



Generali Group

SUSTAINABILITY REPORT 2008



Cover photograph: "I Feel, Therefore, I Protect",
by Arthur James Del Rosario (Philippines).

SUSTAINABILITY REPORT

2008

THE PHOTOGRAPHY COMPETITION “I PROTECT THE ENVIRONMENT”

The photographs illustrating the volume have been selected from those submitted to “I protect the environment” photography competition, open to Generali Group employees. The competition was part of a broad initiative designed to stimulate employee involvement in environmental protection. Specifically, it was a follow-up to the “Save, Reuse, Rethink” environmental information and awareness campaign, launched at the end of 2007 as part of the “Sustainable Office” Project, and very favourably received.

Given the popularity of photography as a hobby, the competition had all the necessary characteristics to attract numerous entries and provided a means to continue a now characteristic feature of our Sustainability Report - by enhancing it with photographs illustrating Group initiatives. In fact, the 2004 report was accompanied by photos from the first photography competition, “Obiettivo Agricoltura” (Target: agriculture) organized by FATA, the 2005 report with images relating to the economic and social development project at an agricultural estate purchased in Romania and the 2007 edition with photographs of the “Roots of the Present” educational exhibit of archaeological finds, organized by the Parent Company in celebration of its 175th Anniversary.

Approximately 400 entries were received from more than 80 employees, a very positive result in terms of participation. It should be borne in mind that this was the first time an initiative of this kind had been organized on such a large scale and that in order to spread word of the competition, the Group relied on the collaboration of an extensive network of colleagues around the world. It is thanks to their very support that the competition received such a high response rate from such a wide geographic area, with entries from almost every country in which Generali operates.

The photographs accompanying the volume, consist of a selection of images submitted by Group employees based in Europe, Asia and Latin America and attest the heartfelt interest aroused, elaborating on environment topics and on the various aspects of environmental protection in particular. Some of the images simply illustrate the beauty of nature through wonderful or picturesque landscapes, flowers or various animal species. Others, including the winning entries, adhere more closely to the issue of environmental protection, dealing in various ways with such topics as selective waste collection, alternative energy sources and sustainable mobility.

CHAIRMAN'S LETTER



At the end of one of the most difficult financial years in our history, a year marked by an unprecedented economic and financial crisis which has also taken its toll on the insurance industry, it is with great pride and satisfaction that I am able to confirm that we have come out of this as a strong, growing business with one of the strongest financial positions in the industry. Profits for the year, which were inevitably affected by the global financial crisis, confirm the solidity of the insurance businesses which are the focus of our business and which follow long-term strategies and an international growth plan.

The impact of the crisis has not in any way affected the creation of growth for those holding an interest in the Company, with our 84,000-strong workforce and 50,000 plus agents and promoters, to whom we have distributed increasing resources. Nevertheless, our strategy of prudent financial management, characterised by a constant focus on commitments towards the more than 60 million policyholders who place their trust in us, makes us one of the few sector companies to have successfully distributed dividends in 2008. And we did this responsibly, having deemed it our duty to bear, insofar as possible, the burden of the reduced profits for the year and to recompense our more than 200,000 shareholders for their loyalty, even beyond the profits

generated by our business in the year. We therefore distributed a mixed dividend, adding to the sum of EUR 0.15 per share, one free ordinary share in the company per 25 shares held, from our treasury shares.

For us, this is just another form of corporate responsibility. Despite the difficulties faced in 2008, I can safely say that on account of the Company's strong financial position, we have been able to meet the expectations of our stakeholders.

I am pleased to introduce this Sustainability Report, now in its fifth edition. The Report will be published also this year, shortly after the financial statements. The Sustainability Report is both closely related to and completes the Financial Statements, providing information on all our achievements so far in the industrial, social and environmental protection sectors. I am also pleased to remind you that, thanks to the timely publication of this document, assessed alongside our financial statements, we were awarded the Financial Statements Award in confirmation of the quality of our financial reporting and more generally, of our stakeholder communications.

The 2008 Sustainability Report contains more information than previous editions, particularly in the sections dedicated to the environment, to contractual partners and to highly relevant issues such as human rights and employee rights.

In this regard, I would like to reiterate that since adhering to the Global Compact initiative in 2007, our strategies, policies and actions have integrated, and will continue to integrate, the ten principles relating to human rights, labour conditions, environmental protection and the fight against corruption. The sustainability measures undertaken, have allowed us to make an important contribution towards the success of such principles within the context of and in the relations we forge with the people we come in contact with.

In our view, sustainability especially relates to the involvement of our workforce, which greatly contributes to our success. The 2008 Sustainability Report provides confirmation of this: as

is now customary and a specific part of our report, the accompanying photos for this volume have been provided as a Group initiative. The wonderful images accompanying this volume have been selected from the many entries to the photography competition, "I protect the environment" organised by Group companies throughout the world. As you leaf through the report, you will see that the images are a selection of photographs taken by staff members in our various companies throughout Europe, Asia and Latin America, which attests the heartfelt interest aroused the world over for such an important issue. In order that we may contribute to the protection of this precious asset, we have implemented processes that will help us to deal with the negative impact the Group has on the environment in a systematic and responsible manner.

Increased Group commitment in the various spheres of sustainability results in continuous adjustment and improvement of instruments and specific bodies in the Corporate Centre and in individual countries, to improve the coordination and to obtain greater efficacy of actions taken towards attaining new objectives, and first and foremost the planning and implementation of a Group environmental management system.

The growing appreciation for our business, as demonstrated by financial and ethical analysts on more than one occasion, and the general consensus arising from the many climate assessments carried out by our major stakeholder, primarily among our staff, have increased our desire and commitment to continue along our chosen path, in the pursuit of our shared objectives.

Antoine Bernheim

METHODOLOGICAL NOTES

The 2008 Generali Group Sustainability Report (SR), now in its fifth edition, presents a series of affirmations and a few important innovative features.

With regard to the affirmations, the following are particularly noteworthy:

- its focus is on insurance and banking business, including service-related businesses;
- it covers a vast geographical area, including the main countries in which the Group operates - Italy, Austria, France, Germany, Spain and Switzerland - as well as Israel and the companies Europ Assistance España and Europ Assistance Suisse, which were included in the 2006 SR; however, due to the SR's early publication last year, the information included for the latter group was limited to their community and environmental initiatives. With regard to Israel in particular, some information is not available due to confidentiality or because it could create a competitive disadvantage for the company since such information has not been disclosed by competitors. The area covered by the SR represents 63.2% of the entire Group in terms of workforce and 86.4% in terms of total gross direct premiums;
- it is drafted in accordance with international standards: the Global Reporting Initiative (G3) guidelines and its Financial Services Supplement, aligned for content, published in **November 2008**. As for the Supplement, data was recorded based on the new indicators for which information was available, while gathered data relating to other indicators will be prepared for the next edition. Information was collected according to the principles of AccountAbility1000;
- information is organized by key stakeholder category, divided into the three customary groups: direct stakeholders (staff and shareholders), competitive stakeholders (clients, contractual partners and issuing companies) and social/environmental stakeholders (community and environment);
- the "Table of Objectives" is more concise and effective this year, as it includes a smaller number of more clearly explained and defined objectives; where possible, their quantitative specification will be reported during the year;

- the Sustainability Report is closely linked to other information tools produced by the Group, first and foremost the financial statements. The connection works in both directions: on the one hand, important data from the consolidated financial statement on the Group's economic-financial performance, to be discussed in greater depth in the source, has been reported; on the other hand, the consolidated financial statement and statutory statement provide brief summaries of the company policies that relate to employees and the environment. For topics concerning socio-environmental aspects, the "Sustainability" section of the corporate website www.generali.com is also an important reference.

As regards new features, capitalizing on the suggestions received from various stakeholders at official and informal meetings has resulted in a document on the one hand streamlined in its less relevant sections and information, whereas on the other hand it provides more detailed information on subjects chosen following the criteria of relevance (materiality) and pertinence. Of particular note:

- the chapter on the environment was enhanced with new data and information, providing data on waste and greenhouse gas emission estimates for the first time;
- the amount of information provided for countries outside of the SR area was increased, with the objective of providing an overview of the situation, especially as regards a few particularly important topics such as human rights and workers' rights, as well as information relating to the community and environmental protection initiatives;
- in the section on contractual partners, information was included on the sustainability approach of the Group's main strategic partners;
- the section concerning the internal control and risk management system was enhanced;
- there was an improvement in balancing the need for synthesis (the situation on the Group level) and comparative analysis (the situation on a local level) in the presentation of qualitative information.

Companies included in the 2008 Sustainability Report area:

ITALY

- Alleanza Assicurazioni S.p.A.
- Assicurazioni Generali S.p.A.
- Banca Generali Group
- Europ Assistance Italia
- FATA Assicurazioni Danni S.p.A.
- FATA Vita S.p.A.
- Generali Business Solutions S.p.A.
- Generali Gestione Immobiliare S.p.A.
- Generali Investments Italy S.p.A.
- Genertel S.p.A.
- Genertellife S.p.A.
- INA ASSITALIA S.p.A.
- Intesa Vita S.p.A.
- Toro Group

AUSTRIA

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

FRANCE

- Assurance France Generali S.A.
- Europ Assistance France
- Européenne de Protection Juridique S.A.
- Generali Iard S.A.
- Generali Vie S.A.
- Generali Immobilier S.A.
- Generali Investments France S.A.
- L'Equité S.A.
- OJH S.A.

GERMANY

- AachenMünchener
- Advocard Rechtsschutzversicherung AG
- AMCO Beteiligungs-GmbH
- Central Krankenversicherung AG
- CosmosDirekt
- Dialog Lebensversicherungs-AG
- Deutsche Bausparkasse Badenia AG
- Envivas Krankenversicherung AG
- Europ Assistance Deutschland
- Generali Deutschland Holding AG
- Generali Deutschland Immobilien GmbH
- Generali Deutschland Informatik Service GmbH
- Generali Deutschland Pensionskasse AG
- Generali Deutschland Schadenmanagement GmbH
- Generali Deutschland Services GmbH
- Generali Deutschland SicherungsManagement GmbH
- Generali Investments Deutschland Kapitalanlagegesellschaft mbH
- Generali Pensor Pensionsfonds AG
- Generali Private Equity Investments GmbH
- Generali Versicherung
- Volkspfürsorge AG

ISRAEL

- Migdal Insurance Co. Ltd
- Migdal Insurance&Fin. Holding

SPAIN

- Banco Vitalicio de España
- Cajamar Vida S.A.
- Europ Assistance España
- Generali España Holding S.A.
- Grupo Generali España A.I.E.
- La Estrella S.A.

