

Second-Party Opinion

Generali Sustainability Bond Framework



Evaluation Summary

Sustainalytics is of the opinion that the Generali Sustainability Bond Framework is credible and impactful and aligns with the Sustainability Bond Guidelines 2021, Green Bond Principles 2021, and Social Bond Principles 2021. This assessment is based on the following:



USE OF PROCEEDS The eligible categories for the use of proceeds – Green Buildings, Renewable Energy (Electricity and Heat Production), Energy Efficiency, Clean Transportation, Sustainable Water Management, Recycling, Re-use & Waste Management, Access to Essential Services / Social Infrastructure, Affordable Housing, SME Financing, Socioeconomic Advancement and Employment Generation, Response to Health and Natural Disaster Crisis – are aligned with those recognized by both the Green Bond Principles and Social Bond Principles. Sustainalytics considers that the eligible categories will lead to positive environmental or social impacts and advance the UN Sustainable Development Goals, specifically SDGs 3, 4, 6, 7, 8, 10, 11 and 12.



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



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



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

Evaluation date	June 11, 2021
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Issuer Location	Trieste, Italy
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Introduction

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

Generali has developed the Generali Sustainability Bond Framework (the “Framework”) under which it intends to issue green, social, or sustainability bonds (collectively referred to as “Sustainability Bonds”) and use the proceeds to finance and/or refinance, in whole or in part, projects that advance the Group’s sustainability strategy, while mobilising its stakeholders to support the transition to a more sustainable economy and society.

The Framework defines eligibility criteria in the following areas:

1. Green Buildings
2. Renewable Energy (Electricity and Heat Production)
3. Energy Efficiency
4. Clean Transportation
5. Sustainable Water Management
6. Recycling, Re-use & Waste Management

The Framework defines eligible social categories in the following areas:

1. Access to Essential Services / Social Infrastructure
2. Affordable Housing
3. SME Financing, Socioeconomic Advancement and Employment Generation
4. Response to Health and Natural Disaster Crisis

This Framework builds upon the Group’s 2019 Green Bond Framework. Eligible green categories one, two, four, five and six remain the same, while category three includes some modified criteria. The social categories are new entries.

Generali engaged Sustainalytics to review the Generali Sustainability Bond Framework, dated June 2021, and provide a Second-Party Opinion on the Framework’s environmental and social credentials and its alignment with the Green Bond Principles 2021 (GBP),¹ Social Bond Principles 2021 (SBP),² and Sustainability Bond Guidelines 2021 (SBG).³ This Framework has been published in a separate document.⁴

Scope of work and limitations of Sustainalytics’ Second-Party Opinion

Sustainalytics’ Second-Party Opinion reflects Sustainalytics’ independent⁵ opinion on the alignment of the reviewed Framework with the current market standards and the extent to which the eligible project categories are credible and impactful.

As part of the Second-Party Opinion, Sustainalytics assessed the following:

- The Framework’s alignment with the Green Bond Principles 2021, Social Bond Principles 2021, and Sustainability Bond Guidelines 2021, as administered by ICMA;
- The credibility and anticipated positive impacts of the use of proceeds; and
- The alignment of the issuer’s sustainability strategy and performance and sustainability risk management in relation to the use of proceeds.

¹ The Green Bond Principles are administered by the International Capital Market Association and are available at <https://www.icmagroup.org/assets/documents/Sustainable-finance/2021-updates/Green-Bond-Principles-June-2021-100621.pdf>

² The Social Bond Principles are administered by the International Capital Market Association and are available at <https://www.icmagroup.org/assets/documents/Sustainable-finance/2021-updates/Social-Bond-Principles-June-2021-100621.pdf>

³ The Sustainability Bond Guidelines are administered by the International Capital Market Association and are available at <https://www.icmagroup.org/assets/documents/Sustainable-finance/2021-updates/Sustainability-Bond-Guidelines-June-2021-100621.pdf>

⁴ The Generali Sustainability Bond Framework will be made available on Assicurazioni Generali SpA’s website at <https://www.generali.com/investors/debt-ratings/green-bond-framework>

⁵ When operating multiple lines of business that serve a variety of client types, objective research is a cornerstone of Sustainalytics and ensuring analyst independence is paramount to producing objective, actionable research. Sustainalytics has therefore put in place a robust conflict management framework that specifically addresses the need for analyst independence, consistency of process, structural separation of commercial and research (and engagement) teams, data protection and systems separation. Last but not the least, analyst compensation is not directly tied to specific commercial outcomes. One of Sustainalytics’ hallmarks is integrity, another is transparency.

For the use of proceeds assessment, Sustainalytics relied on its internal taxonomy, version 1.7, which is informed by market practice and Sustainalytics' expertise as an ESG research provider.

As part of this engagement, Sustainalytics held conversations with various members of Generali's management team to understand the sustainability impact of their business processes and planned use of proceeds, as well as management of proceeds and reporting aspects of the Framework. Generali representatives have confirmed (1) they understand it is the sole responsibility of Generali to ensure that the information provided is complete, accurate or up to date; (2) that they have provided Sustainalytics with all relevant information and (3) that any provided material information has been duly disclosed in a timely manner. Sustainalytics also reviewed relevant public documents and non-public information.

This document contains Sustainalytics' opinion of the Framework and should be read in conjunction with that Framework.

Any update of the present Second-Party Opinion will be conducted according to the agreed engagement conditions between Sustainalytics and Generali.

Sustainalytics' Second-Party Opinion, while reflecting on the alignment of the Framework with market standards, is no guarantee of alignment nor warrants any alignment with future versions of relevant market standards. Furthermore, Sustainalytics' Second-Party Opinion addresses the anticipated impacts of eligible projects expected to be financed with bond proceeds but does not measure the actual impact. The measurement and reporting of the impact achieved through projects financed under the Framework is the responsibility of the Framework owner.

In addition, the Second-Party Opinion opines on the potential allocation of proceeds but does not guarantee the realised allocation of the bond proceeds towards eligible activities.

No information provided by Sustainalytics under the present Second-Party Opinion shall be considered as being a statement, representation, warrant or argument, either in favour or against, the truthfulness, reliability or completeness of any facts or statements and related surrounding circumstances that Generali has made available to Sustainalytics for the purpose of this Second-Party Opinion.

