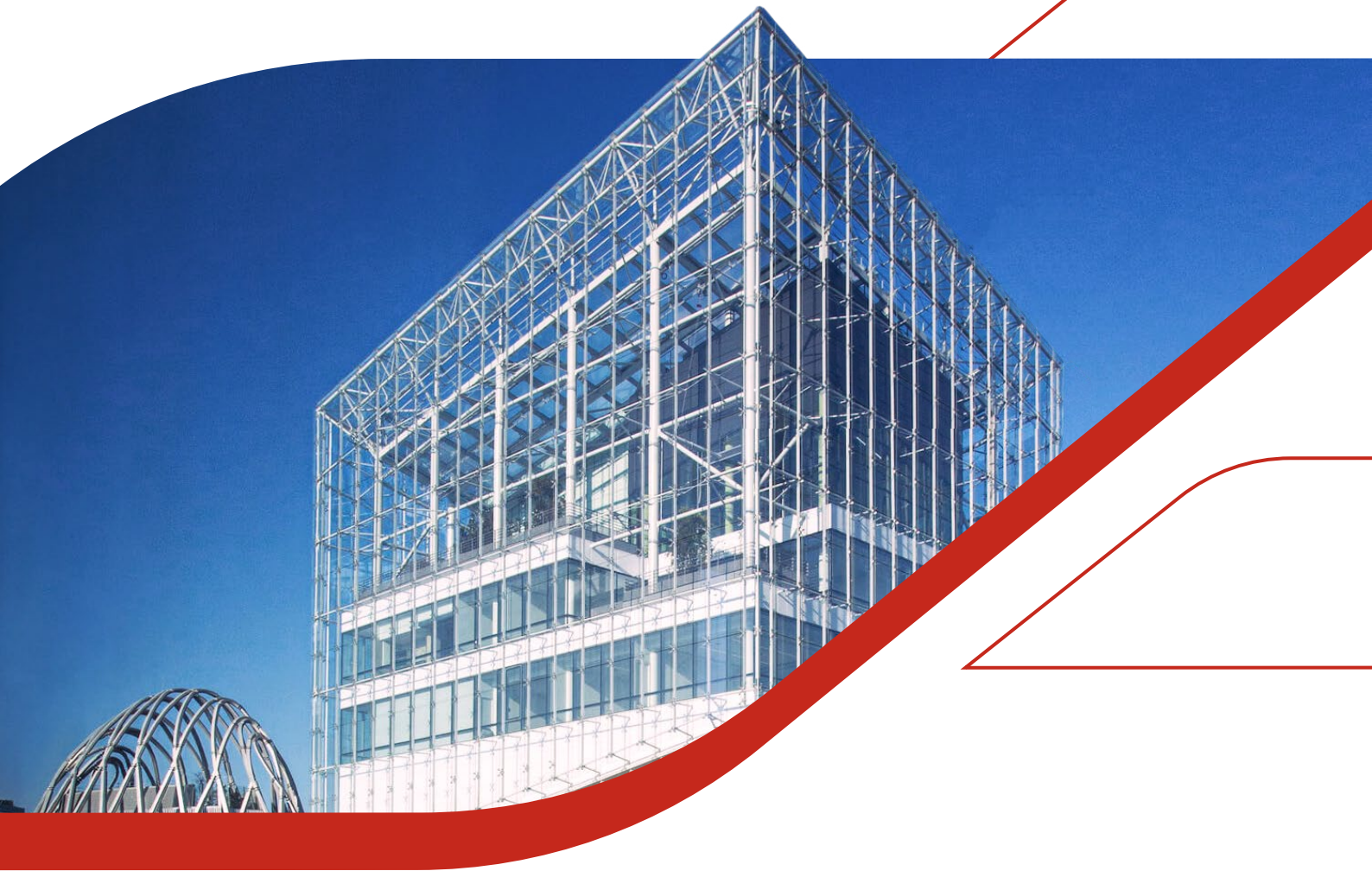


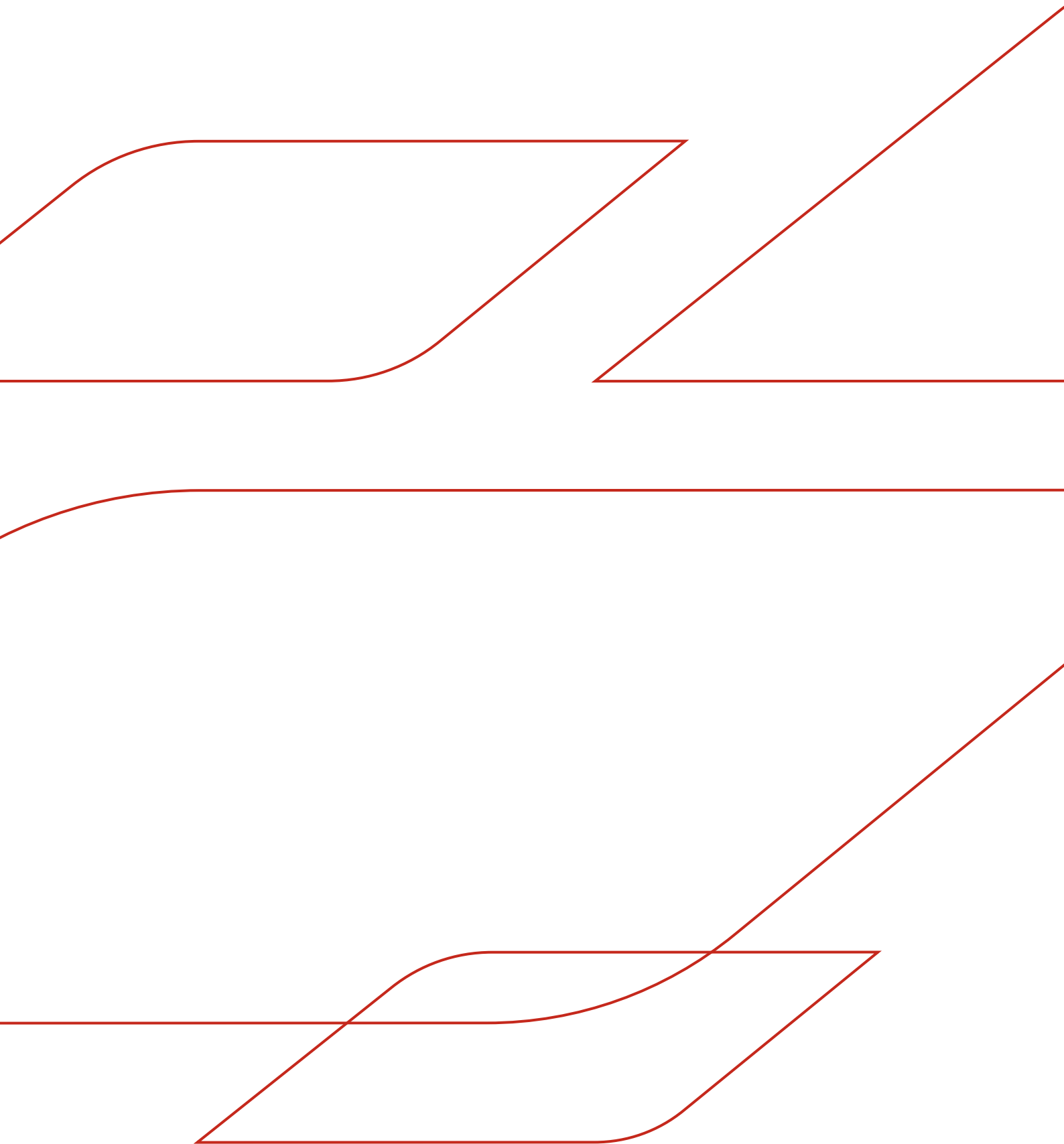


GREEN INSURANCE-LINKED SECURITIES REPORT 2022



Issuance 2021
www.generali.com





GREEN INSURANCE-LINKED SECURITIES REPORT 2022

Issuance 2021

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INDEX

GENERALI AT A GLANCE	8
Generali's approach to sustainability	9
Our strategy on climate change	11
FOCUS ON GENERALI REAL ESTATE	13
INSURANCE-LINKED SECURITIES (ILS)	16
Generali Freed-up Capital	16
Green Insurance-linked Securities	17
Lion III Re	17
GENERALI GREEN ILS FRAMEWORK IN A NUTSHELL	18
Process for assets evaluation and selection	20
ALLOCATION OF THE GREEN ILS FREED-UP CAPITAL	21
Allocation - Green asset	22
IMPACT EVALUATION	24
METHODOLOGICAL NOTE	25
INDEPENDENT AUDITORS' REPORT ON THE GREEN ILS REPORT	26
CONTACTS	29



When we announced our current strategic plan ‘Lifetime Partner24: Driving Growth’, we decided that sustainability was to be the originator of the plan. It is at the heart of everything we do and will do going forward. In particular, as far as our finance and debt management, we carefully seek solutions that create value for all stakeholders while at the same time have a positive impact on the environment and the world itself. As part of this ongoing commitment, we are extremely proud to have successfully concluded the placement of our green and sustainable instruments which have strong interest from investors.



