining the expertise Board members need to guide the strategic direction of the organisation.	YES	21	G
3.4	Board-level processes for overseeing the organisation's identification and management of economic, environmental, and social risks and opportunities.	YES	21	G
3.5	Linkage between executive compensation and achievement of the organisation's goals.	YES	52	SRA
3.6	Organisational structure and key individuals responsible for oversight, implementation, and audit of economic, environmental, social, and related policies.	YES	23	G
3.7	Mission and values statements, and status of implementation.	YES	16	G
3.8	Mechanisms for shareholders to provide recommendations or direction to the Board of Directors.	YES, partially	76	G

Stakeholder Engagement

3.9	Basis for identification and selection of major stakeholders.	YES	10	G
3.10	Approaches to stakeholder consultation.	YES	64; 71; 76; 92	G
3.11	Type of information generated by stakeholder consultations.	YES, partially	64; 71; 76; 92	G
3.12	Use of information resulting from stakeholder engagement.	YES, partially	64; 71; 76; 92	G

Overarching Policies and Management Systems

3.13	Explanation of whether and how the precautionary approach or principle is addressed by the organisation.	YES	6	G
3.14	Externally developed, voluntary economic, environmental, and social charters, sets of principles, or other initiatives to which the organisation subscribes or which it endorses.	YES, partially	22; 97; 99	G
3.15	Principal memberships of the organisation in industry and business associations.	YES	127	G
3.16	Policies and/or systems for managing the supply chain.	YES	97	G
3.17	Reporting organisation's approach to managing indirect economic, environmental, and social impacts resulting from its activities.	YES	99; 126	G
3.18	Major decisions made during the reporting period regarding the location of, or changes in, operations.	YES	27	G
3.19	Objectives, programmes and procedures pertaining to economic, environmental, and social performance.	YES	27	G
3.20	Status of certification pertaining to economic, environmental, and social management systems.	NO		

Economic performance indicators**Direct Economic Impacts****Customers**

EC1 Core	Net sales.	YES	32	G
EC2 Core	Geographic breakdown of markets.	YES	27	G

Suppliers

EC3 Core	Cost of all goods, materials, and services purchased.	YES	32	G
EC4 Core	Percentage of contracts that were paid in accordance with agreed terms, excluding agreed penalty arrangements.	NO		
EC11 Additional	Supplier breakdown by organisation and country.	YES	95	SRA

Employees

EC5 Core	Total payroll and benefits.	YES	42	SRA
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Providers of Capital

EC6 Core	Distributions to providers of capital.	YES	42	G
EC7 Core	Increase/decrease in retained earnings at end of period.	YES	75	G

Public Sector

EC8 Core	Total sum of taxes of all types paid broken down by country.	YES, partially	42	G
EC10 Core	Donations to community, civil society, and other groups.	YES	42; 106	G

Environmental performance indicators**Materials**

EN1 Core	Total materials used other than water, by type.	NO		
EN2 Core	Percentage of materials used that are wastes (processed or unprocessed) from sources external to the reporting organization.	NO		

Energy

EN3 Core	Direct energy use segmented by primary source.	YES, partially	123	SRA
EN4 Core	Indirect energy use.	YES, partially	126	SRA
EN17 Additional	Initiatives to use renewable energy sources and to increase energy efficiency.	NO		
EN18 Additional	Lifetime energy consumption of major products.	NO		
EN19 Additional	Other indirect energy use and implications.	YES, partially	126	SRA

Water

EN5 Core	Total water use.	NO		
EN 20 Additional	Water sources and related ecosystems/habitats significantly affected by use of water.	NO		
EN21 Additional	Percentage of withdrawals of ground and surface water broken down by region.	NO		
EN22 Additional	Total recycling and reuse of water.	NO		

Biodiversity

EN6 Core	Location and size of land owned, leased, or managed in biodiversity-rich habitats.	NO		
EN7 Core	Description of the major impacts on biodiversity associated with activities and/or products and services.	NO		
EN23 Additional	Total amount of land owned, leased, or managed for production activities or extractive use.	NO		
EN24 Additional	Amount of impermeable surface as a percentage of land purchased or leased.	NO		
EN25 Additional	Impacts of activities and operations on protected and sensitive areas.	NO		
EN26 Additional	Changes to natural habitats resulting from activities and operations and percentage of habitat protected or restored.	YES, partially	9	G
EN27 Additional	Objectives and programmes for protecting and restoring native ecosystems and species in degraded areas.	NO		
EN28 Additional	Number of IUCN Red List species with habitats in areas affected by operations.	NO		
EN29 Additional	Business units currently operating or planning operations in or around protected or sensitive areas.	NO		

Emissions, Effluents, and Waste

EN8 Core	Greenhouse gas emissions.	NO		
EN9 Core	Use and emissions of ozone-depleting substances.	NO		
EN10 Core	NO _x , SO _x , and other significant air emissions by type.	NO		
EN11 Core	Waste by type and destination.	NO		
EN12 Core	Significant discharges to water by type.	NO		
EN13 Core	Significant spills of chemicals, oils, and fuels in terms of total number and total volume.	NO		
EN30 Additional	Other relevant indirect greenhouse gas emissions.	NO		
EN31 Additional	All production, transport or import of any waste deemed "hazardous" under the terms of the Basel Convention Annex I, II, III, and VIII.	NO		
EN32 Additional	Water sources and related ecosystems/habitats significantly affected by discharges of water and runoff.	NO		

Suppliers

EN33 Additional Environmental performance of suppliers.