Sustainalytics' Opinion

Section 1: Sustainalytics' Opinion on the Generali Sustainability Bond Framework

Sustainalytics is of the opinion that the Generali Sustainability Bond Framework is credible, impactful and aligns with the four core components of the GBP, SBP, and SBG. Sustainalytics highlights the following elements of Generali's Sustainability Bond Framework:

- Use of Proceeds:
 - The six green and four social use of proceeds categories are aligned with those recognized by the GBP, SBP and the SBG
 - In September 2019, Generali published the Generali Green Bond Framework. Sustainalytics reviewed this document and opined positively on the use of proceeds criteria. As five of these six categories – Green Buildings; Renewable Energy (Electricity and Heat Production); Clean Transportation; Sustainable Water Management; Recycling, Re-use & Waste Management – remain unchanged in the Framework, Sustainalytics has not reassessed these categories. Please refer to the May 2019 Second-Party Opinion for Sustainalytics' opinion of the aforementioned eligible green categories.⁶
 - The Framework includes one modified green category:
 - The Energy Efficiency category has been expanded upon to include the improvement of energy efficiency, with project examples including replacing heating elements with more energy efficient alternatives such as heat pumps, microgeneration, and ventilation projects. Generali has confirmed that through its funding activities it will not invest in energy-efficiency improvements that are reliant on fossil fuel power. Sustainalytics views this to be in line with market practice.

⁶<https://www.sustainalytics.com/sustainable-finance/wp-content/uploads/2019/09/Assicurazioni-Generali-Green-Bond-Second-Party-Opinion-160919.pdf>

- The Framework identifies four social categories: Access to Essential Services / Social Infrastructure; Affordable Housing; SME Financing, Socioeconomic Advancement and Employment Generation; and Response to Health and Natural Disaster Crisis.
 - The Access to Essential Services / Social Infrastructure category includes investments in healthcare services, essential infrastructure, and support services for elderly populations, as well as investments in educational infrastructure and quality training. Sustainalytics notes the identification of clear target populations ('underserved areas', and/or 'low-income population')⁷ for the healthcare and education services sub-categories and recognizes the anticipated positive social impact of the Group's investments in such areas.
 - Activities in the healthcare services sub-category include construction, development, maintenance or renovation of public hospitals, clinics, and health centers, as well as financings related to medical equipment and technologies for the benefit of public health. Based on the clearly defined target population, as well as Generali's intent to support the provision of free and subsidized healthcare services, Sustainalytics views these activities as having positive social impact.
 - Sustainalytics recognizes the potential positive impact of investments in activities that aim to support elderly populations, particularly when such services are free and/or subsidized to ensure equality of access for the general population. Given the clear targeting of facilities that are "public and subsidized", Sustainalytics views Generali's investments in retirement homes to be in line with market expectations.
 - Generali's investments in education are aimed at improving educational infrastructure and ensuring accessibility and affordability for all seeking quality training and education. This includes activities such as vocational training centers and financial literacy programs. Based on the focus on increased access and affordability, as well as the clearly defined target population, Sustainalytics views this sub-category as having positive social impact.
 - The Affordable Housing category includes investments in social housing real estate projects, such as low-rent housing, affordable housing and cooperative housing with the goal of widening the availability of affordable basic infrastructure. Sustainalytics views this sub-category positively based on the clearly defined target population.⁸
 - Through the SME Financing, Socioeconomic Advancement and Employment Generation category, Generali intends to support the generation of employment in regions where the Group is active. This includes (i) Financing of SMEs⁹ and start-ups; (ii) Financing of venture investment & incubation; (iii) Microfinance; (iv) Investment in projects that promote gender equality, and (v) Investment in projects that promote racial equality.¹⁰ Sustainalytics views the selected definition of SME to be in line with market practice, and further notes the following regarding Generali's targeting:
 - The financing of SMEs, start-ups, venture investment and incubation, will be limited to SMEs and start-ups operating in regions with lower GDP than national average; Sustainalytics views this specific targeting to be in line with market practice.
 - Investments in microfinance, and projects that promote gender and racial equality will be targeted to low-income and disadvantaged groups in economically underperforming areas. Sustainalytics views this criterion as strengthening the social impact of the outlined activities.

⁷ Underserved areas are defined as regions with a level of GDP lower than the national average. Low-income population is defined as per the low-income criteria defined by the relevant state where assets are located.

⁸ Low-income population is defined as per the low-income criteria defined by the relevant state where assets are located.

⁹ Generali's has defined SMEs according to the European Commission whereby medium-sized companies are defined as <250 employees, with < EUR 50 million in turnover. See more, at: https://ec.europa.eu/growth/smes/sme-definition_en

¹⁰ Generali intends to disclose more information about these activities as they are deployed. Sustainalytics has discussed with the Group its intentions and anticipates that these projects will deliver positive impacts for the target populations defined in the Framework.

- The Response to Health and Natural Disaster Crisis includes activities aimed at improving economic growth and ensuring the wellbeing of the general population during situations of crisis (natural disasters or health crises) including investments in a Generali relief fund,¹¹ expenditures for staff during the Covid-19 pandemic, and prevention or protection against seismic events. Sustainalytics recognizes the positive ambition of this category, and notes the following:
 - The Group's Extraordinary International Fund is focused on providing relief in the areas of healthcare, familial support, vulnerable customers, SMEs and the self-employed that have been adversely affected by the pandemic in the countries in which the Group operates. Generali has confirmed that these services are targeted to the general population and that they will be made accessible to all, regardless of ability to pay. Sustainalytics notes the open-ended nature of the eligible activities in this category, while acknowledging the need for flexibility in response to crises such as Covid-19. With this in mind, Sustainalytics views positively Generali's commitment to reporting on the initiatives and activities carried out within this category in the form of impact reporting and case studies.
 - Sustainalytics views the targeted nature of the expenditures to support staff during the COVID-19 pandemic, namely additional expenses related to health protection as well as additional financial or other assistance to staff suffering the effects of the health crisis and resultant lockdowns, to be in line with market expectations.
 - Investments in the prevention or protection against seismic events include infrastructural anti-seismic improvements and systems for monitoring and mitigating the impact of seismic events. Sustainalytics recognizes the high degree of danger to which some regions are exposed and therefore considers expenditures to seismic upgrades, in particular when provided to populations which are severely exposed to risk due to existing infrastructure, to be socially impactful.
- Sustainalytics recognizes that the GBP and SBP require project-based lending and financing, and that there is, in general, less transparency with non-project-based lending that issuers such as Generali are engaged in, including corporate financing. By placing a quantitative threshold such that 90% of a firm's turnover is attributable to assets meeting the eligibility criteria, Sustainalytics believes that Generali has ensured that proceeds from the Sustainability Bonds issued will be directed to environmental and/or social activities that generate positive impact.
- The Framework excludes financings related to the following activities: fossil-fuel energy, nuclear energy, large hydro > 20 MW, gambling, tobacco, alcohol and weapons. Sustainalytics considers these exclusionary criteria to strengthen the Framework.
- Project Evaluation and Selection:
 - Generali has established a Sustainability Bond Committee to approve, review and monitor eligible assets. This Committee will be led by the Head of Group Debt and Treasury and will consist of representatives from various relevant departments including Corporate Sustainability and Social Responsibility, Group Investment Governance, Group Real Estate, Group Integrated Reporting, Group Investor Relations, Group Capital Management, and the Human Safety Net team to ensure that selected assets comply with the Framework, as well as Generali's relevant internal ESG policies. The Committee will monitor the impacts of the investments and financings included in the pool of eligible assets on an annual basis, at minimum.
 - A three-step process has been defined in which assets are identified within various business units, confirmed by the Committee, and then subject to ongoing review.
 - Based on the establishment of an inter-departmental committee and the commitment to ongoing review, Sustainalytics considers this process to be in line with market practice.
- Management of Proceeds:

¹¹ Generali created the Extraordinary International Fund in March 2020, with the goal of raising up to EUR 100 million dedicated to the fight against the Covid-19 emergency in Italy, and on an international level. See more, at: <https://www.generali-investments.com/global/en/institutional/creation-of-an-extraordinary-international-fund/>

- Generali will allocate an amount equivalent to the net proceeds of its Sustainability Bonds to eligible assets. It intends, on a best-effort basis, to achieve full allocation within one year of issuance. The Group will use its existing internal accounting systems to track and monitor disbursements. Generali has confirmed that it will apply a two-year look-back period for refinancing assets.
- Pending full allocation, proceeds may be temporarily invested in accordance with Generali's investment guidelines in cash deposits, money market instruments, and SRI investments.
- Generali intends to designate sufficient investments in Eligible Assets to ensure that the outstanding balance of the portfolio of eligible assets is always equal to, or higher than the total balance of Sustainability Bond proceeds. Generali will strive to substitute assets with replacement assets if any existing assets cease to fulfill the eligibility criteria.
- Based on the disclosure of monitoring processes and intended temporary investments, Sustainalytics considers this to be in line with market practice.
- Reporting:
 - Generali will provide annual allocation reporting, including the amount of proceeds allocated to each eligible category, the share of financing versus refinancing, and the amount allocated to various geographical regions. Generali has confirmed that such reporting will be made available on its website.
 - Generali will also provide, on a best-efforts basis annual impact reporting, at the portfolio level. Where feasible, this will include relevant quantitative and qualitative environmental and social key performance indicators, as defined in the Framework.
 - Based on the commitment to annual allocation reporting until full allocation is achieved, and the intention to disclose impact KPIs when possible, Sustainalytics considers this to be in line with market practice.

Alignment with Sustainability Bond Guidelines 2021

Sustainalytics has determined that the Generali Sustainability Bond Framework aligns with the four core components of the GBP, SBP and SBG. For detailed information please refer to Appendix 1: Sustainability Bond/ Sustainability Bond Programme External Review Form.

Section 2: Sustainability Performance of Generali

Contribution of Framework to Assicurazioni Generali SpA's sustainability strategy

Generali's sustainability vision is that of creating a healthy, resilient, and sustainable society by running a sustainable business and playing an active role in the communities in which it operates.¹² Sustainability within the Group is being managed by the Governance and Sustainability Committee, which is headed by the Chairman of the Board of Directors.¹³

Within its Responsible Investment Guideline,¹⁴ Generali commits to incorporating ESG issues into its investment analysis and decision-making processes, to incorporate ESG issues into the Group's ownership policies and practices and to seek appropriate disclosure on ESG issues by the entities in which Generali invests. The Group's Sustainability Policy¹⁵ and Environmental Policy¹⁶ both reinforce its commitment to promoting environmental and social responsibility, through the reduction of its own business impacts and integration and monitoring of environmental and social considerations in investment strategies.¹⁷ Moreover, Generali Real Estate, a subsidiary of the Group, has policies from green buildings and green leases, which aim

¹² Generali Group, "Charter of Sustainability Commitments", at: https://www.generali.com/our-responsibilities/responsible-business/charter_sustainability_commitments-

¹³ Generali Group, Generali Group, "Annual Integrated Report and Consolidated Financial Statements 2019", at: https://www.generali.com/doc/jcr:8026c022-519e-420b-86d4-675929f003cd/Group%20Annual%20Integrated%20Report%202019_Generali%20Group-final.pdf/lang:en/Group_Annual_Integrated_Report_2019_Generali_Group-final.pdf

¹⁴ Generali Group, "Responsible Investment Guideline", at: <https://www.generali.com/our-responsibilities/responsible-investments>.

¹⁵ Generali Group, "Sustainability Group Policy", at: https://www.generali.com/doc/jcr:3761c796-e150-4837-85bc-c7f710d9f565/Sustainability%20Group%20Policy_ENG.pdf/lang:en/Sustainability_Group_Policy_ENG.pdf

¹⁶ Generali Group, "Group Policy for the Environment and Climate", at: <https://www.generalicee.com/files/download/87f50c186065c3dd522705011faded585c4d1784.pdf>

¹⁷ Generali Group, "Sustainability Group Policy", at: https://www.generali.com/doc/jcr:3761c796-e150-4837-85bc-c7f710d9f565/Sustainability%20Group%20Policy_ENG.pdf/lang:en/Sustainability_Group_Policy_ENG.pdf

to improve the environmental performance of the company's real estate assets, and have resulted in an increased number of certified green buildings.¹⁸

As outlined in its 2019 Annual Integrated Report,¹⁹ the Group committed to allocating EUR 4.5 billion for green and sustainable investments by the end of 2021, increasing revenue from social and green products by 7-9% by 2021 against a baseline of 2018, and progressing towards divestment from the coal sector by disposing of bond and equity investments while limiting any new business relationships. Between 2018 and 2020, Generali's green and sustainable investments were equal to a cumulative amount of EUR 5.97 billion, surpassing the 2021 target by EUR 1.47 billion and ahead of schedule.²⁰ This translated into an increase of 11.2% in premiums from green and social products at the end of 2020, at almost EUR 17 million.²¹ Furthermore, EUR 34.6 billion of the Group's assets are being managed in accordance with ESG principles, while direct investment in equities and bonds in line with its Responsible Investment Guidelines reached EUR 311.7 billion.²² According to cumulative data of Generali insurance Asset Management and Generali Global Infrastructure, new green and sustainable investments in 2018-2019 amounted to EUR 2,667 million.²³ With regards to internal operations, the Group also strives to reduce its GHG emissions by 20% by the year 2020 (compared to a 2013 baseline).²⁴ As of 2019, the Group has reduced its GHG emissions by 20.1% using a location-based method,²⁵ and by 19.1% using a market-based method.²⁶ As part of its progress reports, Generali disclosed that in 2019 99% of its total energy purchases were renewable.²⁷