Philippe Donnet - Group CEO

OUR SUSTAINABLE FINANCE JOURNEY

MAY 2018

The renewal of credit facilities included innovative sustainable and green features: their cost was linked to targets both on green investments and progress made on **sustainability** initiatives.

FEBRUARY 2020

The Generali Group published its first **Green Insurance Linked Securities (ILS) Framework**¹, in line with the Group sustainability strategy.

SEPTEMBER 2019



Generali Group published its **first Green Bond Framework** and issued its first Green Bond worth € 750 million, which was also **the first green bond issued by a European insurance company**.

The bond was issued in accordance with the Generali Green Bond Framework.

JULY 2020



The Generali Group issued its **second Green Bond** worth € 600 million, confirming its commitment to sustainability. The bond was issued in accordance with the Generali Green Bond Framework.



Sustainable issuance with allocation of proceeds to **green assets**.



Sustainable issuance with allocation of proceeds to **social initiatives**.



<https://www.generali.com/our-responsibilities/our-commitment-to-the-environment-and-climate/green-financial-management> for the Generali's Green ILS Framework

¹ For more details see [page 18](#) of this report.



**JUNE
2021**



Generali Group developed its **first Sustainability Bond Framework**. The Generali's Sustainability Bond Framework represents a new umbrella framework for issuing future Green Bonds, Social Bonds and Sustainability Bonds. It embeds our previous Green Bond Framework. Afterwards, Generali Group issued its **first Sustainability Bond** worth € 500 million.



Generali returns² to the Insurance-linked Securities (ILS) market with a € 200 million cat bond exposed to windstorms in Europe and earthquakes in Italy. The transaction is **the first ever ILS issuance that embeds innovative green features** in compliance with the Generali Green ILS Framework.

**JUNE
2022**



The Generali Group successfully concludes the placement of its **third Green Bond** worth € 500 million. The bond was issued in accordance with the Generali Sustainability Bond Framework.

**NOVEMBER
2020**

The Generali Group published its **first Green Bond Report**. The Report illustrated the allocation of the proceeds deriving from the first issue and provides an overview of the related environmental impacts. The Generali Green Bond Report alignment with the Generali Green Bond Framework was verified by EY S.p.A. (external auditor).

**OCTOBER
2021**

The Generali Group published its **second Green Bond Report**. The Report illustrates the allocation of the proceeds deriving from the second issue and provides an overview of the related environmental impacts. The Generali Green Bond Report alignment with the Generali Sustainability Bond Framework was verified by EY S.p.A. (external auditor).

The **Green ILS Framework**, is a set of voluntary guidelines for integrating green elements within insurance-linked securities transactions sponsored by the Generali Group, further supporting the Group's sustainability strategy. This initiative is closely related to Green Bond Framework published by Generali in September 2019, now embedded in the Sustainability Bond Framework published in June 2021. Specifically for Lion III Re, Generali allocated an amount equivalent to the freed-up capital resulting from the transaction, which was exclusively used to refinancing a Generali real estate asset. The allocation of this amount contributed to avoid 35.1 tCO₂e GHG emissions per year. KPMG S.p.A. (external auditor) carried out the limited review of the Generali Green ILS Report 2022 according to the criteria indicated in the "International Standard on Assurance Engagements 3000 (Revised) - Assurance Engagements other than Audits or Reviews of Historical Financial Information" ("ISAE 3000 revised") issued by the International Auditing and Assurance Standard Board (IAASB).

² Generali is one of the main European sponsors in this market, also thanks to previous issues: two catastrophe risk bonds (Lion I Re, 2014 and Lion II Re, 2017) and one motor third-party liability risk bond (Horse Capital I, 2016).

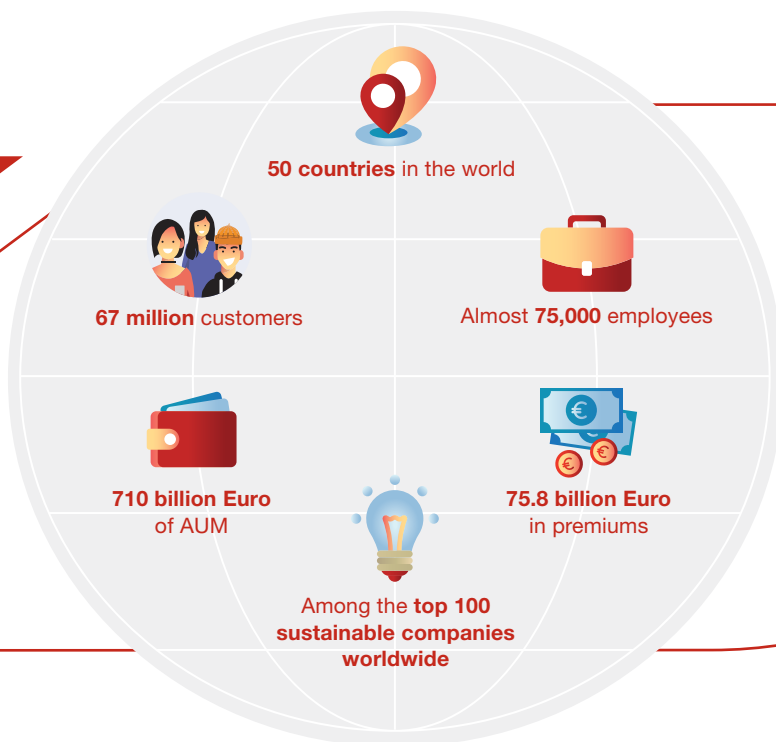
GENERALI AT A GLANCE

Generali is one of the largest global insurance and asset management providers. Established in 1831, it is present in 50 countries in the world, with almost 75 thousand employees serving 67 million customers (Figures as at December 31, 2021).

In recent years we have been going through a major strategic reorganisation that has allowed us to bring in greater focus on our core business, greater discipline in the management of our assets and simpler, more transparent governance. This process has led us into a new phase, based on more efficient business models, innovative commercial strategies, and a stronger, more global brand.

The commitment to **sustainability** is one of the originator of our **strategy**, our ambition is to be the **Lifetime Partner** to its our customers, offering innovative and personalized solutions thanks to an unmatched distribution network.

**ONE OF THE
LEADING INSURERS
IN THE WORLD**



Figures as of December 31, 2021

Since the very beginning, our strong international vocation has set us apart and is one of our greatest strengths. Our **geographical diversification**³ is balanced between mature countries such as Italy, Germany and France, markets with high growth prospects (Eastern Europe), and emerging countries in Asia and Latin America.

In particular, we are the leading insurer in **Italy**, and the third largest in **Germany**, while in **France** we are eighth in the life insurance segment, sixth in the P&C segment, and fifth in Accident & Health.

We have a diversified presence in **Austria & CEE**, where the Group is an undisputed leader in terms of profitability, with a combined ratio among the best in the sector. We are among the top three market leaders in the Czech Republic, Hungary, Austria, and Slovakia.