NO

Products and Services

EN14 Core Significant environmental impacts of principal products and services.

NO

EN15 Core Percentage of products sold that is reclaimable at the end of the products' useful life and percentage that is actually reclaimed.

NO

Compliance

EN16 Core Incidents of and fines for non-compliance with applicable international, national, regional, and local regulations associated with environmental issues.

NO

Transport

EN34 Additional Significant environmental impacts of transportation used for logistical purposes.

YES

125

SRA

Overall

EN35 Additional. Total environmental expenditures by type.

NO

Social performance indicators: labour practices and "decent and quality work"**Employment**

LA1 Core Breakdown of workforce:

By region/country.

YES

46

G

By status.

YES

45

G

By employment type (full time/part time).

NO

By employment contract (indefinite or permanent/fixed term or temporary).

NO

LA2 Core Net employment creation and average turnover segmented by region/country.

YES

47

SRA

LA12 Additional Employee benefits beyond those legally mandated.

YES

54

SRA

Labour/Management Relations

LA3 Core Percentage of employees represented by independent trade union organisations or other organisations entitled to take part in negotiations.

NO

LA4 Core Policies and procedures involving information, consultation, and negotiation with employees over changes in the reporting organisation's operations.

YES

57

SRA

Health and Safety

LA5 Core Practices on recording and notification of occupational accidents.

NO

LA6 Core Description of formal joint health and safety committees comprising management and worker representatives and proportion of workforce covered by any such committees.

YES, partially

57

G

LA7 Core Standard injury, lost day, and absentee rates and number of work-related fatalities (including subcontracted workers).

YES, partially

50

SRA

LA8 Core Description of policies or programmes on HIV/AIDS.

NO

LA15 Additional Description of formal agreements with trade unions or other bona fide employee representatives covering health and safety at work.

YES

51

SRA

Training and Education

LA9 Core Average hours of training per year per employee by category of employee.

YES, partially

63

SRA

LA16 Additional Description of programmes to support the continued employability of employees.

YES

59

SRA

LA17 Additional Specific policies and programmes for skills management or for lifelong learning.

YES

59

SRA

Diversity and Opportunity

LA10 Core(H) Description of equal opportunity policies or programmes, as well as monitoring systems to ensure compliance and results of monitoring.

YES

49

SRA

LA11 Core Composition of senior management and corporate governance bodies, including female/male ratio and other indicators of diversity as culturally appropriate.

YES

49

SRA

Social performance indicators: human rights**Strategy and Management**

HR1 Core	Description of policies, guidelines, corporate structure, and procedures to deal with all aspects of human rights relevant to operations.	YES	22	G
HR2 Core	Evidence of consideration of human rights impacts as part of investment and procurement decisions.	YES, partially	97; 99	G
HR3 Core	Description of policies and procedures to evaluate and address human rights performance within the supply chain.	YES, partially	96	G

Non – discrimination

HR4 Core	Description of global policy and procedures/programmes preventing all forms of discrimination in operations.	YES, partially	22	G
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Freedom of Association

HR5 Core	Description of the extent to which freedom of association is universally applied independent of local laws.	YES	57	G
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Child Labour

HR6 Core	Description of policy excluding child labour as defined by the ILO Convention 138 and extent to which this policy is visibly applied.	YES, partially	22	G
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Forced and Compulsory Labour

HR7 Core	Description of policy to prevent forced and compulsory labour and extent to which this policy is visibly applied.	YES, partially	22	G
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Disciplinary Practices

HR9 Additional	Description of appeal practices, including, but not limited to, human rights issues.	YES, partially	22	G
HR10 Additional	Description of non-retaliation policy and effective, confidential employee grievance system.	YES, partially	22; 24	G

Indigenous Rights

HR12 Additional	Description of policies, guidelines, and procedures to address the needs of indigenous people.	YES	105	G
HR14 Additional	Share of operating revenues from the area of operations that are redistributed to local communities.	YES	106	G

Social performance indicators: society**Community**

SO1 Core	Description of policies to manage impacts on communities in areas affected by activities, as well as description of procedures / programmes to address this issue.	YES	105	G
SO4 Additional	Awards received relevant to social, ethical, and environmental performance.	NO		