Additionally, the Group is a signatory to the UN Global Compact and the Principles for Responsible Investments (PRI), which contain strong principles regarding environmental protection and responsible lending.²⁸ Generali has also contributed to sustainability finance initiatives together with international institutions and organizations, such as UNEP FI for Sustainable Insurance on the implementation of the TCFD (Task Force on Climate-related Financial Disclosures) Recommendations by insurers.²⁹

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

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

While the use of proceeds from Generali's green bonds will be directed towards investments that are anticipated to have positive environmental and/or social impacts, Sustainalytics recognizes that such projects may also pose negative environmental and social risks. Some key environmental and social risks associated with the eligible categories in the Framework include those related to workers' health and safety, biodiversity impacts, effects on local communities, air, water, and soil pollution, as well as potentially exacerbating existing inequalities if programs and services are not well targeted to specific communities and groups. Sustainalytics is of the opinion that Generali Group is able to manage and/or mitigate potential risks through the implementation of the following:

¹⁸ Generali Group, "Real Estate Investments", at: <https://www.generali.com/our-responsibilities/our-commitment-to-the-environment-and-climate/real-estate-investments>.

¹⁹ Generali Group, "Annual Integrated Report and Consolidated Financial Statements 2019", at: https://www.generali.com/doc/jcr:8026c022-519e-420b-86d4-675929f003cd/Group%20Annual%20Integrated%20Report%202019_Generali%20Group-final.pdf/lang:en/Group_Annual_Integrated_Report_2019_Generali_Group-final.pdf

²⁰ Generali provided this information to Sustainalytics on a confidential basis and confirmed that it will be included in the 2020 Annual Report.

²¹ Generali provided this information to Sustainalytics on a confidential basis and confirmed that it will be included in the 2020 Annual Report.

²² Generali Group, "Responsible Investments", at: <https://www.generali.com/our-responsibilities/responsible-investments>.

²³ Generali Group, "Annual Integrated Report and Consolidated Financial Statements 2019", at: https://www.generali.com/doc/jcr:8026c022-519e-420b-86d4-675929f003cd/Group%20Annual%20Integrated%20Report%202019_Generali%20Group-final.pdf/lang:en/Group_Annual_Integrated_Report_2019_Generali_Group-final.pdf

²⁴ Generali Group, Generali Group, "Annual Integrated Report and Consolidated Financial Statements 2019", at: https://www.generali.com/doc/jcr:8026c022-519e-420b-86d4-675929f003cd/Group%20Annual%20Integrated%20Report%202019_Generali%20Group-final.pdf/lang:en/Group_Annual_Integrated_Report_2019_Generali_Group-final.pdf

²⁵ "The location-based, involves accounting for emissions from the purchase of electricity, applying national average emission factors for the different countries in which we purchase electricity." See more, at: <https://www.generali.com/our-responsibilities/our-commitment-to-the-environment-and-climate/greenhouse-gas-emissions>

²⁶ "The market-based method determines GHG emissions from the purchase of electricity by considering the specific emission factors reported by our suppliers. For the purchase of electricity from renewable energy sources, a zero emission factor is attributed for the scope." See more, at: <https://www.generali.com/our-responsibilities/our-commitment-to-the-environment-and-climate/greenhouse-gas-emissions>

²⁷ Generali Group, "Annual Integrated Report and Consolidated Financial Statements 2019", at: https://www.generali.com/doc/jcr:8026c022-519e-420b-86d4-675929f003cd/Group%20Annual%20Integrated%20Report%202019_Generali%20Group-final.pdf/lang:en/Group_Annual_Integrated_Report_2019_Generali_Group-final.pdf

²⁸ Generali Group, "Responsible Investments", <https://www.generali.com/our-responsibilities/responsible-investments>.

²⁹ Generali Group, "Commitment to the Climate", at: <https://www.generali.com/our-responsibilities/responsible-investments/commitment-to-the-climate>.

- Responsible Investment Guidelines,³⁰ which are applicable to direct investments related to funds promoted or managed by the Generali Group. As part of these guidelines, the Group conducts analyses on the ESG policies, performance, practices and impacts in order to exclude or avoid enterprises with poor ESG practices, while also assessing and monitoring the investments that are exposed to ESG risks.³¹ Moreover, the Group considers high risk investments in companies that engage in ESG issues, such as: are involved in serious or systematic human rights violations and environmental damages.³² Sustainalytics views these assessments and evaluations to support risk management related to investments made under the Framework.
- Group Sustainability Policy, which includes guidelines for identifying and assessing ESG factors that may present risks and mitigating, to the extent possible, the negative impacts that Generali's corporate activities may have on various stakeholder groups.³³ In November 2019, Generali updated its materiality matrix to include a broadened scope of ESG considerations in its investment decision-making process.
- Generali Group's Policy for the Environment and Climate, which commit the Group to protecting and conserving biodiversity and preventing pollution.³⁴
- An ISO 14001 certified Environmental Management System has been implemented across most of the Group's companies at over 350 local offices, covering 42% of employees and 87.5% of total gross direct premiums.³⁵
- A Code of Conduct,³⁶ which also covers third parties working with the company, ensures a healthy, safe and secure workplace and improvement of the circumstances of the communities in which it operates.
- A stakeholder engagement approach, which define how Generali will engage in dialogue with relevant representatives from the communities in which business operations are conducted.³⁷ This includes attending meetings with representatives of NGOs, institutions, and civil society associations. In addition, Sustainalytics is of the opinion that Generali is able to mitigate potential social risks through defined targeting as outlined in the Framework.
- Charter of Sustainability Commitments, which includes a commitment to playing an active role in communities in which the Group operates.³⁸

Based on these policies, standards, and procedures, Sustainalytics is of the opinion that Generali is well-positioned to manage and mitigate environmental and social risks commonly associated with the eligible categories.

Section 3: Impact of Use of Proceeds

All ten use of proceeds categories are aligned with those recognized by GBP or SBP. Sustainalytics has focused on below where the impact is specifically relevant in the local context.