SWITZERLAND

- BSI Group
- Europ Assistance Suisse
- Fortuna Investment AG
- Fortuna Investment AG Vaduz
- Fortuna Lebens-Versicherung AG Vaduz
- Fortuna Rechtsschutz-Versicherungs-Gesellschaft
- Generali (Schweiz) Holding AG
- Generali Assurances Générales
- Generali Personenversicherung



GENERALI PPF HOLDING

The joint venture agreement between Generali and PPF Group N.V. was sealed in January 2008. This led to the set-up of Generali PPF Holding, in which the Generali Group holds a 51% interest and PPF Group holds a 49% interest, with head office in Prague in the Czech Republic. PPF Group is an international financial group with head office in Amsterdam. The Czech entrepreneur, Petr Kellner holds a 94.36% controlling interest in the group, which primarily engages in consumer credit and retail banking activities in Central and Eastern Europe, Central Asia, China and Vietnam.

Generali PPF Holding has taken over the insurance business of the two groups in Central and Eastern Europe where it has become one of the leading players. In 2008, the new holding collected total insurance premiums of EUR 4,110.1 million (+10.3% compared to the previous year), of which EUR 2,363.8 million (+9.4%) in non-life business and EUR 1,746.3 million (+11.5%) in life business. Following the creation of Generali PPF Holding, Central and Eastern Europe is now Generali Group's fourth insurance market after Italy, Germany and France.

Due to the broad area covered, which includes profoundly different markets and numerous companies (67 companies, including insurance, asset management and service companies), Central and Eastern Europe has not been included in the 2008 Sustainability Report (but will be included in the 2009 edition). Nevertheless, information on the size and primary characteristics of Generali PPF Holding and information relating to the implementation of Generali Group sustainability standards is contained herein.

Generali PPF Holding operates in 14 markets (Czech Republic, Slovakia, Poland, Hungary, Romania, Bulgaria, Ukraine, Russia, Serbia, Slovenia, Croatia, Kazakhstan, Belarus and Montenegro); with a portfolio of more than 10 million clients, the new holding holds a leading share of the market in the Czech Republic (leading market player), in Hungary (second) and in Slovakia (third). Particular focus is placed on the retail segment and on commercial risks; in line with market

development in this area, the motor insurance line, representing over 50% of non-life business, is of primary importance. The commercial structure is multi-channel: consisting of own agency networks and of financial adviser, broker and bank branch networks.

At 31 December 2008, Generali PPF Holding had a workforce of 15,628, of which 13,835 (88.5%) had permanent contracts of employment; 2,236 employees, 14.3% of the total workforce, had part-time contracts of employment. Women make up the bulk of the total workforce (63.8%), with many in positions of responsibility (43.1% of total management and middle management).

2008 saw the adoption of both the Generali Group Ethical Code and the European Social Charter. The latter sets out the fundamental rights of workers and provides protection guarantees; the full text of both documents has been distributed via Internet and Intranet in all companies reporting to Generali PPF Holding. Investment policies for equity capital and managed capital are coordinated and shared with Corporate Centre finance managers and comply with the Group's ethical guidelines on this matter.

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CHAPTER 1

GROUP

IDENTITY

Mission

The Generali Group is one of the leading insurance and financial companies in the world, and has been characterised from the outset by a strong international outlook. Focusing its business on continental Europe and international markets with a strong potential for development, the Group aims to:

- establish itself as one of the leading companies worldwide in the life and non-life direct insurance sectors in terms of profitability, serving primarily private clients and small and medium businesses;
- produce excellent and consistent results for stakeholders over the short and long term;
- continue to strengthen Group identity, taking into consideration the wealth of diverse companies it includes.

In its business activities, the Generali Group aims to promote a culture of sustainability, contributing concretely to high quality economic and social development, respecting and promoting human rights in all its spheres of influence. The Group is also committed to an environmentally aware operational approach, supporting initiatives aimed at developing and promoting environmental responsibility.

Guide values

Since its establishment, the Group has upheld a shared set of internal values in all its activities.

A pioneering spirit, with a propensity for innovation and a drive for steady growth.

A passion for clients, attentively serving clients and their needs.

Responsibility, as an ethical choice to accept the consequences of one's own actions and to show loyalty towards the organization, taking the initiative and making decisions within one's own authority and responsibility.

Respect, as a profound conviction that respecting regulations in stakeholder relations is fundamental to business activities.

Flexibility, always open to change and with the ability to rapidly adapt to new situations, procedures and methods and improved ideas and strategies.

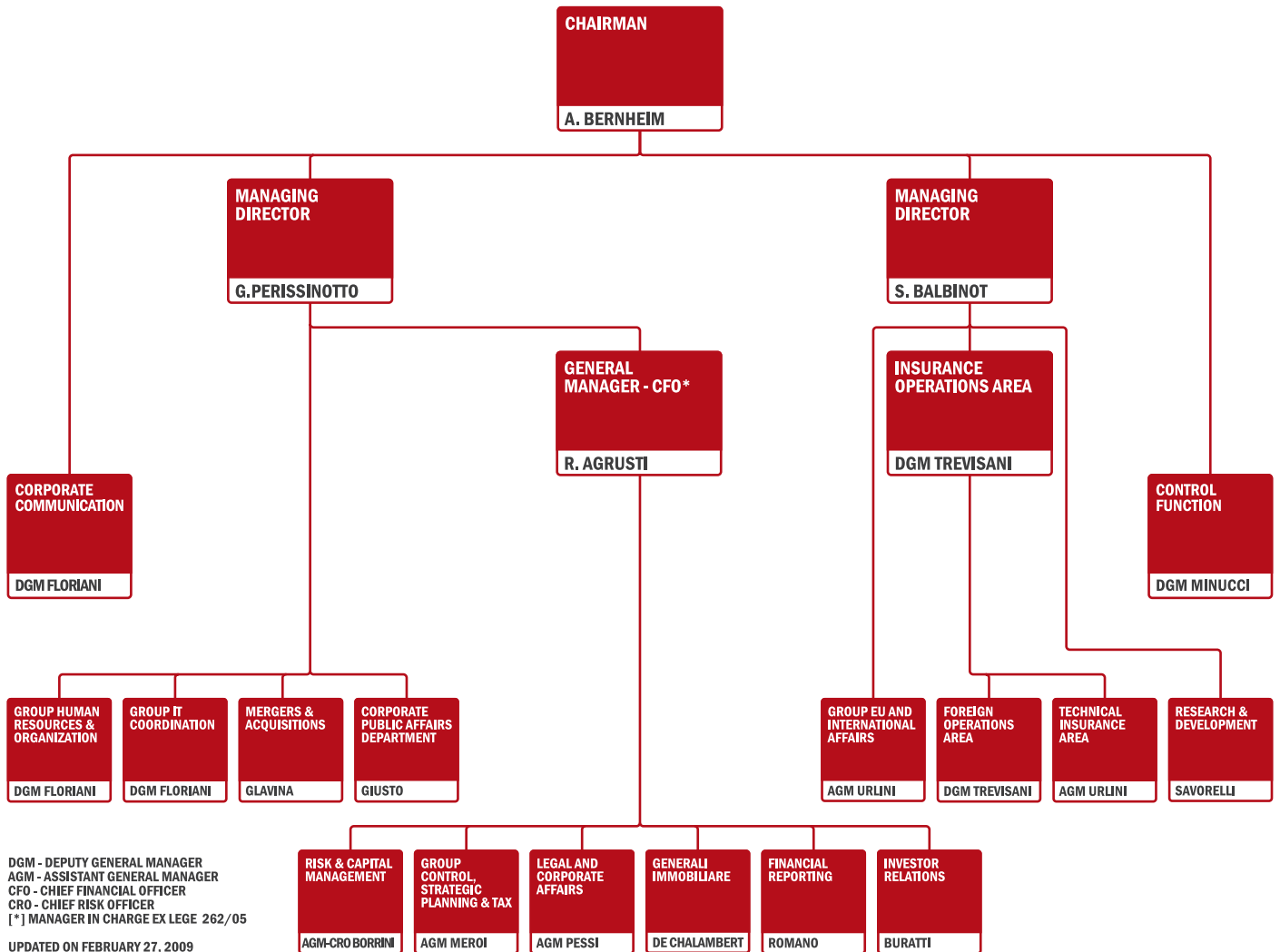
Integration, the ability to grow and work together, listening to one another and comparing different ideas in an open and constructive manner.

Professionalism, the constant commitment of individual employees and the organization as a whole to developing knowledge and enhancing the experience.

Transparency, a "must" in the exchange of opinions and information, it is based on clear goals and on consistent behaviour that create and strengthen the trust between people and the integrity of work performance.

Group organisation - Corporate Centre

The Generali Group has adopted a decentralized and multi-brand business model, granting significant responsibilities to managers in the various areas and favouring the strategies most suited to the features of each individual country. The Corporate Centre plans, coordinates and controls country-based operations, supporting the work of Managing Directors in regard to their respective delegated powers and areas of activity and is directly involved in the management of Italian companies. The current structure of the Corporate Centre is illustrated in the table below.



Parent Company structure – System of Governance

The principles of governance of the Assicurazioni Generali Parent Company are compliant to applicable legislation and current regulations in Italy, to international best practices and to the recommendations of the Self-Regulatory Code of Conduct for Listed Companies. Every year, Assicurazioni Generali publishes a Corporate Governance Report with interim updates.

In keeping with the Articles of Association, the Company is managed by a Board consisting of no less than 11 and no more than 21 members appointed by the Shareholders' Meeting, which also decides on the number of Board Members.

With the introduction of the slate voting system in the Company's system of governance, from appointment of the Board of Directors for the three year 2010-2012 period, the majority list has the right to appoint the Board of Directors in its entirety, except for 1, 2 or 3 Directors that are drawn from the second-ranking list, depending on whether the number of Directors to be elected is equal to 11, between 12 and 15, or greater than 15. The Articles of Association provide

that members of the Board of Directors possess a level of professionalism, honour and independence as required by current regulations. In addition, at least one third of Board Members must meet independence requirements for Auditors as stipulated by law.

Board Members hold office for three financial years; their mandate ends on the date of the Shareholders' Meeting for approval of the Financial Statements for the last financial year covered by their term of office and they are eligible for re-appointment. In the event of appointment during the three years, the term of office of newly appointed members shall expire with those of the members already in office.