Since the first half of 2019 the structure **International** includes: Spain, Switzerland, Asia, Americas & Southern Europe's regions. We are among the top operators also in these markets.

With the aim of developing the businesses with global outreach **Global Business Lines** provide access to integrated insurance and assistance solutions to cover the business risks regarding employees and assets linked to property and people, comprising Generali Global Corporate & Commercial and Generali Employee Benefits.

³ Source: Group Annual Integrated Report 2021.

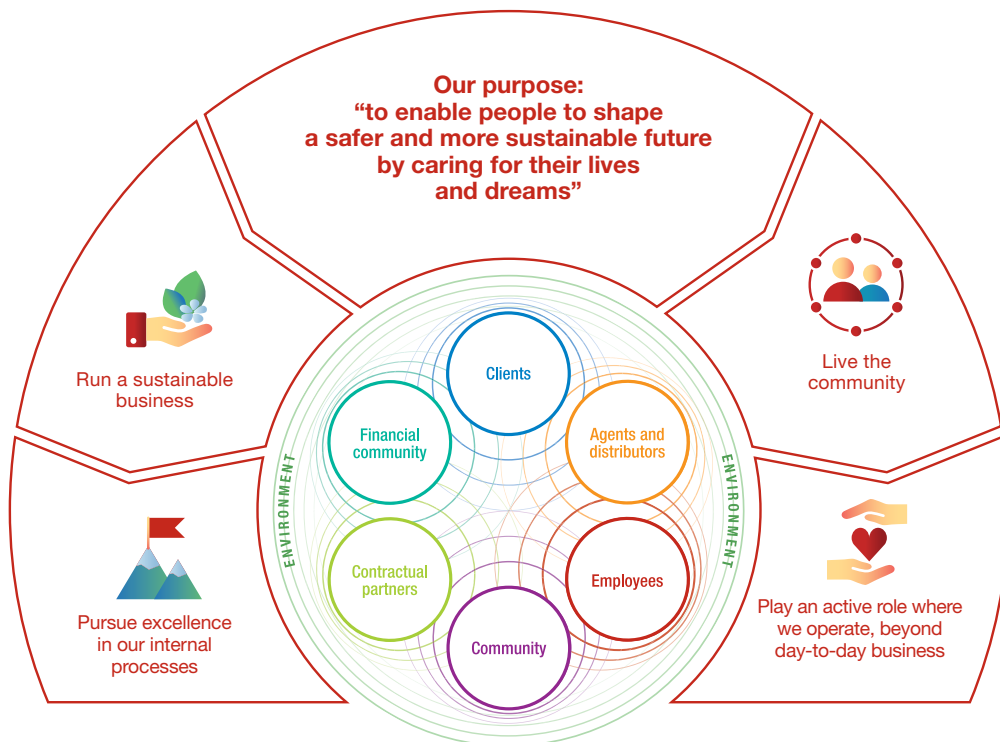
Generali's approach to sustainability

“ In the complex global scenario we live in, it is important that companies continue to take concrete actions to actively support the climate challenge and the goals of the Paris Agreement. Our sustainable approach to financial management further confirms the commitment of Generali to actively contribute to this result. ”

Andrea Sironi - Chairman

Our sustainability vision is that of contributing towards the creation of a healthy and resilient society where people can develop and flourish. This is how we live our role as of a corporate citizen, creating long-term value for our stakeholders. This vision is based on two pillars: **run a sustainable business**, pursuing excellence in our internal processes, and **live the community**, playing an active role where we operate, beyond our day-to-day business. On this journey, our customers, shareholders, employees, distributors, suppliers and all other stakeholders play a key role and we nurture their trust.

This is our vision of excellent and trustworthy leadership: walking alongside our stakeholders, understanding the wider impact of our decisions on them and acting responsibly, to improve their satisfaction and to inspire trust in our brand.



As a demonstration of this approach, the commitment to sustainability – the third fundamental principle of **Generali 2021** which refers to the creation of long-term value for all stakeholders and society as a whole – comes a turning point with the new **Lifetime Partner 24: Driving Growth** strategy: to be the Originator of business choices. Sustainability is actually the main driver behind all the decisions that the Generali Group takes to continue being a transformative company capable of generating shared value, building a fairer and more resilient society.

Our commitment to sustainability is expressed in our ability to act on the one hand as a **Responsible Investor** and **Insurer**, increasingly integrating sustainability into the core business, and on the other as a **Responsible Employer** and **Citizen**. This is possible thanks to our solid foundations which consist of structured governance, policies, dedicated guidelines and reliable integrated reporting.

Responsible insurer

We foster a carbon neutral insurance portfolio by 2050, providing new sustainable solutions that incorporate ESG principles and offering new solutions to Small and Medium-sized Enterprises (SMEs), while supporting their sustainable transition and promoting a culture of sustainability, particularly through the SME EnterPRIZE project.

Responsible investor

We are committed to fully integrating ESG principles in our investment strategy, substantially increasing our new green and sustainable investments, including the Fenice 190 special investments facility in support of the EU recovery, and committing to the gradual decarbonization of our investment portfolio, to become carbon neutral by 2050.

Responsible employee

We are working to measure, reduce, and report the carbon footprint resulting from our own direct operations, and promoting dedicated actions to create, increase and nurture diversity, equal, and inclusiveness, as well as upskilling and new ways of working.

Responsible citizen

We are acting as a driving force to transform the lives of the most vulnerable through the global movement of our Foundation, The Human Safety Net – a social innovation hub powered by Generali's skills, networks, and solutions to create social impact.

“ The extremely positive reception of our sustainable issues once again testifies to our solid financial position and investor confidence in Generali. Through the continuous commitment to sustainability, which is at the heart of our business, we will continue to support the development of the market of ‘green’, ‘social’ and ‘sustainability’ bonds. ”

Cristiano Borean - Group CFO

Generali has been included in the following sustainability indices

- Dow Jones Sustainability World and Europe
- MSCI ESG Leaders
- FTSE4Good Developed Europe
- Euronext Vigeo Europe 120
- STOXX Global ESG Leaders

And achieved the following ratings and results

- ‘Bronze Class distinction’ in the S&P Global Sustainability Yearbook 2022
- MSCI ESG Research: AA
- ISS ESG performance: C Prime
- Inclusion in the top 5 most virtuous companies in terms of sustainability and 1st in the Finance category, according to the sixth edition of the Integrated Governance Index (IGI), the quantitative analysis carried out by EticaNews

Our strategy on climate change

Our commitments to fight climate change

PROMOTE THE DEVELOPMENT OF THE GREEN ECONOMY

€ 8.5-9.5 bln in **green and sustainable** investments by 2025.

As part of the growth strategy for **sustainable insurance solutions** (CAGR from +5% to +7% over the 2022-2024 period), creation of a center of competence for the development and sharing of best practices for underwriting **renewable energy** risks.

Community of Experts in **loss prevention for underwriting the renewable energy** sector.

Green innovation in our financial management with **Green Bonds, Sustainability Bonds and Green Insurance Linked Securities**.

DECARBONIZE THE INVESTMENTS AND CLIENT'S PORTFOLIOS

Insurance and Investments portfolio to be **climate neutral** by 2050.

Exclusion of new investments and gradual divestment from **coal-related companies** identified with progressively more restrictive criteria; exclusion of new investments and progressive divestment from companies active in the exploration and production of unconventional **fossil fuels**: tar sands, oil and gas extracted through fracking and upstream operations in the Arctic; phase-out of investments in the coal sector by 2030 for OECD countries and by 2040 for the rest of the world.

Exclusion of new underwriting cover and gradual discontinuation of the existing cover for clients insured for activities strictly related to the **coal industry** identified with progressively more restrictive criteria; forging ahead with the commitment to no longer insure clients operating in upstream **oil and gas**, both conventional and Unconventional; phase-out of underwriting exposure to the coal sector by 2030 for OECD countries and by 2038 for the rest of the world.

Engagement for the **Just Transition** with issuers, customers and other stakeholders to facilitate the **energy transition** and open dialogue with **environmental NGOs**.