Bribery and Corruption

SO2 Core	Description of the policy, procedures/management systems, and compliance mechanisms for organisations and employees addressing bribery and corruption.	YES, partially	22	G
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Political Contributions

SO3 Core	Description of policy, procedures/management systems, and compliance mechanisms for managing political lobbying and contributions.	YES, partially	22	G
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Competition and Pricing

SO6 Additional	Court decisions regarding cases pertaining to anti-trust and monopoly regulations.	YES	92	SRA
SO7 Additional	Description of policy, procedures/management systems, and compliance mechanisms for preventing anti-competitive behaviour.	YES, partially	97	G

Social performance indicators: product responsibility**Customer Health and Safety**

PR1 Core (L)	Description of policy for preserving customer health and safety during the use of products and services.	NO		
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Products and Services

PR2 Core (L)	Description of policy, procedures/management systems, and compliance mechanisms related to product information and labelling.	NO		
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Respect for Privacy

PR3 Core	Description of policy, procedures/management systems, and compliance mechanisms for consumer privacy.	YES	24	G
PR11 Additional	Number of substantiated complaints regarding breaches of consumer privacy.	NO		

Management system

CSR 1	Description of the CSR policy.	YES	4	G
CSR 2	Description of the structure and relevant CSR responsibilities.	YES, partially	25	G
CSR 3	Number of internal and external audits and auditor hours.	YES, partially	23	G

Sensitive issues

CSR 4	Description of procedures for handling issues sensitive to stakeholders.	YES	24	G
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Compliance

CSR 5	Number of non-compliance incidents with the ethical code.	YES	22	G
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Participation

CSR 6	Description of stakeholder dialogue and involvement procedures.	YES	64; 71; 76; 92	G
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Internal social performance: policy

INT 1	Description of social responsibility issues covered in the company's human resources policies.	YES, partially	52	SRA
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Internal social performance: employment and social protection

INT 2	Staff turnover and job creation.	YES	47	SRA
INT 3	Employee satisfaction surveys.	YES	64	SRA

Internal social performance: compensation

INT 4	Senior management remuneration.	NO		
INT 5	Bonuses fostering medium and long-term successes.	YES	54	SRA

Internal social performance: equal opportunity

INT 6	Ratio of female to male salaries per hierarchy level.	NO		
INT 7	Employee profile per hierarchy level and country according to gender, ethnicity and disability.	YES	49	SRA

Performance to society: contributions

SOC 1	Contributions to charitable causes, community investments and commercial sponsorships.	YES	106	G
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Performance to society: economic value creation

SOC 2	Calculation and distribution of value added.	YES	41	G
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Suppliers

SUP 1	Description of policies and procedures to screen suppliers' social performance.	YES	97	G
SUP 2	Supplier satisfaction surveys.	NO		

Asset management: policy

AM1	Description of socially relevant investment policies.	YES	99	G
AM2	Description of tailored and innovative products and services applying positive ethical/sustainability criteria.	YES	84	G
AM3	Description of investments where CSR issues are raised in communications with management and considered when exercising shareholder rights.	NO		

Insurance: policy

INS 1	Social criteria applied by the reporting organisation in its underwriting policy.	YES	99	G
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Insurance: customer profile

INS 2	Description of the customer base, subdivided into private and business.	YES	81; 83	SRA
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Insurance: responsible marketing

INS 3	Number of complaints received from customers and comment on their issues.	YES	90	SRA
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Insurance: insurance with high social benefit

INS 4	Description of tailored and innovative products and services applying special ethical / sustainability criteria.	YES	84	SRA
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Management system

F1	Description of environmental policies applied to core business lines.	NO		
F2	Description of processes for assessing and screening environmental risks in core business lines.	NO		
F3	Threshold at which environmental risk assessment procedures are applied.	NO		
F5	Description of processes for improving staff competency in addressing environmental risks and opportunities.	YES, partially	124	SRA
F6	Number and frequency of audits that include the examination of environmental risk systems and procedures related to core business lines.	NO		
F7	Description of interactions with clients and business partners regarding environmental risks and opportunities.	NO		
F8	Percentage and number of companies held in the institution's portfolio with which the reporting organisation has engaged on environmental issues.	NO		
F9	Percentage of assets subjected to positive, negative and best-in-class environmental screening.	NO		
F10	Description of voting policy on environmental issues for reporting organisations where the right to vote is held.	NO		
F11	Percentage of assets under management where the reporting organisation holds the right to vote shares.	NO		
F12	Total value of specific environmental products and services broken down according to the core business lines.	NO		
F13	Value of portfolio for each core business line broken down by specific region and by sector.	NO		

(*)

SRA = Sustainability Report Area

G = Group

Co-ordination

Head Office Accounting Department
CSR and Financial Reporting Office

Graphic co-ordination

Group Communication and Public Affairs Department

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