Other provisions of the Voluntary Self Regulatory Code

	YES	NO	REASONS*
PROXIES AND OPERATIONS WITH RELATED PARTIES			
HAS THE BOARD OF DIRECTORS ASSIGNED POWERS AND DEFINED THEIR:			
A) LIMITS	✓		
B) PERFORMANCE MODALITIES	✓		
C) AND FREQUENCY OF REPORTING?	✓		
HAS THE BOARD EXAMINED AND APPROVED MOST SIGNIFICANT ECONOMIC, FINANCIAL AND ASSET OPERATIONS (INCLUDING OPERATIONS WITH RELATED PARTIES)?	✓		
HAS THE BOARD DEFINED GUIDELINES AND CRITERIA FOR THE IDENTIFICATION OF "SIGNIFICANT" OPERATIONS?	✓		
ARE THE ABOVE MENTIONED GUIDELINES AND CRITERIA DESCRIBED IN THE REPORT?	✓		
HAS THE BOARD DEFINED PRECISE PROCEDURES FOR EXAMINING AND APPROVING OPERATIONS WITH RELATED PARTIES?	✓		
ARE THE PROCEDURES FOR APPROVING OPERATIONS WITH RELATED PARTIES DESCRIBED IN THE REPORT?	✓		
PROCEDURES APPLYING TO THE MOST RECENT APPOINTMENT OF DIRECTORS AND AUDITORS			
WERE THE LISTS OF CANDIDATES FOR THE OFFICE OF DIRECTORS SUBMITTED AT LEAST TEN DAYS BEFORE THE MEETING?	✓		
WERE ALL DIRECTOR CANDIDATE RECOMMENDATIONS ACCOMPANIED BY EXHAUSTIVE INFORMATION?	✓		
WERE ALL DIRECTOR CANDIDATE RECOMMENDATIONS ACCOMPANIED BY AN INDICATION OF ELIGIBILITY AS INDEPENDENT ACTORS?	✓		
WERE THE LISTS OF CANDIDATES FOR THE OFFICE OF AUDITORS SUBMITTED AT LEAST TEN DAYS BEFORE THE MEETING?	✓		
WERE ALL AUDITOR CANDIDATE RECOMMENDATIONS ACCOMPANIED BY EXHAUSTIVE INFORMATION?	✓		
MEETINGS			
HAS THE COMPANY APPROVED ANY MEETING REGULATIONS?	✓		
ARE THE REGULATIONS ATTACHED TO THE REPORT OR IS THERE AN INDICATION OF WHERE TO OBTAIN/DOWNLOAD THEM FROM?	✓		
INTERNAL CONTROL			
HAS THE COMPANY APPOINTED PERSONS ENTRUSTED WITH INTERNAL CONTROL?	✓		
ARE THOSE PERSONS HIERARCHICALLY INDEPENDENT OF THE PERSONS RESPONSIBLE FOR OPERATIONAL SECTORS?	✓		
ORGANIZATIONAL DEPARTMENT ENTRUSTED WITH INTERNAL CONTROL (PURSUANT TO ART. 9.3 OF THE CODE)	GROUP INTERNAL AUDIT		
INVESTOR RELATIONS			
HAS THE COMPANY APPOINTED PERSONS ENTRUSTED WITH INVESTOR RELATIONS?	✓		
ORGANIZATIONAL DEPARTMENT AND CONTACTS (ADDRESS/TELEPHONE/FAX/E-MAIL) OF THE PERSON ENTRUSTED WITH INVESTOR RELATIONS	INVESTOR RELATIONS - MS. PAOLA BURATTI PIAZZA DUCA DEGLI ABRUZZI, 2 - 34132 TRIESTE - TEL: +39040671157 FAX: +39040671260 - PAOLA_BURATTI@GENERALI.COM		

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

As of March 20, 2009 the Board comprises of 19 members: 4 Directors who, in accordance with the Code, are considered to be Executive Directors and 15 non-Executive Directors (not vested with operating powers), 10 of whom are independent. The Board of Directors must periodically assess the quorum for independence, and any failure to comply with the same shall result in termination of office.

The number of non-executive and independent Directors must at all times be sufficient to ensure that their judgement has a decisive influence on Board decision-making processes. Only non-executive Directors can be appointed to the Internal Control and Remuneration Committees.

Structure of the Board of Directors and Committees

BOARD OF DIRECTORS							COMMITTEES					
OFFICE	COMPONENTI	EXECUTIVE	NON		NO. OTHER OFFICES [*]	INTERNAL CONTROL COMMITTEE		REMUNERATION COMMITTEE		EXECUTIVE COMMITTEE		
			EXECUTIVE	INDEPENDENT		[**]	[***]	[**]	[***]	[**]	[***]	
CHAIRMAN	ANTOINE BERNHEIM	✓			100%	12					✓	100%
VICE -CHAIRMAN	GABRIELE GALATERI DI GENOLA		✓		86%	6			✓	100%	✓	50%
MANAGING DIRECTOR	SERGIO BALBINOT	✓			100%	13					✓	100%
MANAGING DIRECTOR	GIOVANNI PERISSINOTTO	✓			100%	12					✓	100%
DIRECTOR	LUIGI ARTURO BIANCHI		✓	✓	100%	3	✓	100%				
DIRECTOR	ANA PATRICIA BOTIN		✓		43%	2						
DIRECTOR	FRANCESCO GAETANO CALTAGIRONE		✓	✓	100%	6					✓	
DIRECTOR	DIEGO DELLA VALLE		✓	✓	71%	7						
DIRECTOR	LEONARDO DEL VECCHIO		✓	✓	86%	6			✓	100%		
DIRECTOR	LOIC HENNEKINNE		✓	✓	100%	1	✓	100%				
DIRECTOR	PETR KELLNER		✓		71%	1						
DIRECTOR	KLAUS-PETER MÜLLER		✓	✓	0%	8						
DIRECTOR	ALBERTO NICOLA NAGEL		✓		100%	2					✓	100%
DIRECTOR	ALESSANDRO PEDERSOLI		✓	✓	100%	3	✓	100%				
DIRECTOR	LORENZO PELLICOLI		✓	✓	100%	6					✓	100%
DIRECTOR	REINFRIED POHL		✓		14%	4						
DIRECTOR	KAI UWE RICKE		✓	✓	71%	2						
DIRECTOR	VITTORIO RIPA DI MEANA [****]		✓	✓	86%	-					✓	100%
DIRECTOR	PAOLO SCARONI		✓	✓	86%	2			✓	100%		
DIRECTOR	CLAUDETENDIL	✓			100%	5						

NUMBER OF MEETINGS HELD IN THE REFERENCE FINANCIAL YEAR
 BOARD: 7 INTERNAL CONTROL COMMITTEE: 8 REMUNERATION COMMITTEE: 2 EXECUTIVE COMMITTEE: 2

[*] THIS COLUMN INDICATES THE NUMBER OF DIRECTOR OR INTERNAL AUDITOR OFFICES CARRIED OUT BY THE SUBJECT IN CONCERN IN OTHER COMPANIES LISTED ON DOMESTIC OR FOREIGN REGULATED MARKETS, FINANCE, BANK OR INSURANCE CORPORATIONS, OR OTHER MAJOR COMPANIES. THE REPORT ON CORPORATE GOVERNANCE EXPRESSLY INDICATES SUCH OFFICES. CHART ALSO INDICATES MISSIONS CARRIED OUT WITHIN COMPANIES BELONGING TO THE GROUP, ALTHOUGH NOT CONSIDERING THEM FOR THE DISCIPLINE OF MISSION AGGREGATION RESTRICTIONS.

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

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

[****] DECEASED ON 29/12/2008

Board of Auditors

OFFICE	MEMBERS	PERCENTAGE OF MEETINGS OF THE BOARD OF AUDITORS ATTENDED	NUMBER OF OTHER OFFICES [*]
CHAIRMAN	EUGENIO COLUCCI	100%	1
PERMANENT AUDITOR	GIUSEPPE ALESSIO-VERNI	100%	2
PERMANENT AUDITOR	GAETANO TERRIN	100%	3
SUBSTITUTE AUDITOR	MAURIZIO DATILO	-	-
SUBSTITUTE AUDITOR	MICHELE PAOLILLO	-	-

NUMBER OF FURTHER MEETINGS ATTENDED DURING THE FINANCIAL YEAR:
 6 (1 IN SHAREHOLDERS' MEETINGS - 5 IN THE BOARD OF DIRECTORS)

INDICATE THE QUORUM REQUIRED FOR THE SUBMISSION OF LISTS BY MINORITIES FOR THE ELECTION OF ONE OR MORE PERMANENT AUDITORS (PURSUANT TO ART. 148 TUF): 5/1000 OF THE SHARE CAPITAL

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

For in-depth analyses and updated information regarding the Company's Corporate Governance, please refer to the "Corporate Governance" section of the Group website at www.generali.com, which also provides the latest version of the Corporate Governance report.

Ethical Code

The Generali Group Ethical Code was approved in May 2004 by the Parent Company's Board of Directors and was adopted by all major Italian and international companies. This document sets out the general principles of Group ethics, the guidelines for Group stakeholder relations and the rules regulating the control system for implementation of the Ethical Code and its continuous improvement.

The document was drawn up on the basis of principles and values shared and disseminated throughout all the countries in which the Group operates. It thus expresses a common sentiment regarding sustainability and social responsibility.

General principles	Area of application	Application method
<ul style="list-style-type: none"> • Fairness and honesty • Impartiality • Professionalism and valuing employees • Confidentiality • Transparency and completeness of information • Conflicts of interest • Free competition • Health protection • Environmental protection 	<ul style="list-style-type: none"> • Clients • Shareholders • Staff • Contractual partners • Public institutions and other external entities • The press and additional means of external communication 	<ul style="list-style-type: none"> • Parent Company Board of Directors: definition and approval of the Code and any amendments and modifications • Internal Group Audit: checking if reported violations are founded and communicating such violations to the Top Management of the companies concerned • Top Management of Group companies involved in the assessed violations: adopting disciplinary measures

In particular, the Group does not support any event or initiative that is exclusively or predominantly political in nature. Furthermore, it refrains from any direct or indirect pressure on political representatives and does not make any contribution to trade unions.

The Ethical Code, which until now, has not required any modification, is available in the "Corporate Governance" section of the www.generali.com website and on the websites of several of the major subsidiaries.

Reports of violations or alleged violations should be communicated non-anonymously and in written form to the Group Internal Audit Department of the Parent Company.