REDUCE THE IMPACT OF DIRECT OPERATIONS

By the end of 2025, in line with climate science, reduction of greenhouse gas emissions from offices, data centers and company vehicle fleets by at least 25% compared to base year 2019; Ambition to reach net-zero GHG emissions by 2040 and subsequently to become climate negative.

Our strategic partnerships



THE NET-ZERO ASSET OWNER ALLIANCE



TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES



INVESTOR LEADERSHIP NETWORK



In February 2018, the Board of Directors of Assicurazioni Generali approved the **Strategy on climate change**. This includes specific investment and underwriting targets and identifies the involvement of our stakeholders to facilitate the just transition towards a society with a low environmental impact. The strategy has been updated in June 2021 and in June 2022.

As for **investments**, we will progressively decarbonize our general account investment portfolio in order to reach climate neutrality by 2050. We will not make any new investment in issuers related to the coal and oil and gas extracted from tar sands, through fracking and from upstream operations in the Arctic; we are also gradually eliminating the residual bond exposure to these industries bringing them to maturity and/or considering the possibility of divesting them before maturity. We will phase out from coal by 2030 with reference to OECD countries and by 2040 with reference to non-OECD countries.

We are also strongly committed to supporting the transition to a greener and more sustainable economy. To this end, the Group has set the target of making € 4.5 billion of new green and sustainable investments over the three-year period 2018-2021, achieving this goal a year ahead of schedule having already allocated more than € 6 billion of new investments till 2020, mainly through green bonds and green infrastructure financing. Furthermore, we have renewed our commitment and we will invest other € 8.5-9.5 billion by 2025.

As for **underwriting**, we do not underwrite risks related to oil and gas exploration and extraction – both conventional and not – and, since 2018, we no longer offer insurance coverage for the construction of new coal-fired power plants and new coal mines as well as we do not offer insurance coverages for damages of existing coal-fired power plants operated by new customers. Thus, we have not increased our already negligible insurance exposure to coal-related businesses, which represent roughly 0.1% of all P&C premiums. We have committed to phase out coal by 2030 for OECD countries and 2038 for non-OECD countries. For the renewable energy sector, we set up a competence center to develop and share the best practices for underwriting the specific risks of these technologies. Furthermore, we increased product offering of insurance solutions with environmental value for the retail market and the SMEs.

In countries where we are a primary investor and/or insurer and the economy and employment depend heavily on the coal sector, to limit the negative social impacts deriving from our decision to phase out the exposure to this sector, we are carrying out **engagement activities** with issuers, customers and other stakeholders in order to facilitate a **Just Transition** that combines the need to protect the climate with minimization of the consequences for the local employment and the energy security. This engagement enables us to decide whether to continue insuring the coal-related activities of these companies, and including them in the general account investment portfolio. The renewal of property coverages and the investments are subject to the engaged company's commitment to present and implement plans to reduce emissions, protect and retrain workers, and support communities. In this case, every two years we will monitor the level of implementation of these plans.

To ensure consistency with the commitment for climate protection that we promote in our value chain, we periodically monitor and report the Greenhouse Gases (GHG) emissions generated by our **direct operations** to verify the effectiveness of the reduction strategies implemented. The most relevant environmental aspects on which we focus our actions are:

- The management of company sites, aiming at the optimization of spaces through the consolidation of smaller offices into larger sites, the reduction of energy and other natural resources consumption, the purchase of green power as well as the curbing of waste production and its correct disposal;
- The management of business travel which involves the reduction of business trips through greater recourse to smart working, teleconferencing and training via e-learning.

In these areas we have set the goal of achieving a reduction by 2025 of the GHG emissions related to our offices, data centers and car fleet by 25% compared to the base year 2019.



www.generali.com/our-responsibilities/our-commitment-to-the-environment-and-climate to find out more about our commitments to the environment and the Group's approach to climate-related risks and opportunities



FOCUS ON GENERALI REAL ESTATE

“ Generali Real Estate regularly contributes to the Green and Sustainability Bonds issued by the Generali Group, identifying advanced sustainable assets in the large real estate portfolio of Generali Group. The integration of social aspects – besides the environmental ones – can be considered a crucial and natural evolution in the real estate sector, where we can play a powerful role for the well-being of communities and a better quality of life; in particular through capable interventions to redevelop large urban districts and re-thinking obsolete parts of our European cities. ”

Aldo Mazzocco - *Generali Real Estate CEO*

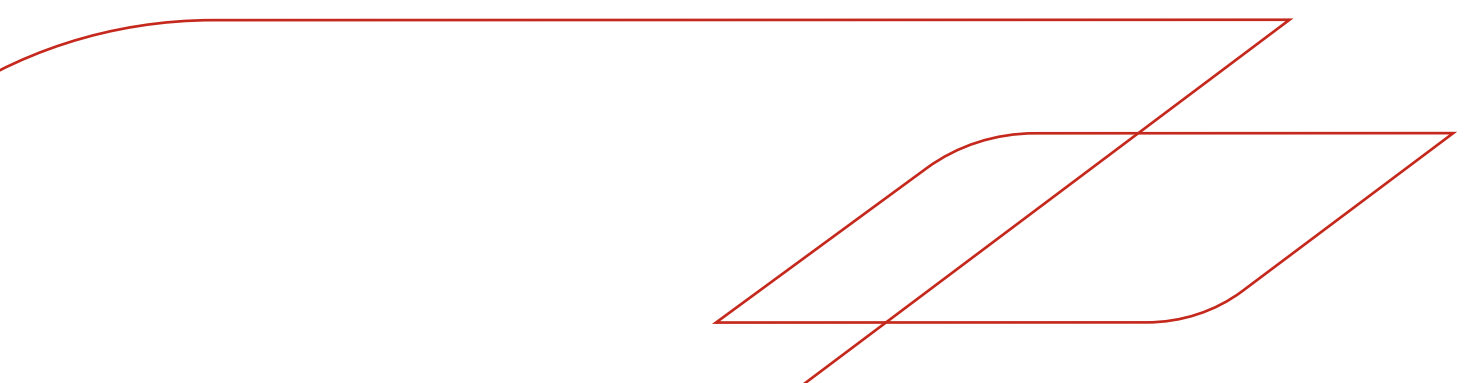
Generali Real Estate (GRE) is the specialized asset manager in the Generali Group, with more than € 36 billion of assets under management (as of year-end 2021).

By managing a unique portfolio, comprising both historic and recently- constructed buildings, Generali Real Estate has developed in-depth know-how of technological innovation and sustainability. Through its specialized asset management company, GRE also manages a series of pan-European real estate investment funds.

At Generali Real Estate, taking a proactive stance in reducing the environmental impact of our portfolio is not enough. Environmental, Social and Governance (ESG) metrics and monitoring are integrated in every stage of our business operations, with a market-leading portfolio of sustainability credentials as well as best practice asset and property management and a sustainable approach to building and urban development. The Responsible Property Investment Guidelines are the frame for the Corporate Governance for GRE Sustainability, encompassing the activities within a structured framework that guides all the future endeavours and ensures that the environmental priorities become a reality.

GRE aligns the focus of its ESG strategy, in addition to the regulatory needs, in particular to the needs of the internal and external clients. This is reflected in the commitments undertaken and the tools introduced.

As far as regulation is concerned, major focus is given to the incoming EU Taxonomy for the eco-sustainability and to national regulations affecting the real estate business (eg. Tertiary Decree in France).



Generali Real Estate commitments

NET-ZERO ASSET OWNER ALLIANCE (NZAOA)

It was launched in September 2019 by the United Nations. In the view of NZAOA, asset owners have a key role in driving the **decarbonization** of the economy through their investments. **Generali Group** joined in January 2020 aiming to decrease emissions in investment portfolio by 2050. For real estate, GRE set a specific target to achieve this goal, aimed at aligning progressively its direct portfolio to the decarbonization pathway of the Carbon Risk Real Estate Monitor (CRREM) model, to limit global warming to 1.5 °C.