The Framework's contribution to climate action

In order to mitigate the adverse effects of climate change, the EU is pursuing the goals of the Paris Climate Agreement and strives to reduce GHG emissions across its member states. The EU's climate change goals are to reduce GHG emissions by 40% by 2030 (compared to 1990 levels).³⁹ Moreover, over the long-term, the EU plans on cutting its emissions almost completely (80-95%) compared to 1990 levels. The eligible categories of Generali's green bond, specifically those in the areas of renewable energy, clean transportation

³⁰ Generali Group, "Responsible Investment Guideline", at: https://www.generali.com/doc/jcr:faeb6f3e-8913-407b-a743-53861d4bd8e3/Responsible%20Investment%20Group%20Guideline_.pdf/lang:en/Responsible_Investment_Group_Guideline_.pdf

³¹ Generali Group, "Responsible Investments", at: https://www.generali.com/doc/jcr:faeb6f3e-8913-407b-a743-53861d4bd8e3/Responsible%20Investment%20Group%20Guideline_.pdf/lang:en/Responsible_Investment_Group_Guideline_.pdf

³² Generali Group, "Responsible Investments", at: https://www.generali.com/doc/jcr:faeb6f3e-8913-407b-a743-53861d4bd8e3/Responsible%20Investment%20Group%20Guideline_.pdf/lang:en/Responsible_Investment_Group_Guideline_.pdf

³³ Generali Group, "Annual Integrated Report and Consolidated Financial Statements 2019", at: https://www.generali.com/doc/jcr:8026c022-519e-420b-86d4-675929f003cd/Group%20Annual%20Integrated%20Report%202019_Generali%20Group-

³⁴ Generali Group, "Group Policy for the Environment and Climate", at: <https://www.generalicee.com/files/download/87f50c186065c3dd522705011fabed585c4d1784.pdf>

³⁵ Generali Group, "Environmental Management System", at: <https://www.generali.com/our-responsibilities/our-commitment-to-the-environment-and-climate/environmental-management>

³⁶ Generali Group, "Generali Group Code of Conduct", at: https://www.generali.com/doc/jcr:7a783bc2-5178-43c6-a7fa-36698388f017/Code_of_conduct_2019_eng_website.pdf/lang:en/Code_of_conduct_2019_eng_website.pdf

³⁷ Generali Group, "Stakeholder Engagement", at: <https://www.generali.com/our-responsibilities/responsible-business/stakeholder-engagement>

³⁸ Generali Group, "Annual Integrated Report and Consolidated Financial Statements 2019", at: https://www.generali.com/doc/jcr:8026c022-519e-420b-86d4-675929f003cd/Group%20Annual%20Integrated%20Report%202019_Generali%20Group-

³⁹ European Commission, "EU climate action", at: https://ec.europa.eu/clima/citizens/eu_en

green buildings, and energy efficiency have the potential to contribute to the advancement of these climate objectives.

The EU has committed to meeting 20% of its total energy needs with renewables by 32% by 2030,⁴⁰ while the Italian government has committed to achieving a 35% renewable energy target⁴¹ and an installed solar capacity of 50 GW over the same time period.⁴² As of 2019, Renewable energy represents 19.7% of the total energy consumption in the EU, having more than doubled between 2004 and 2019,⁴³ and makes up 34% of the EU gross electricity consumption.⁴⁴ On a more global scale, renewable energy production within the OECD increased by over 68% over the period 2000-2017.⁴⁵ Nevertheless, the International Renewable Energy Agency predicts that in order to meet a 2-degree warming target renewable energy deployment must expand to meet approximately two thirds of global primary energy demand.⁴⁶ In this context, there is a clear need for the continued expansion of clean generation technologies, and Sustainalytics views positively Generali's investments in wind, solar, small hydro, and geothermal energy facilities.

Regarding the transport sector, the EU plans to drastically reduce its dependence on fossil fuels and cut CO₂ emissions by 60% by 2050 (baseline year 1990),⁴⁷ as the transport sector contributed 27% of the total EU GHG emissions in 2017.⁴⁸ Generali's projects in this area will primarily focus on two areas of transportation: the development of mass transit projects, in particular train and metro systems, and the promotion of electric vehicles and the required supporting charging infrastructure.

Finally, improved performance in energy efficiency, especially within the buildings sector, which accounts for around 40% of the total energy consumption and 36% of CO₂ emissions in the EU, will be necessary to support worldwide progress towards decarbonisation.⁴⁹ Over the period 2005 to 2017, final energy consumption in the EU has decreased by only 5.7%, a rate which jeopardizes its ability to reach its energy efficiency target,⁵⁰ and highlighting the need for continued public and private investments in this area.⁵¹ This conclusion holds true on a worldwide scale, with a recent report from the International Energy Agency concluding that progress with regards to efficiency has slowed in recent years, contributing to an increased in global energy demand; the IEA further states that a weakening of policy supports has contributed to these developments.⁵² Sustainalytics views the investments in energy efficiency and green buildings, as contemplated by the Framework, as making a positive contribution towards energy efficiency and climate goals.

The importance of investments in waste management

Across the OECD, 524.4 kg per capita of municipal solid waste was generated in 2017, a trend that has largely been flat over the past two decades.⁵³ The World Bank states that in both high-income and upper-middle-income countries, landfilling is the most common disposal method.⁵⁴ In an effort to address this issue European Commission regulations state that the share of recycled municipal waste must increase to 55% by 2025, 60% by 2030 and 65% by 2035.⁵⁵ Moreover, the EU has also mandated that landfilled waste be 10% or less of total municipal waste generation by 2035, together with mandatory separate collection of bio-waste

⁴⁰ European Commission, "EU climate action", at: https://ec.europa.eu/clima/citizens/eu_en.

⁴¹ Lawyers Italy, "Italy has a 35% Renewable Energy Target by 2030", (2018), at: <https://www.lawyersitaly.eu/blog/italy-has-a-35-renewable-energy-target-by-2030>.

⁴² Bellini E., (2019), PV Magazine, "Italy sets 2030 solar target of 50 GW", at: <https://www.pv-magazine.com/2019/01/11/italy-sets-2030-solar-target-of-50-gw/>.

⁴³ Eurostat, "Renewable energy statistics", (2019), at: https://ec.europa.eu/eurostat/statistics-explained/index.php/Renewable_energy_statistics

⁴⁴ Eurostat, "Renewable energy statistics", (2019), at: [https://ec.europa.eu/eurostat/statistics-explained/index.php/Renewable_energy_statistics#:~:text=ln%202019%2C%20renewable%20energy%20sources,sources%20\(35%20%25%20each\)](https://ec.europa.eu/eurostat/statistics-explained/index.php/Renewable_energy_statistics#:~:text=ln%202019%2C%20renewable%20energy%20sources,sources%20(35%20%25%20each)).