Reports of alleged infringement of the Ethical Code (2007-2008)

	TOTAL REPORTS		INTERNAL SOLVED*		INVESTIGATION UNDERWAY		REJECTED		ACCEPTED	
	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008
ITALY	8	6	1	0	4	3	3	3	0	0
ABROAD	0	0	0	0	0	0	0	0	0	0

[*] SOLVED BY THE COMPETENT COMPANY DIVISION

- Only one of the six alleged infringements shown for 2008 was reported during the year.
- The three alleged infringements reviewed in 2008 were rejected, including the one reported in 2008. No reviewed reports were considered founded.
- The infringements primarily concern alleged violations of the principles regarding "staff relations" (for example, abuse of authority, de-skilling, failure to develop resources and termination of employment without good cause).
- No alleged human rights violations were reported in any of the countries in which the Group operates.

United Nations Global Compact: Communication on Progress 2008

As has been previously communicated, in 2007 the Generali Group chose to adhere to the Global Compact, an initiative sponsored by the United Nations that aims to promote and disseminate sustainable development practices. The Group thus committed itself to integrating into its policies, strategies and activities, the ten principles of the Global Compact in the areas of human rights, labour, environment and anti-corruption.

In the second year of adherence to the Global Compact, the first annual Communication on Progress (CoP) was drafted for activities carried out in 2008. A table was created in the appendix that summarized the actions undertaken and progress achieved concerning each principle as well as page references for the 2008 Sustainability Report where certain subjects are outlined in greater detail.

The Communication on Progress is also published on the Group's website under the "Sustainability" section and on the Global Compact website (www.unglobalcompact.org).

Internal control and risk management system

The Parent Company has completed a far-reaching project in the main countries in which the Group operates to standardize the Group's internal control and risk management systems, while preserving the specific features and autonomy of each subsidiary. In compliance with current Italian regulations and the Solvency II Directive, the Group is currently equipped with an internal control and risk management system comprising of a combination of regulations, procedures, tools, devices, organisational solutions and human resources, etc.. The system is designed to handle internal control and risk management issues with an integrated perspective on Enterprise Risk Management (ERM), to guide company business and investment choices, while defining operational and auditing and control responsibilities.

The governance principles defined by the ERM model are based on certain fundamental principles, set out by Assicurazioni Generali and communicated throughout Group companies. The Group Risk Committee, an advisory body comprising of the Managing Directors, the General Manager and Chief Financial Officer, the Chief Risk Officer and the Technical/Insurance Regulator, is responsible for providing support and suggestions to the Managing Directors and/or the General Manager concerning strategic risk management at Group level, for examining the current risk profile and for developing strategic proposals regarding risk. Other Top Managers in the Group are asked from time to time to take part in the Committee, depending on the subject matter under discussion in the specific sessions, which are normally held bimonthly. Each Group Company has set up a Risk Committee that periodically meets to discuss business plans; local companies must send Risk Committee minutes to the Corporate Centre, including periodical reports on specific subjects and annual risk reports, which summarise the risk management policies adopted, the methodologies and procedures used and the results obtained in terms of economic capital and solvency.

So as to ensure correct behaviour and compliance with insurance industry regulations, the internal control and risk management system includes two levels of responsibility:

- first level, comprising of all the daily operations carried out by the individual operating units on their respective procedures, in order to mitigate the major risks identified. The procedural plan and the traceability of the self-assessment of the level of efficiency and effectiveness of said procedures are ensured by a special corporate database known as the Library of Corporate Procedures, available to all Italian Group companies and to some international companies. In 2008, the capacity and structure of the Library of Corporate Procedures was extended to include the identification and management of all major corporate risks with the aim of assessing the adequacy of implemented control activities so as to mitigate or eliminate negative events affecting the company;
- second level, basically designed for the monitoring and checking of the abovementioned operations by means of independent auditing of Group company procedures by the Internal Audit Department. An Independent Risk Control department is responsible for the correct identification, assessment and measurement of risks. A specific Compliance department monitors and addresses risk management issues that do not comply with standards.

The Board of Directors is responsible for creating a "control and risk management culture" to raise awareness within the workforce of the importance, usefulness and added value that internal controls bring to the company. Top Management ensures that all personnel are aware of their individual roles and responsibilities so that they may be effectively involved in the management of risks and controls, as an integral part of their duties.

The internal control system laid the foundations for the implementation in Italy of the **Organisational and Management Model** pursuant to Legislative Decree no. 231/01, which introduced, for the first time in the history of Italian law, the principle of corporate administrative liability for certain criminal offences perpetrated by a company's representatives, in the interest of the company. Adopting and implementing this Model gave the Parent Company the perfect opportunity to strengthen existing control measures by introducing specific procedural rules for the purposes of identifying and preventing criminal behaviour. Compliance with these procedures is referred to explicitly in the Group's Ethical Code and backed by a special disciplinary penalty system. The document outlining the aforementioned Assicurazioni Generali Model, on which the Models adopted by other Group companies are largely based, is available on the company Intranet and on the "Corporate Governance" section of the www.generalicom website.

To promote greater understanding and distribution of the Model, the Generali Group Innovation Academy set up a specific e-learning initiative involving all Group staff members; it was launched in 2007 and has been effectively completed by the majority of Group companies.

Structures in charge of the internal control and risk management system

Body	Tasks
Board of Directors	<ul style="list-style-type: none"> • is ultimately responsible for the system • sets guidelines • periodically checks system functionality for adequacy and effectiveness
Chairman	<ul style="list-style-type: none"> • is delegated by the Board of Directors to manage internal control and risk management
Top Management	<ul style="list-style-type: none"> • identifies major corporate risks • implements strategic guidelines
Chief Risk Officer	<ul style="list-style-type: none"> • is responsible for implementing and monitoring the Parent Company's risk management system • coordinates the corresponding activities of subsidiaries • reports to the Managing Director and Chief Financial Officer who is responsible for risk management
Committee for Internal Control (part of the Parent Company Board of Directors)	<ul style="list-style-type: none"> • comprised of three independent, non-executive directors, its duties are to provide information, advice and recommendations
Group Risk Committee	<ul style="list-style-type: none"> • assists the Managing Directors in defining the Group's risk profile and relative economic capital levels • monitors the risk profile on the basis of reports from supervisory departments • supports the Managing Directors in defining any corrective strategies
Internal Auditing Department	<ul style="list-style-type: none"> • monitors and assesses the effectiveness and efficiency of the Internal Control System • provides information on operations, especially to the Board of Auditors and the Committee for Internal Control (in which it is invited to participate)
Independent Risk Control Department	<ul style="list-style-type: none"> • is responsible for all control activities regarding the identification and assessment of risk • provides information to the Committee for Internal Control, in which it is invited to participate
Compliance Department	<ul style="list-style-type: none"> • identifies, assesses and controls risk that does not conform to standards

The **classification of risk** was defined at Corporate Centre level and is valid for the entire Group. It is organized over various levels so as to ensure both comparability and an adequate degree of flexibility among other things; the final level is customised by country.

The Managers of operational areas (risk owners) carry out the preliminary identification, analysis and assessment of the risks and controls in terms of the operational procedures and departments falling within their remit during periodical meetings (risk meetings). In addition to the direct staff of the risk owners, risk observers also attend

such meetings. Risk observers are units and organisational staff, that despite not having the powers to make direct decisions concerning risk management measure and analyse risks and make observations and/or recommendations to the B.o.D., Top Management and risk owners for the areas falling under their respective remits. At these meetings, relevant risks for the area are analysed and qualitative and quantitative assessments are formulated concerning the internal and external risks to which the area is exposed and the effectiveness of controls. Risk meetings are held at least once a year and details of their outcomes are reported to Top Management. Risk meetings also include the identification and discussion of any possible risk mitigation actions for which the relative risk owner is responsible; where such actions are of particular significance in terms of cost and/or incidence, it may be necessary to bring these to the attention of the Risk Committee or Top Management. Risk mitigation actions are recorded and monitored with the help of appropriate software.

The various types of risk to which the Group is exposed include operational risks such as: fraud risk (internal or external); employment risk (employee relations, workplace security, diversity management and discrimination, union activities and civil liability); client and product risk (unsatisfactory products, poor customer services, failure to fulfil professional obligations to clients, violation of trust and misuse of confidential information); risks concerning the execution of procedures, e-commerce, the implementation of new financial instruments, use of new technology and globalization; risks connected to system interruption or malfunction; legal and compliance risks; risks relating to service providers and risks relating to social/environmental and climate changes. Operational risk could thus potentially affect any stakeholder category. From this perspective, good risk management translates into benefits for stakeholders and an increase in value for the Group.

Group companies have launched numerous initiatives and programmes to **prevent and control** specific risks, in particular those relating to employee and client relations. All companies protect the safety and health of their employees in the workplace in accordance with the laws in force in each country (details are provided in the "Direct Stakeholders - Employees" chapter). As regards client-related risks, various prevention initiatives have been undertaken (full details are available in the "Competitive Stakeholders - Clients" chapter), including for example, initiatives aimed at young drivers and at reducing the risk of car accidents ("Patto per i giovani" in Italy, "Easy Drive" in France). In Austria, clients whose motor insurance policy includes the "Tip&Tap KfzAktiv" special assistance package are offered a free one-day intensive course on safe driving.

As for the prevention of health risks, policyholders who have adopted a healthy lifestyle are generally offered particularly favourable premiums. Pamphlets and information guides providing prevention advice, particularly as relates to health and household risks, have been prepared by individual Group companies, at times in collaboration with other organizations and/or associations.

One of the fundamental aspects of Generali Group environmental control consists of the widespread presence and diffusion of a high level of **moral integrity** among personnel. The adoption of the Ethical Code, as well as the existence and implementation of adequate remuneration for senior management, the entire staff, the sales network and suppliers of goods and services all contribute to ensuring compliance with ethical values, legal principles and the sound and prudent management, principles on which the Group has traditionally based its business.

The main operating divisions whose functions expose them to greater **risk of money laundering** (units handling cash flows) and **fraud** (units in charge of claim settlements, purchase management and awarding of contracts) have been analysed both in Italy and abroad. Staff members working in these divisions receive adequate training and information on the anti-corruption policies and procedures adopted.