GREEN AND SUSTAINABLE ISSUANCES

In Generali green and sustainable issues are included assets which fulfil particular high ESG criteria, like **high-level certification** for newly acquired buildings (i.e. LEED Gold, BREEAM Very Good or plus), and optimization of **energy efficiency** improvement >30% for retrofitting.

All assets included in the Green Bonds, Sustainability bond and Green ILS are subject to energy monitoring and CO₂ emission calculations.

CERTIFICATION AND ASSESSMENT

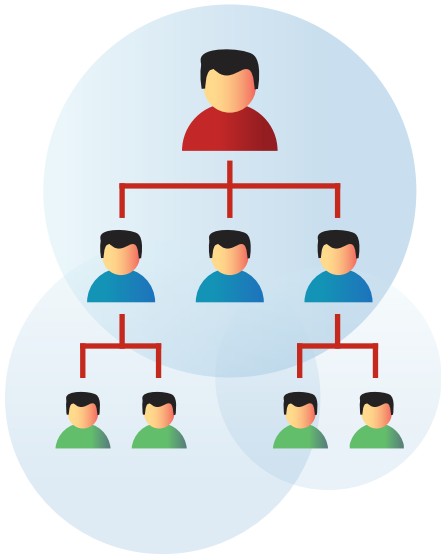
All new investments must undergo a sustainability assessment, in order to ensure the acquisition of assets with high-level sustainability features, and increase the portfolio credentials through certification and/or assessment. For this purpose, GRE developed and implemented an own assessment tool, related to the BREEAM® scheme. This provides GRE the possibility to have a comprehensive view on ESG quality and shows a forecast on certification opportunities. The report is part of the decision-making memorandum for new acquisitions.

INVESTORS COMMITMENT

GRE started several projects to meet the strong market demand for Funds certification and benchmarking (GRESB, SRI label, MSCI risk assessment) and to comply with European regulation (SFDR) for ESG integration and disclosure.

TENANCY ENGAGEMENT

- With the **Green Leases**, GRE undertakes the integration of most important ESG topics into commercial leases in order to engage with tenants in a win-win sustainable collaboration and meet demand for data analytics and disclosure.
- **Tenant Survey** supports GRE in exploring the needs and current situation of our tenants and enhance relations and communication with tenants. In 2021 GRE carried out a digital survey across out international portfolio with >2000 tenants, with questions related to Sustainability & Innovation.



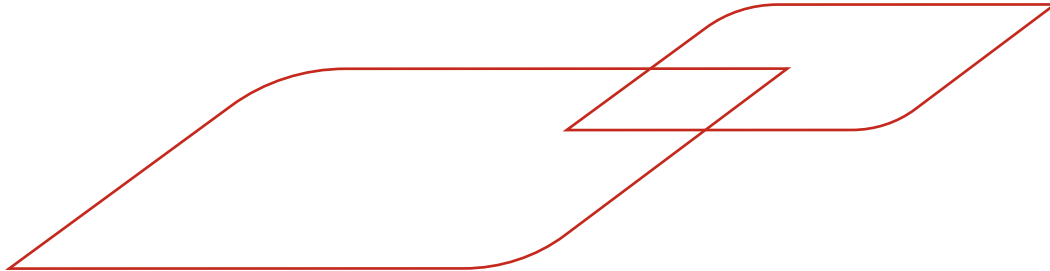
How we work

The **GRE CEO** has overall responsibility and accountability for sustainability.

The GRE **Sustainability Steering Committee** is responsible for overseeing and supporting the implementation of the Responsible Property Investment Guidelines across the organization.

The central **Sustainable Investing Team** is dedicated to driving and managing the sustainable activity across the business.

The **Sustainable Investing Managers** and Officers from each Region have been appointed to oversee sustainability aspects in their respective geographies.



INSURANCE-LINKED SECURITIES (ILS)

As part of its capital management and insurance risk transfer strategy, Generali combines traditional reinsurance and alternative risk transfer techniques such as ILS.

ILS are financial instruments and alternative mechanisms for the transfer of insurance risk to institutional investors. Generali is one of the main European sponsors in the ILS market, having sponsored three catastrophe risk bonds (Lion I Re in 2014, Lion II Re in 2017 and Lion III Re in 2021) and one motor third-party liability risk bond (Horse Capital I in 2016).

Through these instruments, Generali transfers risks to a special purpose vehicle established in a member state of the European Union pursuant to EU Directive 2009/138/EC and authorised to carry on activity by the applicable regulatory authority of such EU member state. Such an entity fully funds its exposure with the issuance of at-risk, variable notes. The proceeds of these ILS notes are deposited in a collateral account. In the case an insured loss event occurs, Generali can receive loss reimbursement from the collateral.

The value of ILS depends mainly on the probability that the insured events will occur, and the related return is uncorrelated with the wider financial market, as their value is mainly linked to nonfinancial risks, like for example natural disasters, motor third-party liability risk, longevity or mortality risk.



In February 2020, Generali published its Green ILS Framework, a set of voluntary guidelines for integrating green elements within ILS transactions sponsored by the Generali Group, further supporting the Group's sustainability strategy. This initiative is closely related to Green Bond Framework published by Generali in September 2019, now embedded in the Sustainability Bond Framework⁴ published in June 2021. The Green ILS Framework has also received a second party opinion from Sustainalytics.

In June 2021, Generali sponsored the Lion III Re catastrophe risk bond, the first ever ILS embedding innovative green features in compliance with the principles described in the Generali Green ILS Framework.

Generali Freed-up Capital

The European Directive 2009/138 has introduced the calculation of capital for insurance and reinsurance undertakings with an approach risk based and forward-looking. The greater the risk in terms of exposure held, the greater the required risk capital that a company must hold. In this context, Risk Mitigation Techniques, such as ILS, can allow to free up a part of the risk capital when they effectively reduce risk held by (re)insurance companies.

For the Generali Group, the calculation of the risk capital is performed for the majority of exposures with its own internal model approved by the College of Supervisors, with residual exposures being measured according to the Solvency II Standard Formula.

⁴ Published in June 2021, the Generali's Sustainability Bond Framework represents a new umbrella framework for issuing future Green Bonds, Social Bonds and Sustainability Bonds. For more information see the website page: <https://www.generali.com/investors/debt-ratings/sustainability-bond-framework>

Green Insurance-linked Securities

According to the principles described in the Green ILS Framework, green ILS are characterized:

- 1 By the allocation of the transferred freed-up capital to sustainable initiatives – like investments in green assets and support to the underwriting of green policies – according to predefined selection and exclusion criteria.
- 2 By the investment of collateral in assets with a positive environmental impact. In addition, the choice of the main service providers considers also their commitment in integrating sustainability into their business strategy.



Lion III Re

In June 2021, Generali sponsored Lion III Re, the first ever ILS issuance embedding innovative green features in compliance with its the Generali Green ILS Framework.

In the context of this transaction, Assicurazioni Generali S.p.A., has entered into a multi-year reinsurance agreement – collateralized by highly rated assets having positive environmental impact – with Lion III Re DAC, an Irish designated company, that provides cover in respect of the Generali Group losses from windstorms in Europe and earthquakes in Italy over a four year period.

Lion III Re DAC, in turn, has issued a € 200 million single tranche of notes to fund its obligations under the reinsurance agreement. The notes have been placed with capital market investors in a Rule 144A offering.

In respect of the cover envisaged by the reinsurance contract for an amount of € 200 million, Assicurazioni Generali S.p.A. pays an annual premium to Lion III Re DAC that in turn remunerates investors as interest paid on the securities. Under the terms of the offer, all or part of the amount of interest and principal relating to the bonds will be reduced in the event of losses for the Group due to earthquakes in Italy or storms in Europe, in excess of the damage thresholds set for each type of risk.

Through the transfer of risk to Lion III Re DAC, in turn transferred it to investors, Assicurazioni Generali S.p.A. has obtained a benefit in terms of **regulatory capital relief equal to € 28.1 million**, calculated on the basis of the Group's Consolidated Solvency Capital Requirement at the inception of the risk period. In line with the principles described in the Framework, this freed-up capital amount has been allocated to an eligible asset with a positive environmental impact.

Moreover, the choice of the main service providers has considered also their **commitment towards environmental sustainability**.