⁴⁵ OECD Data, "Renewable energy", at: <https://data.oecd.org/energy/renewable-energy.htm>

⁴⁶ IRENA, "Perspectives for the Energy Transition",

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

⁴⁷ European Commission, "Clean Transport Systems", at: https://ec.europa.eu/transport/themes/urban/cts_en.

⁴⁸ European Environmental Agency, "Greenhouse gas emissions from transport", (2018), at: <https://www.eea.europa.eu/data-and-maps/indicators/transport-emissions-of-greenhouse-gases/transport-emissions-of-greenhouse-gases-11>.

⁴⁹ European Commission, "Energy performance of buildings", at: <https://ec.europa.eu/energy/en/topics/energy-efficiency/energy-performance-of-buildings>.

⁵⁰ European Environmental Agency, "Final energy consumption by sector and fuel in Europe", at: <https://www.eea.europa.eu/data-and-maps/indicators/final-energy-consumption-by-sector-10/assessment#:~:text=Final%20energy%20consumption%20in%20the,EU%20between%202016%20and%202017>.

⁵¹ European Policy Centre, "The EU will not meet its climate goals unless it makes smarter use of its financial resources", (2018), at: http://www.epc.eu/pub_details.php?cat_id=4&pub_id=8807.

⁵² IEA, "Energy Efficiency 2018", <https://www.iea.org/efficiency2018/>

⁵³ OECD Data, "Municipal Waste", <https://data.oecd.org/waste/municipal-waste.htm>

⁵⁴ World Bank, "What a waste 2.0", <https://openknowledge.worldbank.org/bitstream/handle/10986/30317/211329ov.pdf?sequence=11&isAllowed=y>

⁵⁵ Financial Observer, "Circular economy – the European Commission's idea for the waste management", (2018), at: <https://financialobserver.eu/poland/circular-economy-the-european-commissions-idea-for-the-waste-management/>.

and stricter policies to require producers of waste to pay for the collection of key recyclables.⁵⁶ As a result, in 2018, the landfilling of households' waste was reduced to 24% in the EU, while the rate of recycling reached 47%.⁵⁷ Sustainalytics is of the opinion that the Group's investments into facilities for collection, sorting and material recovery, recycling and reuse of material and production of biogas from organic waste, and waste to energy plants will be environmentally beneficial, supporting waste management goals and transition the transition to a circular economy.

The importance of sustainable water management

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

While noting that the impacts of water management approaches are regionally-specific, Sustainalytics has considered Generali's home market of Italy as representative of the benefit that the financed projects may deliver. In particular, it is noted that agriculture is the predominant water user in Italy, consuming as much as two thirds of available water resources.⁵⁸ Furthermore, Italy's National Climate Change Adaptation Plan⁵⁹ highlights that Italy, along with the broader southern European and Mediterranean areas, will be particularly susceptible to the impact of climate changes, in the form of increased droughts and severe rainfall events, further reinforcing the need for improved water management approaches. In this context, Sustainalytics anticipates that projects that support the ability to manage rainfall, treat water and wastewater, and efficiently treat and distribute water, will provide overall positive impacts.

The importance of supporting economic stability through the promotion of SMEs

According to the European Commission, SMEs account for 78.5% of all employment in Italy, compared to an EU average of 66.4%.⁶⁰ Despite the large role they play in supporting the economy, they account for only 17.7% of Italy's EUR 958 billion total business lending, according to the OECD.⁶¹ As the global economy grapples with the economic consequences of the COVID-19 pandemic, SMEs in particular are facing heightened challenges. Due to a lack of economies of scale, difficulties in accessing credit, and sensitivity to supply chain fluctuations, SMEs are at increased risk of going out of business.⁶²

Among the various measures carried out by the Italian government, there have been significant actions aimed at granting credit and supporting Italian SMEs. This includes the introduction of the Central SMEs Guarantee Fund, whereby the Italian government introduced a free 100% guarantee on loans below EUR 25,000 that required no credit assessment by banks.⁶³ The aim of this Fund is to facilitate access to credit for SMEs by offering the possibility to rely on a public guarantee which may replace the security package generally required in financing.⁶⁴ This thereby promotes the possibility for companies to obtain financing at a lower cost, without the additional need of collaterals or personal guarantees.⁶⁵ In this context, and in support of the government's ongoing efforts, Sustainalytics expects that Generali's activities in the category of SME Financing, Socioeconomic Advancement and Employment Generation will lead to positive social impact and will help mitigate the negative effects that the COVID-19 pandemic has had on Italy's economy.

⁵⁶ European Environmental Bureau, "Waste no more: Introducing Europe's new waste laws", (2018), at: <https://eeb.org/waste-no-more-introducing-europes-new-waste-laws/>.

⁵⁷ Eurostat, "Municipal waste statistics", (2018), at: https://ec.europa.eu/eurostat/statistics-explained/index.php/Municipal_waste_statistics#Municipal_waste_generation:

⁵⁸ Massarutto, A, "Agriculture, water resources and water policy in Italy", <https://core.ac.uk/download/pdf/6336170.pdf>.

⁵⁹ CMCC, "Piano Nazionale di Adattamento ai Cambiamenti Climatici",

https://www.minambiente.it/sites/default/files/archivio_immagini/adattamenti_climatici/documento_pnacc_luglio_2017.pdf

⁶⁰ S&P Global Market Intelligence, "SME loans, not mortgaged, may be pain point for Italian banks during pandemic", at:

<https://www.spglobal.com/marketintelligence/en/news-insights/blog/banking-essentials-newsletter-january-edition-part-2>

⁶¹ S&P Global Market Intelligence, "SME loans, not mortgaged, may be pain point for Italian banks during pandemic", at:

<https://www.spglobal.com/marketintelligence/en/news-insights/blog/banking-essentials-newsletter-january-edition-part-2>

⁶² Xinhuanet, "Italy's SMEs getting hit hard by coronavirus pandemic", at: http://www.xinhuanet.com/english/2020-11/24/c_139540409.htm

⁶³ SSRN, Public Guarantees for Small Businesses in Italy during COVID-19", at: https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3604114

⁶⁴ DLA Piper, "COVID-19 and measures supporting SMEs in Italy", at: <https://www.dlapiper.com/en/italy/insights/publications/2020/04/covid19-measures-supporting-smes-italy/>

⁶⁵ DLA Piper, "COVID-19 and measures supporting SMEs in Italy", at: <https://www.dlapiper.com/en/italy/insights/publications/2020/04/covid19-measures-supporting-smes-italy/>

The impact of supporting healthcare systems in response to COVID-19

While steady progress has been made across European healthcare systems, there are still many barriers in regards to achieving equitable, and affordable healthcare in many Member States.⁶⁶ For example, despite Italy having a public universal healthcare system that is often recognized as one of the most inclusive health care systems in Europe, there is a high prevalence of unmet needs for medical care for those who have low incomes as well as for those who many lack knowledge about national laws and administrative regulations.⁶⁷ Further, access to medical care in rural areas has worsened in the last two decades due to the decentralization of health services to regional administrations.⁶⁸ The COVID-19 pandemic has exacerbated this, leading to a significant strain on healthcare systems in Europe.