Anti-corruption, fraud and money laundering initiatives (2008)

Country	Actions
Italy	<ul style="list-style-type: none"> • adoption of the Organisational and Management Model pursuant to Legislative Decree no. 231/01 • e-learning training courses relating to Legislative Decree no. 231/01 • adoption of measures aimed at preventing conflicts of interest in supplier relations (Ethical Code for Relations with Suppliers) • Assicurazioni Generali S.p.A. includes a five-person unit for the prevention of money laundering, the management of suspicious transactions and controls for preventing financial and economic systems being used to launder money or to finance international terrorism. In managing suspicious transactions, the company relies on an IT system with software designed by ANIA and on the assistance of a workgroup consisting of the main operators in the insurance market
Austria	<ul style="list-style-type: none"> • adoption of provisions to prevent conflicts of interest during purchasing processes (provisions set out by the Internal Audit and the Austrian Supplier Management Code)
France	<ul style="list-style-type: none"> • adoption of measures and regulations to prevent the laundering of money and the financing of terrorism, outlined in detail and in writing, and applicable to all relevant operating units • certain staff members act as permanent points of contact for the Authority that deals with the fight against illegal financial channels and to whom cases of suspected money laundering are reported • the implementation of IT instruments used to prevent the risk of fraud linked to the handling of motor insurance claims has continued
Germany	<ul style="list-style-type: none"> • systematic cash flow analysis in three Group companies • identification and definition of indicators relating to corruption risk in risk management processes • quarterly risk factor report • introduction of a compliance management system • distribution to all staff of the Ethical Code and the Code of Conduct for the Generali Deutschland Group, which deals with the issue of corruption among other things
Israel	<ul style="list-style-type: none"> • analysis of the majority of operating units • approval of policies for preventing the risk of fraud and embezzlement by the B.o.D • study was carried out for identifying such risks • training for managers, all staff and new employees on preventing fraud and embezzlement risk
Spain	<ul style="list-style-type: none"> • Internal Audit Department analysis of thirty offices and of all the operating units linked to financial activities • systematic, remote audits of technical insurance activities such as the signing of contracts and the settlement of claims are conducted by the Internal Audit Department • the training of all staff in anti-corruption policies and procedures via dedicated sections of the company Intranet
Switzerland	<ul style="list-style-type: none"> • the Managing Director provides information on the anti-corruption policies adopted by the Group in Switzerland to operational unit managers who in turn inform their staff • inclusion of an explicit provision on the acceptance of gifts in work situations in the general working conditions • staff responsible for asset management are required to sign individual statements regarding specific codes of conduct to be adopted in their relations with banks and other investment companies

Available information shows no **confirmed episodes of corruption** within the Group in 2008.

Privacy

In line with national legislation, Generali Group companies have adopted suitable technical, organisational and operational measures to guarantee the confidentiality and security of personal (and at times sensitive) information processed within the scope of their insurance and banking business and relating to insured and damaged parties, potential and actual clients, staff members, suppliers and others parties. Only personal data that are strictly necessary in the provision of the required services and in achieving the objectives laid out in specific privacy notices are collected, with particular attention to sensitive data, which is collected and processed only where the use of personal or anonymous data is not deemed viable. All parties whose personal information is collected and processed receive privacy notices outlining the purpose of and the methods used in data processing.

All Group employees, as well as the sales network, are informed of the fundamental principles and of their duties in relation to protecting processed data. Staff members have access to various forms of training, information and means of keeping their skills up-to-date, including handbooks, newsletters, meetings, videoconferences, self-study and classroom courses and constantly updated privacy sections on the Intranet and Extranet.

Some countries have a specific corporate department for handling privacy issues. In countries where such a structure is not available, there is Group coordination at a national level, normally based in the IT Security Department or the Legal Department, to facilitate the application of privacy legislation and to offer common solutions to various issues.

Privacy Management

Country	Department and relevant tasks
Italy	The Group has a Privacy Department that handles privacy-related issues for the entire Group which: <ul style="list-style-type: none"> • analyses regulations and their evolution, searching for operational solutions based on the principles of transparency and low costs; • provides assistance and consultancy to Group companies on the correct application of regulations and the drawing up of annual reports, providing the necessary material in the "Privacy" section of the www.generali.com website; • provides institutional training and classroom refresher courses (so far involving over 2,600 employees from Italian Group Companies).
Austria	Within the Internal Audit Department of Generali Holding Company Vienna two Legal Department staff members deal with data security.
France	The Group has identified a single point of contact for the national Authority responsible for the protection of personal data, with the task of: <ul style="list-style-type: none"> • assessing compliance with privacy procedures; • informing employees of the relative obligations and providing them with assistance.
Germany	The Group has a department responsible for protecting privacy at Group level, including a Group data security manager (since July 2007 this has been the IT Security Centre manager, who has also been a member of the data security committee of the national association of insurance companies GDV - Gesamtverband der Deutschen Versicherungswirtschaft since July 2008) and a data security manager or administrator for each company. The members are in regular telephone contact and meet six times a year to identify common lines of approach.
Israel	The IT security manager is also responsible for privacy protection.
Spain	A Security Committee comprising of representatives from the IT department, Legal department and Human Resources department meet regularly to discuss privacy issues. As required by Spanish privacy laws, every two years an external audit company carries out an inspection to verify compliance with regulations.
Switzerland	The Legal and Compliance Department of the Swiss Group is responsible for privacy and data protection for all Group companies. In addition to fulfilling all obligations required by the relative federal regulations and carrying out the relative checks, the Department is also responsible for building and maintaining a constantly updated inventory of all personal data collected by the Group.

In 2008, **15 reports** of alleged privacy violations were made against Group insurance companies (4 in Italy, 2 in Austria, 7 in Germany and 2 in Spain), “reports” in the sense of recourse to the Privacy Authority for the protection of personal data or legal recourses and/or requests for information received by the companies on behalf of the Privacy Authority. At the end of the year, only 3 of these reports were upheld or received criminal or financial penalties, while 2 remained outstanding.

As for banks, only Deutsche Bausparkasse Badenia received 7 reports, which were all upheld.



ROLAND ARCADIO

Philippines

CHOCOLATE HILLS



STRATEGIES

Development strategy

In 2008, the Generali Group continued to pursue its goals of **expansion** in markets with the greatest developmental potential; more specifically, 2008 saw the launch of insurance services in India. The numerous **reorganisation** operations within the Group have allowed for significant results in terms of the rationalisation and process improvement, with a consequential reduction in costs and increase in the quality of services offered to both for clients and Group companies. Significant financial investments were also made in relation to **product innovation**.

The growth strategy was also applied to the **asset management sector**, while the **real estate sector** saw important organisational innovations.

In its strategic choices, the Group continuously assesses the sustainability of economic growth over time, which it deems necessary in achieving its long-term objectives.

For additional information, please refer to the numerous presentations that can be viewed in the “Investor Relations” section on the www.generali.com website.

Sustainability strategy

Throughout its history, the Group has stood out on account of the focus it places on staff members, shareholders and the local communities, based on its observance of a system of values including professionalism, transparency and responsibility.

In the 2000's, the Group has further strengthened its social commitment, adopting new tools and creating specific bodies to regulate and more efficiently address the impact of its social and environmental actions. In particular, the following initiatives are worthy of mention:

2004	<ul style="list-style-type: none">• publication of the Group Ethical Code
2005	<ul style="list-style-type: none">• publication of the first Sustainability Report• publication of the Ethical Code for Relations with Suppliers• creation of the Eco-Committee
2006	<ul style="list-style-type: none">• publication of the European Social Charter• adoption of ethical criteria defined by the Norwegian Government Pension Fund - Global for investments in movable assets
2007	<ul style="list-style-type: none">• adherence to the UN Global Compact• creation of the Sustainability Committee
2008	<ul style="list-style-type: none">• approval of the 2007 Sustainability Report by the B.o.D. of the Parent Company
2009	<ul style="list-style-type: none">• creation of national CSR Committees

The Group's social commitment has triggered a learning process, which has permitted the development of corporate know-how in:

- promoting a **culture of sustainability** within the Group, also encouraging the sharing of best practices developed by individual companies or countries throughout the Group;
- expanding **social and environmental policies** and making them more systemic to meet stakeholder expectations;
- engendering uniformity of **management systems** associated with sustainability on a global scale;
- developing and fine-tuning **recognition and reporting systems**, identifying new indicators to measure the economic, social and environmental impact of company activities.

Sustainability strategy guidelines

The Group's sustainability strategy has the following main priorities:

- to **promote sustainable growth over time**, through business practices that ensure the Group's successful financial performance over the long-term;
- to **value the people** who work within the Group, promoting continuous development of skills and professionalism among staff members and acknowledging individual contributions towards the success of the organisation;
- to **support the communities** in which the Group operates, supporting social, cultural and sporting initiatives;
- to **encourage a reduction of direct and indirect environmental impact** through a twofold strategy: on the one hand, as relates to direct impact, adopting measures to minimize energy, paper and water consumption and pollutant emissions; on the other hand, as relates to indirect impact, defining supply, product and investment policies to encourage eco-compatible behaviour in suppliers, clients and companies the Group chooses to invest in.

Bodies for developing sustainability

Increased Group commitment in the various spheres of sustainability has led to the creation of dedicated bodies and new corporate departments that are committed to rendering systematic not only economic but also social and environmental issues.

Responsibility for sustainability on a Group level lies in the hands of the **Corporate Centre General Manager and Chief Financial Officer** (CFO), who must:

- monitor the major social and environmental changes and identify consequential risks to which the Group is exposed, with particular reference to the risks associated with human rights, corruption and environmental changes;
- identify sustainability guidelines and basic policies;
- define the policies to be adopted in order to involve workers and stakeholders.

The General Manager chairs the Sustainability Committee, the CSR Committee in Italy and the Environmental Management System Committee.

The **Sustainability Committee** is a decision-making body in the Corporate Centre with control over Group sustainability issues on a global level. The Committee includes representatives from the corporate departments that are most involved in implementing social and environmental policies (Human Resources and Group Organisation, Communications, Finance, Accounting and the Corporate Social Responsibility Department). The Committee also includes representatives from all countries where the Group has operations, which are directly involved in the processes of implementing policies and drafting the Sustainability Report. The Committee is responsible for defining:

- social and environmental policies common to all Group Companies;
- opportunities, risks and areas for improvement associated with the Group's sustainability;
- shared objectives and targets, which are later specified by each country on an individual basis; in particular, the Committee is responsible for indicating the "issue of the year" on which to focus attention and commitment;
- results monitoring systems;
- contents and methods for reporting Group sustainability.

The Committee meets at least twice a year to analyse the results recorded in the Sustainability Report and to discuss the fulfilling of set objectives, the difficulties encountered and any unresolved problems.