GENERALI GREEN ILS FRAMEWORK IN A NUTSHELL

Lion III Re DAC transaction is the first catastrophe bond embedding green features in accordance with the Generali **Green ILS Framework**, underlining once more the commitment of the Group in promoting green finance solutions.

01

USE OF THE FREED-UP CAPITAL

An amount equivalent to the capital relief benefit achieved through Green ILS transactions will be exclusively used to allocate capital to or (re)finance, in whole or in part, Eligible Projects defined as per the below:

Financial Eligibility Criteria

Eligible Assets in the form of project bonds or equity investments for which the freed-up capital can be allocated for financing or re-financing purposes; new financing includes Assets acquired after the Green ILS transaction, while existing eligible Assets can be considered for refinancing if they have a targeted look-back period of 2 years.

Eligible Products are insurance contracts of P&C business both retail and corporate, including renewals, for which the underwriting period is no more than 2 calendar years prior to issuance of the Green ILS.

Alternatively, Products can be considered for inclusion when underwriting periods start after the sponsoring of the Green ILS. The insurance contracts eligible in this context are intended to have a positive impact on the environment and/or to reduce environmental impact, including:

- Mitigation: products promoting responsible behaviour to decrease pollution.
- Adaptation: products reducing negative impact of climate change.
- Circular economy: minimising waste and making the most of resources.

Exclusion Criteria

In the context of allocating the free-up capital to Eligible Projects, the following Exclusion Criteria apply:

> Entities which have direct exposure to the following controversies:

- Production of weapons that violate fundamental humanitarian principles through their normal use (cluster bombs, antipersonnel landmines, nuclear arms, etc.)
- Serious or systematic human rights violations
- Severe environmental damages
- Gross corruption

> Specific to Assets, the following activities:

- Fossil-fuel energy
- Nuclear energy
- Large hydropower plants (>20MW)
- Gambling
- Tobacco
- Alcohol
- Weapons

> Specific to Products, Entities performing activities for which they are exclusively or predominantly involved with the following sectors:

- Defense
- Hydro-electric power construction
- Mining
- Health care (e.g. clinical trials, animal testing)
- Pornography and prostitution
- Betting and Gambling
- Illegal, Unreported and Unregulated Fishing

> Specific to Products, Entities being involved in:

- Coal-related business
- Tar sands and associated pipelines
- Oil and gas exploration and production (upstream only) activities
- Nuclear energy

Green Eligibility Criteria

They are defined for each of the following categories:

- Green buildings
- Renewable energy
- Energy efficiency
- Clean transportation
- Sustainable water management
- Recycling, re-use and waste management



For further details on the integration of this and the other green elements into ILS transactions sponsored by the Generali Group, please visit <https://www.generali.com/our-responsibilities/our-commitment-to-the-environment-and-climate/green-financial-management> for the Generali's Green ILS Framework

02

ASSET EVALUATION AND SELECTION

The process for evaluation and selection of Eligible Projects reflects the integration of sustainability criteria within the Group's processes:

> Analysis of eligibility

The persons in charge of real estate and Infrastructure investments/financings and underwriting are trained, within each selected area, to evaluate the compliance with the criteria for Eligible Products.

> Confirmation of eligibility

The identified projects are then subject to a second analysis with respect to their conformity to the criteria. This examination is carried out by the Green ILS Committee⁵.

> Allocation decision

The Green ILS Committee takes the final decision on the allocation of designated freed-up capital to projects. The Committee also examines twice a year the pool of projects already allocated to verify their continued compliance and absence of significant controversy. The occurrence of a potential controversy regardless of its nature can lead to a retraction, temporary or permanent, of a project from the list of Eligible Projects. A new project would then be suggested as a substitute in case the pool of Eligible Projects, considered for the capital allocation, is lower than the amount of freed-up capital raised through the issuance of Green ILS.

03

MANAGEMENT OF FUND

Generali commits on a best effort basis to reach full allocation of the freed-up capital amount within one year following Green ILS sponsorship. The Group will monitor and track the freed-up capital through its internal accounting and risk management processes. Pending full allocation, unallocated freed-up capital may temporarily be allocated and/or invested in cash, deposits or money market instruments.

Generali intends to ensure that the outstanding balance related to the portfolio of Eligible Projects always equals or exceeds the total balance of Green ILS freed-up capital. If any Eligible Projects exit Generali's portfolio or cease to fulfil the Eligibility Criteria, Generali will strive to substitute those projects with replacement Eligible Projects that comply with the Eligibility Criteria, as soon as reasonably possible.

04

REPORTING

Generali will endeavour to produce annual reporting until full allocation, providing details on any material changes that would affect the portfolio of Eligible Projects.

⁵ For more details see [page 20](#) of this report.



Process for assets evaluation and selection

In line with its Green ILS Framework, the Generali Group ensures that eligible assets comply with official national and international environmental and social standards and local laws and regulations on a best effort basis.

Asset selection also complies with all the Generali Group's internal ESG policies and guidelines, such as:

- Code of Conduct;
- Group Sustainability Policy;
- Charter of Sustainability Commitments;
- Group Policy for the Environment and Climate;
- Group Responsible Investment Guideline for Eligible Assets;
- Responsible Underwriting Group Guideline for Eligible Products;
- P&C Underwriting and Reserving Group Policy;
- P&C Underwriting Group Guidelines (both Retail & Case Underwriting);
- Group Non-Life Risk Guidelines.

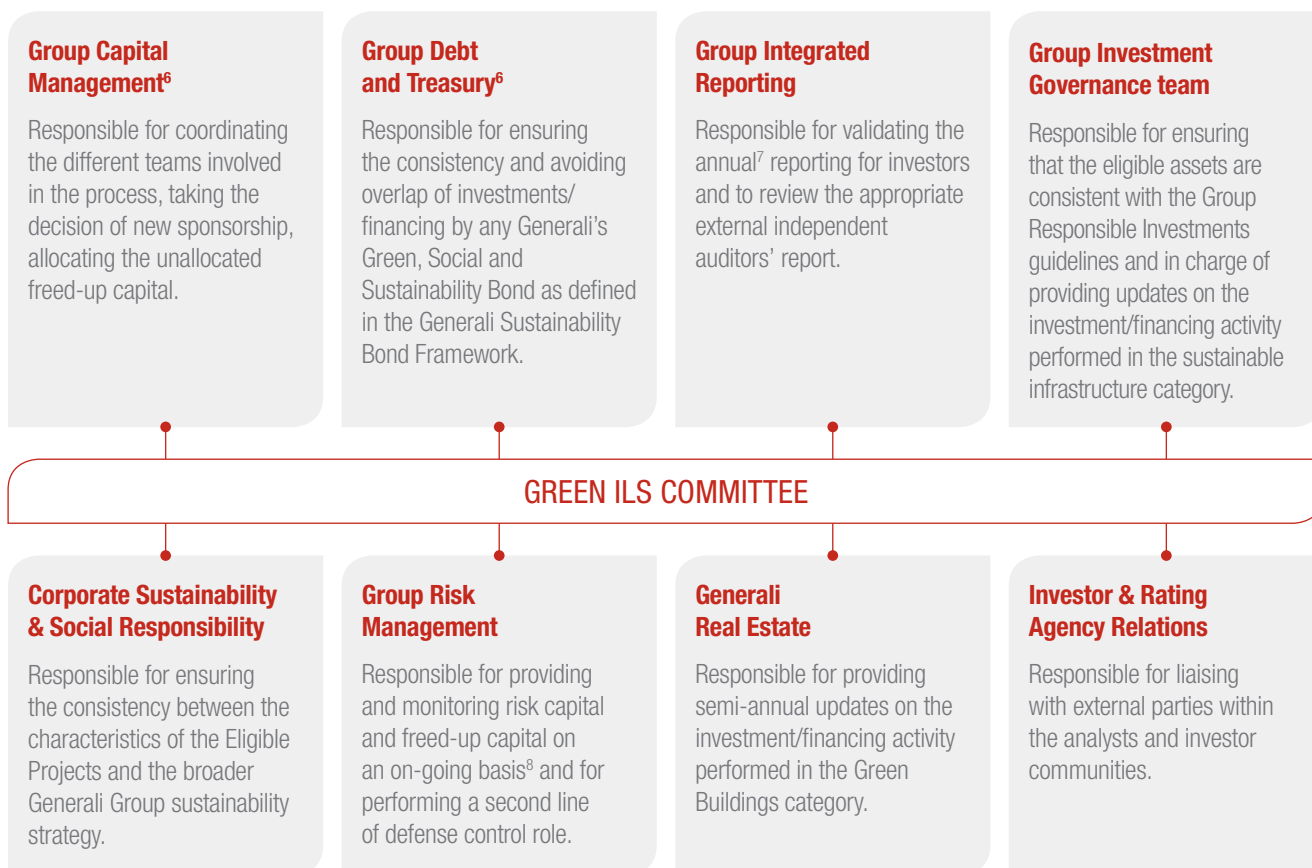
Assicurazioni Generali, as an integral part of its governance for Green ILS instruments, has set up a **Green ILS Committee**, bringing together various departments within the Group to supervise the activities following the issue of green ILS instruments, the selection and monitoring of the pool of the eligible assets and to ensure the compliance of the green ILS instruments with best practices.