The capacity for countries to effectively respond to this pandemic has varied significantly, demonstrating the need for increased resilience and improved health systems. By financing healthcare systems through its Extraordinary International Fund, or funding vital expenditures for staff, Generali can help countries like Italy, increase their capacity to provide affordable and quality healthcare. Italy, like many countries, has experienced constraints and shortages, such as ventilator availability, personal protective equipment (“PPE”), sampling and laboratory materials affecting diagnostic capacity and shortages of space due to increased needs for triage and isolation of suspected cases. In this context, Generali’s investments in PPE, access to medical care and financial support for agents/employees most affected by the negative effects of Covid-19 are expected to have positive social impact.

Alignment with/contribution to SDGs

The Sustainable Development Goals (SDGs) were set in September 2015 by the United Nations General Assembly and form an agenda for achieving sustainable development by the year 2030. The bond(s) issued under the Generali Sustainability Bond Framework advances the following SDGs and targets:

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

⁶⁶ European Commission, “State of Health in the EU. Executive Summary”, (2018) at: https://ec.europa.eu/health/sites/health/files/state/docs/2018_healthatglance_sum_en.pdf

⁶⁷ Research Gate, “Geographical variation of unmet medical needs in Italy: A multivariate logistic regression analysis”, at: https://www.researchgate.net/publication/236689446_Geographical_variation_of_unmet_medical_needs_in_Italy_A_multivariate_logistic_regression_analysis

⁶⁸ LSE Research, “A universal health care system? Unmet need for medical care among regular and irregular immigrants in Italy”, at: http://eprints.lse.ac.uk/69876/1/Cetorelli_Universal%20health%20care.pdf

Access to Essential Services / Social Infrastructure	3. Good Health and Wellbeing 4. Quality Education	3.8 Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all. 4.4 By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship
Affordable Housing	11. Sustainable Cities and Communities	11.1 By 2030, ensure access for all to adequate, safe and affordable housing and basic services and upgrade slums
SME Financing, Socioeconomic Advancement and Employment Generation	8. Decent Work and Economic Growth 10. Reduced Inequalities	8.3 Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services. 10.2 By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status
Response to Health and Natural Disaster Crisis	3. Good Health and Wellbeing 11. Sustainable Cities and Communities	3.8 Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all. 11.b By 2030, significantly reduce the number of deaths and the number of people affected and substantially decrease the direct economic losses relative to global gross domestic product caused by disasters, including water-related disasters, with a focus on protecting the poor and people in vulnerable situations

Conclusion

Generali has developed the Generali Sustainability Bond Framework under which it may issue Sustainability Bonds and use the proceeds to finance activities that support the transition to a low-carbon and sustainable economy and society. Sustainalytics considers that the activities funded by the bond proceeds are expected to provide positive environmental and social impact.

The Generali Sustainability Bond Framework outlines a process by which proceeds will be tracked, allocated, and managed, and commitments have been made for reporting on the allocation and impact of the use of proceeds until full allocation of the proceeds is achieved. Furthermore, Sustainalytics believes that Generali Sustainability Bond Framework is aligned with the overall sustainability strategy of the company and that the use of proceeds categories will contribute to the advancement of the UN Sustainable Development Goals 3, 4, 6, 7, 8, 10, 11 and 12. Additionally, Sustainalytics is of the opinion that Generali has adequate measures to identify, manage and mitigate environmental and social risks commonly associated with the eligible projects funded by the use of proceeds.

Based on the above, Sustainalytics is confident that Assicurazioni Generali SpA is well-positioned to issue bonds and that that Generali Sustainability Bond Framework is robust, transparent, and in alignment with the four core components of the Green Bond Principles (2021) and Social Bond Principles (2021).

Appendices

Appendix 1: Sustainability Bond / Sustainability Bond Programme - External Review Form

Section 1. Basic Information

Issuer name:	Assicurazioni Generali SpA
Sustainability Bond ISIN or Issuer Sustainability Bond Framework Name, if applicable:	Generali Sustainability Bond Framework
Review provider's name:	Sustainalytics
Completion date of this form:	June 11, 2021
Publication date of review publication:	Update to 2019 Sustainalytics SPO.

Section 2. Review overview

SCOPE OF REVIEW

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

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

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

ROLE(S) OF REVIEW PROVIDER

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

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

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

Please refer to Evaluation Summary above.

Section 3. Detailed review

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

1. USE OF PROCEEDS

Overall comment on section *(if applicable)*:

The eligible categories for the use of proceeds Green Buildings, Renewable Energy (Electricity and Heat Production), Energy Efficiency, Clean Transportation, Sustainable Water Management, Recycling, Re-use & Waste Management, Access to Essential Services / Social Infrastructure, Affordable Housing, SME Financing, Socioeconomic Advancement and Employment Generation, Response to Health and Natural Disaster Crisis are aligned with those recognized by both the Green Bond Principles and Social Bond Principles. Sustainalytics considers that the eligible categories will lead to positive environmental or social impacts and advance the UN Sustainable Development Goals, specifically SDGs 3, 4, 6, 7, 8, 10, and 11.