So as to improve the organization and coordination of activities in the social and environmental field, it was deemed necessary to introduce governing bodies on a national level. Recently a **CSR Committee** for Italy was set up. Similar committees are to be replicated in each country that is chiefly involved in the implementation of Group social and environmental policies. The CSR Committee is the national decision-making body concerning corporate social responsibility. It is chaired by the General Manager and includes representatives from the following company departments: Corporate Social Responsibility (the Sustainability Report contact for international companies), Human Resources, Real Estate Management, Purchasing and Logistics, Communications, Marketing and Accounting. The main responsibility of each body is to interface with the Sustainability Committee on the one hand and local Group companies on the other, communicating and implementing decisions taken at current and Corporate Centre level. In particular, the CSR Committee is responsible for:

- assessing the contributions that the national Group can make towards specific objectives and targets on a global level, to be agreed upon with the Sustainability Committee;

- determining, together with local companies, the manner in which these may be fulfilled;
- assessing the adequacy of actions proposed by individual companies with Group policies and objectives;
- monitoring indicators for measuring results.

The CSR Committee meets at least twice a year to assess the situation in its country, as compared with Group averages, and with regard to identified social and economic performance indicators, the assessment of the results achieved and the development of solutions for any problems and critical issues.

In early 2009, following the decision to launch an important project aimed at introducing a corporate Environmental Management System (EMS) in compliance with the requirements of the main ethical/environmental rating agencies, the Eco-Committee, the Group environmental body, was reorganized thus becoming the EMS Committee. The operating committee comprises of Italian Group managers with the competencies required to attain project objectives relating to the Real Estate Management, Purchasing and Logistics, IT, Human Resources, Strategic Marketing and Corporate Social Responsibility Departments, with the addition of Sustainability Report contacts from the main European countries in which the Group operates: Germany, France, Spain, Austria and Switzerland, and also, in this case, of the BSI Group. Following the introduction of new duties allocated to their roles in this project, said contacts have also become Corporate Centre contacts for all social responsibility issues.

Project goals include the definition of:

- group environmental policy;
- key environmental performance indicators (KPIs);
- the Group environmental plan, including specific targets and objectives for environmental improvement that can be measured and assessed via KPIs;
- the management system model aimed at improving environmental performance;
- guidelines and operating procedures for planning and conducting checks on the effectiveness of the EMS.

The Corporate Centre includes a six-person unit that reports directly to the General Manager and CFO and coordinates all Corporate Social Responsibility (CSR) activities, both within the Group and in respect of the markets. In particular, the **CSR unit** is responsible for:

- coordinating the activities of the Sustainability Committee and the CSR Committee for Italy;
- drafting periodic reports and proposals to be submitted to the Sustainability Committee;
- coordinating the project for defining and implementing the Environmental Management System;
- coordinating the dissemination and implementation of environmental and sustainability policies;
- ensure ongoing dialogue and involvement with stakeholders;
- responding to stakeholder information requests regarding Group sustainability policies and initiatives.

The same unit also coordinates the process of collecting information for the Sustainability Report and drafts and publishes this document in the field of Financial Reporting.

Communication strategy and stakeholder engagement

Acknowledging the importance of communication, involvement and stakeholder dialogue in the process of sustainable growth, the Generali Group has promoted a considerable level of activity in this regard as a systematic component of the managerial process. Particularly during periods of severe financial crisis such as today, the Group strives to strengthen its commitment for transparent stakeholder communication, opening itself up to its stakeholders and involving them in business activities so as to regain their trust in the company. This commitment is demonstrated by the quantity and quality of communications tools and forms of direct dialogue used for various stakeholder categories, allowing for diverse approaches based on specific circumstances.

Forms of dialogue with various stakeholder categories

	Direct stakeholders			Competitive stakeholders			Social and environmental stakeholders
	Employees	Sales force	Shareholders	Clients	Suppliers	Issuing companies	Community
COMMUNICATION INSTRUMENTS							
Financial statements, half-yearly report, quarterly reports			•	•		•	•
Sustainability Report	•	•	•	•	•	•	•
Group website	•	•	•	•	•	•	•
Websites of individual companies	•	•	•	•	•	•	•
Company magazines	•	•	•	•			•
Press releases			•	•		•	•
Company intranet	•	•					
HR portal	•	•					
FORMS OF DIRECT DIALOGUE							
Focus group	•	•		•			•
Roadshow		•	•				
Satisfaction survey	•	•		•			
Multistakeholder meeting						•	•

To ensure that stakeholders receive ongoing information on relevant Group activities and events, each company has its own **website**, which can also be accessed via the Group's corporate website **www.generali.com** under "The Group worldwide" section. With the common goal of ensuring comprehensive and transparent information, the websites of all companies in each country include graphics and contents in line with the web guidelines of the Group, customised depending on the each company's level of autonomy. Companies with the "Generali" label follow the layout of www.generali.com.

The Group website provides an institutional summary and an introductory global view of the Generali Group. In addition to sections expressly designed for investors, shareholders, journalists and qualified candidates in search of employment, the site also presents a section specifically dedicated to corporate social responsibility. The website is available in Italian and English, and is continuously monitored and updated via access statistics for a better understanding of site use and to constantly fine-tune its settings. It includes a subscription system that alerts users of the publication of press releases, financial statements, quarterly reports and the shareholder's newsletter, "Investor's Info". An active RSS (Really Simple Syndication) System is also in place. This immediately alerts users of the publication of specific content such as financial presentations or press releases. In 2008, important new information was added concerning risk management, research and development and the participation of members of the Board of Directors for example. Technologically, the site has been enhanced with new functionality, including zoomable maps, interactive calendars and an optimized version for mobile devices (mobile.generali.com). For users with poor vision, a key has been inserted that increases the contrast between letters and the background of the pages. These innovations helped the site attain a ranking of sixteenth out of the 150 websites of the European companies with the greatest market capitalization, as determined by the independent "Webranking Awards" in December 2008. A new, redesigned version of www.generali.com will soon be launched, with more modern, logical and user friendly graphics. Subsequently, new

web guidelines for the Group will be defined, which aim to include current topics such as the institutional presence of the Group in the main social media outlets on the Internet (the so-called web 2.0).

Certain notable features of the websites of the international Group Companies are described below.

The French website, www.generali.fr, which in 2008 was voted the best large corporation website on the Internet and awarded the “Trophées de la Communication” (Communication Prize), includes a section entitled “Génération Responsable” (Responsible Generation). This section provides details of the manifesto which outlines the plan initiative, the relative television presentation campaign, Generali’s commitment to being a “responsible insurer for a responsible generation” and specific tests for measuring the environmental impact of daily activities such as CO₂ emissions from the use of cars or household activities. French websites also include www.generali-avenir.com, which is specifically dedicated to sustainable development, and www.agirpourmasante.com, created to provide health-related information and prevention advice.

The www.generali-zukunftsfonds.de website includes the presentation of the social citizenship program, with special attention to the commitment of citizens over fifty, and the description of numerous projects supported on a local level by the German holding company and labelled “Zukunftsfonds” (Investments for the future), in the fields of science, culture, education, the environment, health and society in general. The site includes links to the main project partner websites (ministries, foundations and associations).

The Austrian www.generali-holding.at website includes a CSR section that provides information on Generali’s commitment to society and describes its principal sponsorship initiatives in the fields of culture, society and sports. The site includes a link to the Austrian economic council for sustainable development (www.respect.at).

The website of the Israeli company, Migdal (www.migdal.co.il), includes a section dedicated to the community (“Community”) with detailed information on the company’s social commitments that are particularly focused on children, youth, sports and art. The site also includes links to the associations the company supports.

The Europ Assistance group dedicates a section of its institutional website to social responsibility (www.europ-assistance.com/responsabilite_sociale), which offers a detailed description of the initiatives implemented by each group company. The www.europassistance.it website includes a link to www.eurasolidale.it, which provides the most in-depth news on projects and the social activities of Europ Assistance Italia.

The website of the Italian company, Alleanza (www.alleanzaassicurazioni.it), also includes a section dedicated to the CSR that includes, among other things, the Sustainability Report published at the close of 2008 that for the first time ever reports systematically on topics associated to company sustainability. Additionally, it provides access to the criteria for allotting the finances provided each year to support social interventions, the procedures for reporting initiatives and details of finances allotted. The “Who we are - Communication” area of the FATA site (www.fata-assicurazioni.it) includes a section expressly dedicated to the Humanitarian Uganda Project (further discussed in the “Social and Environmental Stakeholders - Community” chapter) and another section dedicated to the sponsorship of initiatives supporting culture, social environment and sport.

2008 saw the continued upgrading of the **publishing communication**, a function of the Internal Group Communication Department of Assicurazioni Generali, with the goal of developing tools that minimize environmental impact and can guarantee timely information. New projects were developed, which will become operational in January 2009 with the launch of employee information channels, which can be accessed by employees not only as information receivers but also as active participants. “Il Bollettino on line” and the “Group News” were replaced by the new “Generali Group Reporters” website, which provides a version in Italian and an English version, which includes international news. “Reporters” aims to contribute to increasing the number of people by collating news from the entire Generali network, which is written in a journalistic style and supported by interactive web multimedia. At the same time, the “Generali Group Gallery”, was launched. The website contains the Group’s photo archives, although initially this only applied to Italian companies. Completing the panorama of new online publications was the Internal Group Communications “Newsletter”, which provides staff with a periodic summary of the main news and timely updates on initiatives of particular interest.

The paper version of “Il Bollettino” was also redesigned, both in terms of graphics and in terms of functional design; however it retained its name, “Il Bollettino”, a symbol of a tradition preserved since 1893, which makes it the oldest

Italian company magazine currently in publication. The new series, published every four months, can above all be described as **eco-sustainable**, including both the use of materials with minimal environmental impact (recyclable packaging and ecological paper), and an editorial plan centred on Group philosophy and initiatives in terms of social responsibility and more generally, on cultural contributions that go beyond the specific concerns of the Company. So as to further strengthen Group identity on an international level, the magazine is also translated into English and is available in this version on the www.generali.com website. The books published in 2008 include the updated English edition of "The Years of the Lion", a volume dedicated to 175 years of Company history and "La memoria - 75 anni di immagini del Circolo" (The Memory - 75 years of images from the Club).