More specifically, the role of the Green ILS Committee is:

- to review and validate the existing pool of Eligible Green Assets;
- to review and validate the new investments/financing to be included in the pool of Eligible Assets;
- validating the annual reporting for investors;
- to regularly update the Framework.

The Green ILS Committee is made up of eight organizational units permanently present and other organizational units that may vary according to specific case.



⁶ Effective from 2 may 2022 the organization unit name is Group Cash & Capital Management.

⁷ With reference to Lion III Re transaction and considered that the freed-up capital amount has been entirely allocated, no subsequent reports will be issued in absence of any change in the Eligible Project to which capital has been allocated, compared to what reported in this first Green ILS Report.

⁸ With reference to Lion III Re transaction, the freed-up capital amount is equal to € 28.1 million and is not subject to further monitoring or calculation.

ALLOCATION OF THE GREEN ILS FREED-UP CAPITAL

In line with the Generali Group Green ILS Framework, an amount equivalent to the freed-up capital has been fully allocated to refinance a green asset owned by the Group. The data reported below, relating to emissions avoided, refers to the overall values of the asset and not only to the allocated share of the Green ILS⁹ freed-up capital. For that information please refer to the “impact evaluation” section.

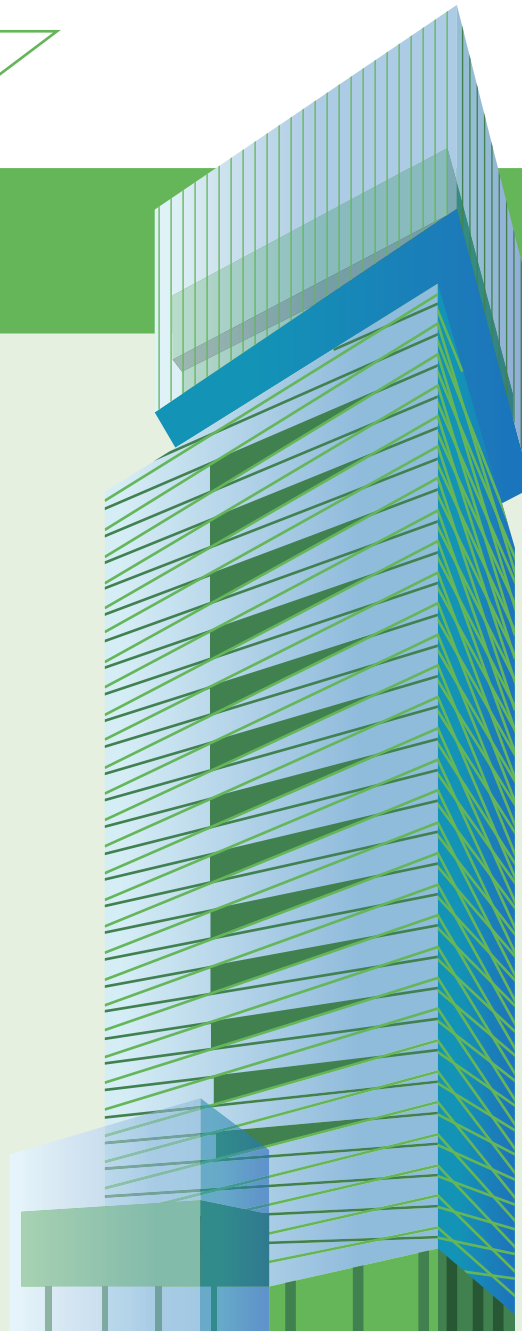
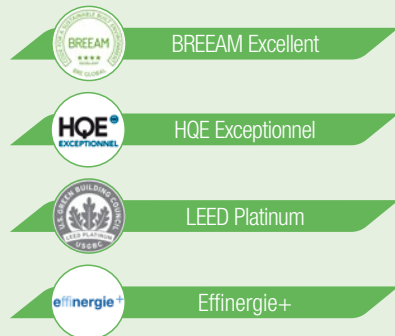
ALLOCATION - GREEN ASSET

Tour Saint-Gobain (M2 Tower)

📍 Paris, France 46,918 mq

Overall Building Avoided Emissions
(tCO₂e/year): **478**

100% of the freed-up capital
(€ 28.1 milion) fully allocated
on the building.



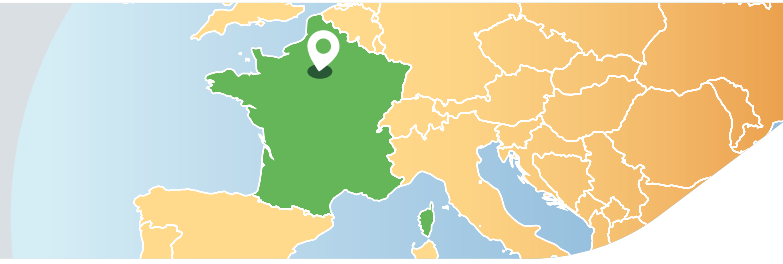
⁹ The selected real estate assets are 50% owned by the Generali Group.

ALLOCATION - GREEN ASSET

Tour Saint-Gobain (M2 Tower)



Paris France



The architectural, technical and environmental project for the building of 49,000 sqm on 44 floors and 165 meters high, a business center, a 250-seat auditorium, a showroom of approximately 300 square meters and three restaurants was designed by the French Valode & Pistre studio. Thanks to its crystalline architecture, the tower emphasizes its aesthetic qualities and its properties of light transmission, thermal insulation, and low emissivity. Located at the heart of La Défense, the Tour Saint-Gobain is the first, and so far the only, High Rise Building in France having achieved four main international environmental certifications at the highest levels.



Certifications and energy labels

- HQE certification with the level “Exceptional” obtaining 12/16 stars.
- “Effinergie +” label awarding “Very Performing” level (the highest one).
- LEED certification with level “Platinum” and a score of 91%.
- BREEAM RFO certification with level “Outstanding” and a score of over 85%.
- EPC rating: A for Greenhouse gas emissions, B for energy.



Green spaces

- Greater attractiveness for biodiversity (place of exchange, feeding, rest or nesting).
- The summit greenhouse: a high-performant, breathable bioclimatic space, gives the feeling of openness lock downed.



Envelope performance

- Double facade with opening at foot and head to ensure natural ventilation to fight against solar gain.
- Solar control: Double skin blinds to block heat.



Energy performance

- Connection heating and cooling existing urban networks.
- Back-up by thermo fridge pump on groundwater by geothermal.
- Outstanding energy ventilation rates.
- Air conditioning by reversible ceilings (hot-cold) and floor blowing complete with air units for ground floor areas integrated into false ceilings.
- Artificial lighting: 100% LED.



Materials performance

- All materials in contact with indoor air are classified A+.
- Wood traceability, FSC / PEFC labeling.
- Paint and varnish with European Ecolabel.
- 80 materials coming from tenant manufacture (Saint-Gobain).