Use of proceeds categories as per GBP:

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

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

Use of proceeds categories as per SBP:

- | | |
|---|--|
| <input checked="" type="checkbox"/> Affordable basic infrastructure | <input checked="" type="checkbox"/> Access to essential services |
| <input checked="" type="checkbox"/> Affordable housing | <input checked="" type="checkbox"/> Employment generation (through SME financing and microfinance) |
| <input type="checkbox"/> Food security | <input checked="" type="checkbox"/> Socioeconomic advancement and empowerment |
| <input type="checkbox"/> Unknown at issuance but currently expected to conform with SBP categories, or other eligible areas not yet stated in SBP | <input checked="" type="checkbox"/> Other (please specify): Response to Health and Natural Disaster Crisis |

If applicable please specify the social taxonomy, if other than SBP:

2. PROCESS FOR PROJECT EVALUATION AND SELECTION

Overall comment on section (if applicable):

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

Evaluation and selection

- | | |
|---|---|
| <input checked="" type="checkbox"/> Credentials on the issuer's social and green objectives | <input checked="" type="checkbox"/> Documented process to determine that projects fit within defined categories |
| <input checked="" type="checkbox"/> Defined and transparent criteria for projects eligible for Sustainability Bond proceeds | <input checked="" type="checkbox"/> Documented process to identify and manage potential ESG risks associated with the project |
| <input type="checkbox"/> Summary criteria for project evaluation and selection publicly available | <input type="checkbox"/> Other (please specify): |

Information on Responsibilities and Accountability

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

3. MANAGEMENT OF PROCEEDS

Overall comment on section *(if applicable)*:

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

Tracking of proceeds:

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

Additional disclosure:

- | | |
|---|---|
| <input type="checkbox"/> Allocations to future investments only | <input checked="" type="checkbox"/> Allocations to both existing and future investments |
| <input type="checkbox"/> Allocation to individual disbursements | <input type="checkbox"/> Allocation to a portfolio of disbursements |

- Disclosure of portfolio balance of unallocated proceeds
- Other (please specify):

4. REPORTING

Overall comment on section (if applicable):

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

Use of proceeds reporting:

- Project-by-project
- On a project portfolio basis
- Linkage to individual bond(s)
- Other (please specify):

Information reported:

- Allocated amounts
- Sustainability Bond financed share of total investment
- Other (please specify):

Frequency:

- Annual
- Semi-annual
- Other (please specify):

Impact reporting:

- Project-by-project
- On a project portfolio basis
- Linkage to individual bond(s)
- Other (please specify):

Information reported (expected or ex-post):

- GHG Emissions / Savings
- Energy Savings
- Decrease in water use
- Number of beneficiaries
- Target populations
- Other ESG indicators (please specify): Several qualitative and quantitative metrics, as outlined in the Framework.

Frequency:

- Annual
- Semi-annual
- Other (please specify):

Means of Disclosure

- | | |
|---|--|
| <input type="checkbox"/> Information published in financial report | <input type="checkbox"/> Information published in sustainability report |
| <input type="checkbox"/> Information published in ad hoc documents | <input checked="" type="checkbox"/> Other (please specify): A standalone allocation and impact report will be published annually on the Group's website. |
| <input type="checkbox"/> Reporting reviewed (if yes, please specify which parts of the reporting are subject to external review): | |

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

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

SPECIFY OTHER EXTERNAL REVIEWS AVAILABLE, IF APPROPRIATE

Type(s) of Review provided:

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

Review provider(s):

Date of publication:

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

- i. Second-Party Opinion: An institution with sustainability expertise that is independent from the issuer may provide a Second-Party Opinion. The institution should be independent from the issuer's adviser for its Sustainability Bond framework, or appropriate procedures such as information barriers will have been implemented within the institution to ensure the independence of the Second-Party Opinion. It normally entails an assessment of the alignment with the Principles. In particular, it can include an assessment of the issuer's overarching objectives, strategy, policy, and/or processes relating to sustainability and an evaluation of the environmental and social features of the type of Projects intended for the Use of Proceeds.
- ii. Verification: An issuer can obtain independent verification against a designated set of criteria, typically pertaining to business processes and/or sustainability criteria. Verification may focus on alignment with internal or external standards or claims made by the issuer. Also, evaluation of the environmentally or socially sustainable features of underlying assets may be termed verification and may reference external criteria. Assurance or attestation regarding an issuer's internal tracking method for use of proceeds, allocation of funds from Sustainability Bond proceeds, statement of environmental or social impact or alignment of reporting with the Principles may also be termed verification.
- iii. Certification: An issuer can have its Sustainability Bond or associated Sustainability Bond framework or Use of Proceeds certified against a recognised external sustainability standard or label. A standard or label defines specific criteria, and alignment with such criteria is normally tested by qualified, accredited third parties, which may verify consistency with the certification criteria.
- iv. Green, Social and Sustainability Bond Scoring/Rating: An issuer can have its Sustainability Bond, associated Sustainability Bond framework or a key feature such as Use of Proceeds evaluated or assessed by qualified

third parties, such as specialised research providers or rating agencies, according to an established scoring/rating methodology. The output may include a focus on environmental and/or social performance data, process relative to the Principles, or another benchmark, such as a 2-degree climate change scenario. Such scoring/rating is distinct from credit ratings, which may nonetheless reflect material sustainability risks.

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These are based on information made available by the issuer and therefore are not warranted as to their merchantability, completeness, accuracy, up-to-dateness or fitness for a particular purpose. The information and data are provided "as is" and reflect Sustainalytics' opinion at the date of their elaboration and publication. Sustainalytics accepts no liability for damage arising from the use of the information, data or opinions contained herein, in any manner whatsoever, except where explicitly required by law. Any reference to third party names or Third Party Data is for appropriate acknowledgement of their ownership and does not constitute a sponsorship or endorsement by such owner. A list of our third-party data providers and their respective terms of use is available on our website. For more information, visit <http://www.sustainalytics.com/legal-disclaimers>.

The issuer is fully responsible for certifying and ensuring the compliance with its commitments, for their implementation and monitoring.

In case of discrepancies between the English language and translated versions, the English language version shall prevail.

About Sustainalytics, a Morningstar Company

Sustainalytics, a Morningstar Company, is a leading ESG research, ratings and data firm that supports investors around the world with the development and implementation of responsible investment strategies. The firm works with hundreds of the world's leading asset managers and pension funds who incorporate ESG and corporate governance information and assessments into their investment processes. The world's foremost issuers, from multinational corporations to financial institutions to governments, also rely on Sustainalytics for credible second-party opinions on green, social and sustainable bond frameworks. In 2020, Climate Bonds Initiative named Sustainalytics the "Largest Approved Verifier for Certified Climate Bonds" for the third consecutive year. The firm was also recognized by Environmental Finance as the "Largest External Reviewer" in 2020 for the second consecutive year. For more information, visit www.sustainalytics.com.



Named
2015: Best SRI or Green Bond Research or Rating Firm
2017, 2018, 2019: Most Impressive Second Opinion Provider