The major Group Companies, both in Italy and abroad, periodically publish **company magazines** that, along with the institutional websites for each country, are the main tools used to reach the various stakeholder categories, with the goal of: supplying institutional information on Group companies; providing information on commercial and promotional initiatives; promoting and protecting a healthy organisational environment, reinforcing the sense of belonging among staff; promoting and facilitating the exchange of information between various sectors and offices.

In addition to the newsletter aimed primarily at employees, there are numerous others dedicated to agents and sales networks, some of which provide highly technical information (accounting, legal, fiscal, organisational and sales topics); while others target journalists, clients and the general public with basic information on the insurance and finance sectors as well as Group and product information. "Investor's Info", on the other hand, provides information for shareholders and is published twice a year. Edited by the Parent Company, it is available online in both Italian and English. Magazines and newsletters are distributed in paper and/or electronic format and in many cases are available in the relevant archives of the corporate Intranet sites.

Generali's **media** communication policy is based on transparency and on commitment to guaranteeing accessible, clear and accurate information, in compliance with regulations on the distribution of information. The instruments used for such purposes are press releases, interviews, meetings, events and relations between Top Management and journalists for the economic-financial press. In 2008, approximately 1,000 press releases on economic, financial and product-related topics were issued by Generali Group companies worldwide, about half of which in countries included in the Sustainability Report area. The Parent Company in particular, issued about fifty press releases. In the year, the Group was the subject of approximately 12,000 articles in major national and international newspapers. In 2008, in addition to the traditional press conference following the annual Shareholders' Meeting, additional meetings between Top Management and both national and international press were scheduled, in order to present Group activities. Of particular relevance were: a meeting with foreign correspondents in Italy, a meeting with the Italian press for the launch of the new Vivifuturo product and the Generali PPF Holding presentation meeting.

Group communication is promoted and facilitated by the Corporate **Intranet** sites that provide up-to-date news on Group companies (events, projects, notes on organization and operational information targeting staff members), new products and the insurance industry in general. So as to encourage communication with and between staff members, the Parent Company has set up a Human Resources (HR) portal that is accessible by the staff of all Italian Group Companies, Europ Assistance being the sole exception. In 2008, the portal underwent considerable change: the migration to the MOSS (Microsoft Office Sharepoint Services) platform enabled the elimination of password only access; the HR Procedures channel was created to provide a complete view of all HR departments and the content in the section dedicated to the Generali Group Innovation Academy was considerably expanded. At the same time, the Collaborative Group Intranet was designed, offering staff a single platform for work information and applications, supporting both the sharing of knowledge and collaborative work while strengthening the idea of the Group as One Company. The service was activated for Generali Investments users (Italy and Holding), which at the end of 2008 was the first company to migrate to the Collaborative Group Intranet; the gradual migration of other companies is planned for 2009. The company Intranet for the French group includes a section dedicated to sustainable development.

The marketing communication, which includes advertising, promotion and sponsorship initiatives, "in line with the fundamental ethical values of the civil society to which it is aimed, shall always guarantee the veracity of its contents and reject any coarse or offensive messages", in keeping with the provisions of the Group's Ethical Code and with the directives issued by the relevant Supervisory Authorities. In addition to this, the spontaneous adoption by several Group Companies of voluntary or self-regulatory codes also attests the Group's desire to also express social responsibility concepts by means of the marketing communication, with the aim of establishing and maintaining serious, long-term relations with clients. These include: the adhesion of the Parent Company and several other important Italian

companies (Alleanza, FATA, INA ASSITALIA and Toro) to the UPA (the association which represents and protects the interests of Italian companies that invest in advertising) and to the "Advertising And Marketing Communication Self-Regulation"; adhesion to the "Code of Advertising Self-discipline and Advertising Practice" and to the "Transparency Code" in Spain; adhesion of Generali Group Switzerland to the "Ethical and Self-discipline Chamber for Swiss Direct Marketing (Mass Marketing) Activities", as a permanent member.

In 2008, no cases of non-compliance with regulations or voluntary codes were reported regarding the marketing communication of Group companies.

As regards forms of **direct dialogue**, on May 23, 2008 the Managing Director, Giovanni Perissinotto, presented the fourth edition of the Sustainability Report for the Generali Group at the Università Cattolica di Milano. The event was a further opportunity to open the dialogue with young people, recounting the positive experiences of the previous years, first with students at the Università di Trieste, and then with those at the MIB - School of Management.

Towards the end of 2008, the Corporate Social Responsibility department created a **questionnaire** that was sent to several leading representatives of industry associations (ANIA and AIAF), consumer associations (Federconsumatori and Movimento Consumatori), environmental associations (WWF), researchers (Fondazione Enrico Mattei) and of the European Works Council, asking for opinions regarding the 2007 Sustainability Report of the Generali Group. Their involvement provided valuable input for the drafting of the present Sustainability Report.

Forms of direct dialogue with individual stakeholder categories are detailed in the relevant chapters.







CHAPTER 2

ECONOMIC-
FINANCIAL
PERFORMANCE

GROUP PROFILE

The insurance industry

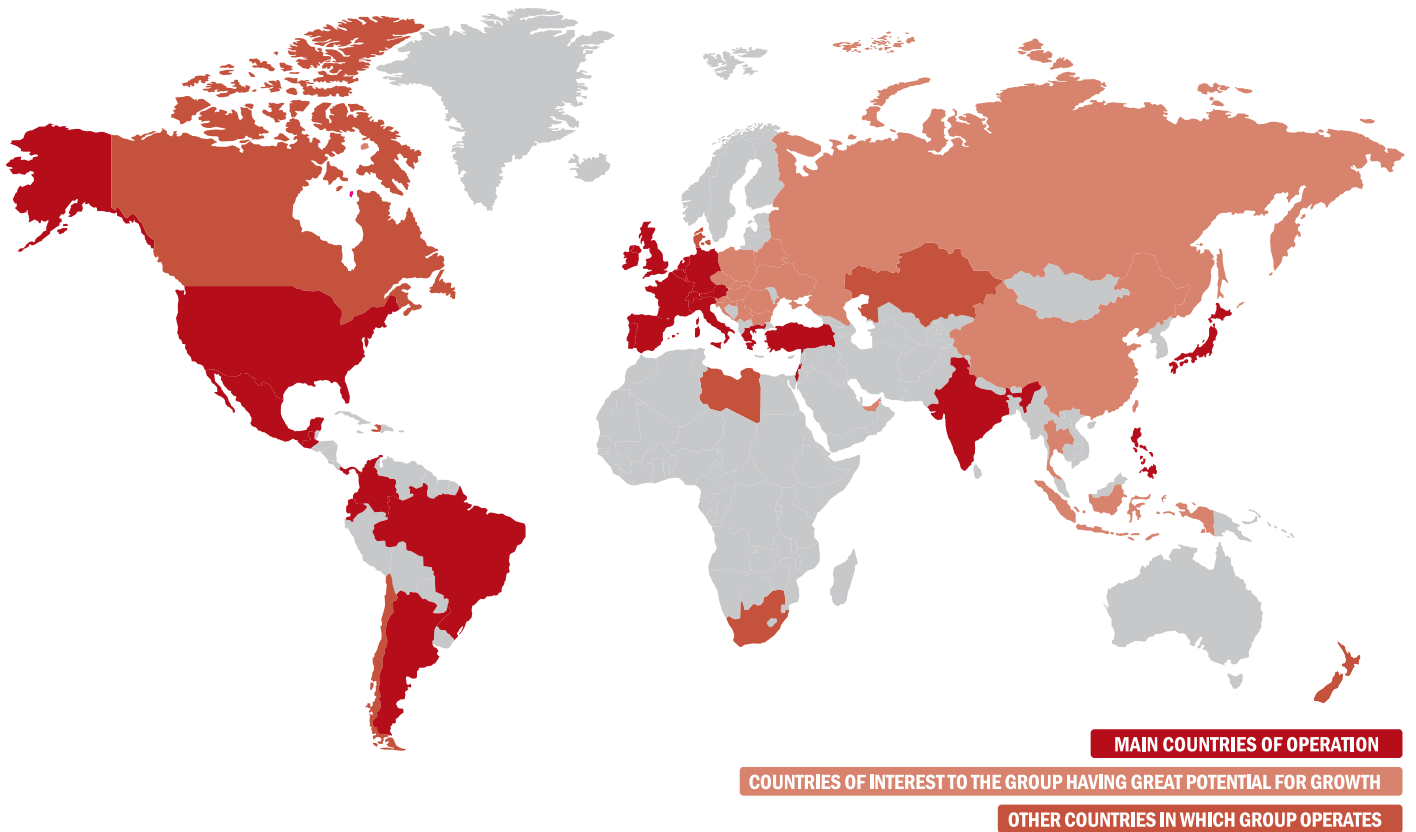
In 2008, performance of the **life segment** in the main insurance markets in which the Generali Group operates was rather diversified in terms of the products sold and the distribution channels. In Italy, premium income registered a decrease due to a fall in demand for linked policies, placed primarily by the banking channel, as a direct result of the unfolding financial crisis and the fall in stock market prices. Sales of retirement products, on the other hand, continued to rise, benefiting from the supplementary pension reform. The decrease in premium income in France has also been ascribable to the steep downturn in products with a higher financial component, while sales of products with a higher insurance content recorded remained at 2007 levels. Other countries saw moderately positive trends, not far removed from the previous year, with the sole exception being Spain, which reported double-digit growth (+15.2%), primarily due to a general preference among savers for insurance products with guaranteed returns. This trend was driven by the introduction of a regulation permitting the transfer of funds accumulated in non-guaranteed, non-insurance pension plans to forms of pension insurance offering financial guarantees. In Germany, the rise in income was sustained by the growth in retirement business, which drew advantage from the high rate of adhesion due to the possibility of increasing contributions to state-supported retirement policies, something that did not occur in 2007.

Premium income in the **non-life business** segment saw a general downturn in the motor insurance sector, primarily due to a sharp fall in new car registrations. Non-motor business, on the other hand, remained more stable, although towards the end of the year it too began to feel the effects of the international recession on the economies of the various countries.

In this context, in 2008, the Generali Group implemented major operations on markets with the highest growth potential. These included sealing of the joint venture agreement at the beginning of the year between Generali and the PPF Group, which led to the creation of Generali PPF Holding, thus combining their respective insurance businesses in Central and Eastern Europe. Furthermore, in India, Future Generali - the joint venture between Generali and the Future Group, leader in the retail and distribution market - launched its first operations in shopping centres at the partner's points of sale, generating exciting sales figures in the early months. Lastly, in Switzerland, the subsidiary bank BSI acquired a 100% interest in Banca del Gottardo. The latter's subsequent absorption into BSI created a major bank in Switzerland, focused on private banking and asset management.