Water management

- Water network designed according to best practices. (thermal insulation of hot water network, water treatment systems).
- Water-saving hydro equipment.
- Reuse of rainwater for watering green spaces.
- Building equipped for the reuse of gray water.



Thermal comfort

- Heating and air conditioning by radiant panels in false ceilings.
- Fan coil units with low speed floor blowing and temperature setpoint per zone in office areas.
- Underfloor heating and cooling in associated spaces.
- Hot and cold shutdown when the windows are opened.



Visual comfort

- All spaces have natural light access thanks to large glazing.
- Comfortable artificial lighting provided in all spaces.
- Favor façade perpendicular offices arrangement for visual comfort linked to natural lighting.



Acoustic comfort

- Acoustic comfort with good level Performance (HQE).
- Choice of absorbent materials.
- Reduction of noise pollution between each floor and on each desktop.



IMPACT EVALUATION

Green ILS Portfolio

Total GHG emissions produced	32.0 tCO ₂ e
Emission intensity	0.009 tCO ₂ e/m ²
Avoided emissions	35.1 tCO ₂ e
Avoided emissions per € mln invested	1.25 tCO ₂ e/€ mln

METHODOLOGICAL NOTE

Consistently with what is reported in the Green ILS Framework, the selected asset complies with the eligibility criteria provided by the Category 1 “Green Building” for green assets, namely green commercial and residential buildings, which meet regionally, nationally or internationally recognized standards of certifications such as LEED (Gold or above), BREEAM (very good or above), HQE (Excellent or above), or any equivalent and recognized green building Assessment system.

Methodological note - Green asset

Key underlying methodology and/or assumptions used in the quantitative determination.

We report the impact of the portfolio allocated at building level. Calculations refer to the period 01.01.2021-31.12.2021, thus reflecting the annual energy consumption, Greenhouse Gases (GHG) emissions produced and avoided as it is considered relevant information for the investor and in line with the strategy of the portfolio managed by GRE. The details of the annual energy consumption and the relative savings, although used for the calculation of GHG emissions, are not explained as they would not provide an easy-to-read information value for the purposes of this report.

Actual data on energy consumption was used (i.e. verified through bills and electronic measurements of the energy consumed). Accordingly, the GHG emissions produced by the buildings have been calculated using the emission factors provided by our Data Analytics service provider Deepki (source of emission factors: CRREM, Ademe, IEA). As envisaged by the “market-based” method of the GHG Protocol, the electricity consumption covered by certificates of renewable sources (Guarantee of Origin) will produce no CO₂ emissions.

Total GHG emissions are reported referred to the entire freed-up capital amount (€ 28.1 milion) equal to 7.4% of the building all in cost. The impact evaluation is therefore proportional to the same share (7.4%).

The avoided emissions for the green building result from the difference between:

- GHG emissions, expressed in CO₂e, induced by a “baseline scenario”
- GHG emissions, expressed in CO₂e, induced by the Eligible Asset in 2021

GHG emissions avoided (in CO₂e) = “baseline scenario” GHG emissions CO₂ – Eligible Assets actual GHG emissions in 2021

In order to establish a “baseline scenario”, a benchmark study was conducted with a large real estate portfolio to determine the typical energy per square meters consumption of office buildings. The study was carried out considering parameters such as buildings sector, typology and location, in 2021.

To calculate the GHG emissions from the baseline scenario it is assumed that the allocation between electricity, heating and cooling is the same proportion as the actual allocation for that building.

GHG emissions “baseline scenario” = total floor area * energy intensity benchmark * (X% * CO₂ electricity + Y% * CO₂ gas)

X% = emission share derived from electricity in the original building

Y% = emission share derived from gas/district heating in the original building

The benchmark study was conducted by Deepki, a green-tech SaaS solution for the real estate sector, with a portfolio of more than 20,000 building references.

INDEPENDENT AUDITORS' REPORT ON THE GREEN ILS REPORT



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(This independent auditors' report has been translated into English solely for the convenience of international readers. Accordingly, only the original Italian version is authoritative.)

Independent auditors' report on the green insurance-linked securities report

*To the board of directors of
Assicurazioni Generali S.p.A.*

We have been engaged to perform a limited assurance engagement on the information about the allocation of the freed-up capital and the related impact metrics presented in the "Allocation of the green ILS freed-up capital" and "Impact evaluation" sections of the Green insurance-linked securities report 2022 - Issuance 2021 (the "report") of the Generali Group (the "group"). This report has been prepared for the purposes established by the Green insurance-linked securities framework (the "framework") published by the group in February 2020 and in accordance with the "Methodological note" section of the report, which complies with the framework.

Responsibilities of the group's management for the report

The group's management is responsible for the preparation of the report in accordance with the requirements of the "Methodological note" section of the report, which complies with the framework.

Management is also responsible for such internal control as it determines is necessary to enable the preparation of a report that is free from material misstatement, whether due to fraud or error. Moreover, management is responsible for identifying the content of the report, selecting and applying policies and making judgements and estimates that are reasonable in the circumstances.

Auditors' independence and quality control

We are independent in compliance with the independence and all other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (the IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

**Generali Group***Independent auditors' report on the green insurance-linked securities report**19 September 2022*

Our company applies International Standard on Quality Control 1 (ISQC Italia 1) and, accordingly, maintains a system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditors' responsibility

Our responsibility is to express a conclusion, based on the procedures performed, about the compliance of the information about the allocation of the freed-up capital and the related impact metrics presented in the "Allocation of the green ILS freed-up capital" and "Impact evaluation" sections of the report with the requirements set out in the "Methodological note" of the report. We carried out our work in accordance with the criteria established by "International Standard on Assurance Engagements 3000 (revised) - Assurance Engagements other than Audits or Reviews of Historical Financial Information" ("ISAE 3000 revised"), issued by the International Auditing and Assurance Standards Board applicable to limited assurance engagements. This standard requires that we plan and perform the engagement to obtain limited assurance about whether the report is free from material misstatement. A limited assurance engagement is less in scope than a reasonable assurance engagement carried out in accordance with ISAE 3000 revised, and consequently does not enable us to obtain assurance that we would become aware of all significant matters and events that might be identified in a reasonable assurance engagement.

The procedures we performed on the information about the allocation of the freed-up capital and the related impact metrics presented in the "Allocation of the green ILS freed-up capital" and "Impact evaluation" sections of the report are based on our professional judgement and include inquiries, primarily of the group's personnel responsible for the preparation of the information presented in the report, documental analyses, recalculations and other evidence gathering procedures, as appropriate.

Specifically, we carried out the following main procedures:

- 1 obtaining and reading the second party opinion on the compliance of the framework with the Green Bond Principles 2018 (International Capital Markets Association – "ICMA") and the Green Loan Principles (Loan Markets Association - "LMA");
- 2 holding interviews with management and personnel responsible for the preparation of the report. We also obtained documentation supporting the processes and procedures used to gather, combine, and present the quantitative and qualitative information about the allocation of the freed-up capital calculated by the group and the related impact metrics;
- 3 performing sample-based analytical and selected procedures, to check whether the quantitative information about the allocation of the freed-up capital calculated by the group and the related impact metrics were supported by suitable evidence, in conformity with the requirements of the "Methodological note" section of the report.



Generali Group

Independent auditors' report on the green insurance-linked securities report

19 September 2022

Conclusion

Based on the procedures performed, nothing has come to our attention that causes us to believe that the information about the allocation of the freed-up capital and the related impact metrics presented in the "Allocation of the green ILS freed-up capital" and "Impact evaluation" sections of the Green insurance-linked securities report 2022 - Issuance 2021 of the Generali Group has not been prepared, in all material respects, in accordance with the requirements of the "Methodological note" section of the report.

Trieste, 19 September 2022

KPMG S.p.A.

(signed on the original)

Andrea Rosignoli
Director of Audit

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Green ILS Report 2022

Prepared by Group Integrated Reporting
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Coordination

Group Communication & Public Affairs

The document is available on www.generali.com

Concept & Design

Loud adv