The Group continued its reorganization and restructure, with the aim of rationalizing and improving processes and thus reducing costs and improving the quality of shared services. In particular, major operations in 2008 included: in Italy, the creation of GBS - Generali Business Solutions, which brought together three Group service companies - claim settlement services (GGL), administrative services (GSA) and IT services (GSI); in Germany, Generali Deutschland was established, and the three product companies respectively placed their focus on the financial advisers' network, the direct channel and traditional channels.

Meaningful Group data and indexes



The Generali Group is one of the leading insurance and financial Groups in the world, with overall premium income of 67,475.2 million euro in 2008, of which over 65% is generated abroad.

The Generali Group in brief

Parent Company: Assicurazioni Generali S.p.A.

Number of companies in the Group: 476 consolidated
of which:

- 172 insurance companies
- 130 financial/real estate companies

Number of countries where the Group has operations: 64

Group highlights on a consolidated basis

	2007	2008
RESULT OF THE PERIOD	2,915.6	860.9
OPERATING RESULT	4,793.1	3,932.0
NET EARNED PREMIUMS	61,821.1	61,982.2
PREMIUMS RELATED TO INVESTMENT CONTRACTS	1,504.6	3,998.7
NET EARNED PREMIUMS INCLUDING PREMIUMS RELATED TO INVESTMENT CONTRACTS	63,325.7	65,980.9
GROSS PREMIUMS WRITTEN	66,217.8	68,805.1
CHANGE ON EQUIVALENT TERMS	0.1%	1.3%
ACQUISITION AND ADMINISTRATION COSTS RELATED TO INSURANCE BUSINESS	9,980.5	10,591.3
EXPENSE RATIO	15.8%	16.1%
OPERATING RESULT - LIFE SEGMENT	2,737.9	1,979.7
NET LIFE PREMIUMS	43,027.0	42,034.6
PREMIUMS RELATED TO INVESTMENT CONTRACTS	1,504.6	3,998.7
NET LIFE PREMIUMS INCLUDING PREMIUMS RELATED TO INVESTMENT CONTRACTS	44,531.6	46,033.3
GROSS LIFE PREMIUMS WRITTEN	45,373.3	46,815.4
CHANGE ON EQUIVALENT TERMS	-1.6%	0.8%
ACQUISITION AND ADMINISTRATION COSTS - LIFE SEGMENT	4,933.1	5,158.5
EXPENSE RATIO - LIFE SEGMENT	11.1%	11.2%
NBV	1,108.8	971.1
CHANGE ON EQUIVALENT TERMS	12.8%	-13.0%
APE	4,556.9	4,798.3
CHANGE ON EQUIVALENT TERMS	7.8%	3.3%
OPERATING RESULT - NON-LIFE SEGMENT	2,008.9	2,117.6
NET NON-LIFE EARNED PREMIUMS	18,794.1	19,947.6
GROSS NON-LIFE PREMIUMS WRITTEN	20,844.5	21,989.7
CHANGE ON EQUIVALENT TERMS	4.1%	2.4%
ACQUISITION AND ADMINISTRATION COSTS - NON-LIFE SEGMENT	5,047.4	5,432.7
EXPENSE RATIO - NON-LIFE SEGMENT	26.8%	27.2%
LOSS RATIO - NON-LIFE SEGMENT	69.0%	69.2%
COMBINED RATIO - NON-LIFE SEGMENT	95.8%	96.4%
OPERATING RESULT - FINANCIAL SEGMENT	374.1	331.6
TOTAL INCOME - FINANCIAL SEGMENT	1,756.3	2,212.5
TOTAL EXPENSES - FINANCIAL SEGMENT	1,415.7	1,972.3

VALUES IN MILLIONS OF EUROS

	2007	2008
INVESTMENTS	336,616.9	327,134.9
NET INSURANCE PROVISIONS	305,520.1	295,755.3
NET INSURANCE PROVISIONS - LIFE SEGMENT	277,161.7	266,509.3
NET INSURANCE PROVISIONS - NON-LIFE SEGMENT	28,358.4	29,246.0
PROVISIONS FOR OUTSTANDING CLAIMS AND OTHER INSURANCE PROVISIONS	23,387.2	23,925.8
PROVISIONS FOR UNEARNED PREMIUMS	4,971.2	5,320.2
SHAREHOLDERS' EQUITY ATTRIBUTABLE TO THE GROUP	14,789.6	11,312.8

VALUES IN MILLIONS OF EUROS

In terms of economic performance, the following was noted:

- the **result of the period for the Generali Group** was 860.9 million euro, compared to 2,915.6 million euro at December 31, 2007 (-70.5%). This result was severely affected by the sharp downturn of financial markets in 2008 and, in particular, by the crisis that hit the financial sector in the latter half of year;
- the **operating result** - corresponding to the result of the period before taxes, interest expenses on financial liabilities, certain net financial income and non-recurring income and expenses - was 3,932 million euro against 4,793.1 million at December 31, 2007. This decline of 18% was determined by the operating result of the life and financial lines of business which felt the effects of the drastic decrease in financial income, while the operating result of the non-life line of business remained generally stable;
- **net earned premiums** totalled 61,982.2 million euro compared to 61,821.1 million euro at December 31, 2007. Taking also into account investment contract premiums - which are not considered as premiums for the purposes of the financial statements - **gross premiums written** totalled 68,805.1 million euro (+1.3% on a comparable basis), of which 46,815.4 million euro (+0.8%) in the life sector and 21,989.7 million euro (+2.4%) in the non-life sector;
- new life business in terms of **annual premium equivalent (APE)**, corresponding to the sum of annual premiums and a tenth of single premiums, was 4,798.3 million euro (+3.3% on a comparable basis);
- **new business value (NBV)** was 971.1 million euro (-13% on a comparable basis);
- **direct premiums** totalled 67,475.2 million euro, an increase of 1.4% on 2007; 45,931.3 million euro were generated by the life segment and 21,543.9 by the non-life segment.

The table below shows the allocation of premiums, divided into life and non-life, in countries included in the Sustainability Report area; Group market share is also shown.

Direct premiums and market share by country (SR area; 2008)

	LIFE 2008		NON-LIFE 2008		TOTAL 2008	
	VALUE	MARKET SHARE	VALUE	MARKET SHARE	VALUE	MARKET SHARE
ITALY	14,679.6	27.7%	7,441.3	20.9%	22,120.9	24.9%
AUSTRIA	1,129.7	12.7%	1,310.2	17.8%	2,439.9	15.0%
FRANCE	10,462.6	8.1%	3,511.5	6.4%	13,974.1	7.6%
GERMANY	11,720.9	10.2%	3,056.8	5.6%	14,777.7	8.7%
ISRAEL	1,175.3	31.6%	290.6	9.3%	1,465.9	19.7%
SPAIN	1,217.7	4.6%	1,532.2	4.7%	2,749.9	4.7%
SWITZERLAND	859.4	4.6%	472.8	4.8%	1,332.2	4.7%
TOTAL SR AREA	41,245.2		17,615.4		58,860.6	
TOTAL NON-SR AREA	4,686.1		3,928.5		8,614.6	
TOTAL GROUP	45,931.3		21,543.9		67,475.2	

VALUES IN MILLIONS OF EUROS

Life - Premium income in the Sustainability Report area amounts to 89.8% of the Group's total. The three major countries (Italy, Germany and France) account for 89.4% of the life portfolio in the Sustainability Report area; Italy alone generates more than 35%.

Non-life - Total premiums in the Sustainability Report area amount to 81.8% of the Group's total. In the non-life segment, Italy, France and Germany generate over 79.5% of total premiums in the Sustainability Report area (Italy over 42%).

Direct premiums by the life lines of business (SR area; 2007-2008)

	INDIVIDUAL TRADITIONAL		INDIVIDUAL UNIT/INDEX LINKED		HEALTH		GROUP		TOTAL			
	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008		
ITALY	11,421.4	11,693.4	2,510.6	1,650.1	0.0	0.0	1,109.2	1,336.1	15,041.2	14,679.6	▼	-2.4%
AUSTRIA	437.5	506.6	277.6	419.9	195.6	203.2	0.0	0.0	910.7	1,129.7	▲	+24.0%
FRANCE	7,001.1	7,372.5	2,714.1	1,422.1	739.9	840.4	833.0	827.6	11,288.2	10,462.6	▼	-7.3%
GERMANY	5,626.2	5,741.3	2,864.3	3,249.3	1,939.4	2,018.7	735.0	711.5	11,164.8	11,720.9	▲	+5.0%
ISRAEL	169.1	232.9	0.0	0.0	127.9	166.3	648.2	776.0	945.1	1,175.3	▲	+24.4%
SPAIN	528.9	801.0	28.7	20.9	0.0	0.0	425.6	395.8	983.2	1,217.7	▲	+23.8%
SWITZERLAND	185.5	188.3	627.8	658.9	9.4	8.9	9.7	3.2	832.4	859.4	▲	+3.2%
TOTAL	25,369.7	26,536.0	9,023.1	7,421.3	3,012.1	3,237.5	3,760.7	4,050.2	41,165.6	41,245.2	▲	+0.2%

- In the Sustainability Report area, life premium income remained steady at 2007 levels, with notably diverse trends in different countries, which were affected to varying extents, in line with the composition of insured portfolio, the effects of the international financial crisis and specific factors, mainly legislative, in the individual markets. In particular, Israel has recorded a very positive performance, primarily resulting from the positive performance of individual, single-premium savings products with financial guarantees as did Austria, which benefited from BAWAG P.S.K. Versicherung joining the Group and Spain, which reaped positive results on the back of the strong performance of individual savings policies driven by the introduction of a new regulation (see paragraph "The Insurance Industry").
- The Group's life business is concentrated in Italy, Germany and France countries which generate close to 90% of total premiums for the Sustainability Report area.
- The Group's range of products focuses in particular on individual policies and products with a low or medium level of volatility. In the Sustainability Report area, traditional policies, which in the year posted a 4.6% increase, represent 64.3% of the total premiums generated in the life line of business.
- Unit-index linked policies, on the other hand, placed primarily by the banking channel, have posted a 17.8% decrease, ascribable to the effects of the financial crisis, which has prompted clients to select other types of investment. The decline of these products has been pivotal to the downturn observed in France, where unit-linked policies play an important role in the insured portfolio.

Direct premiums by the non-life lines of business (SR area; 2007-2008)

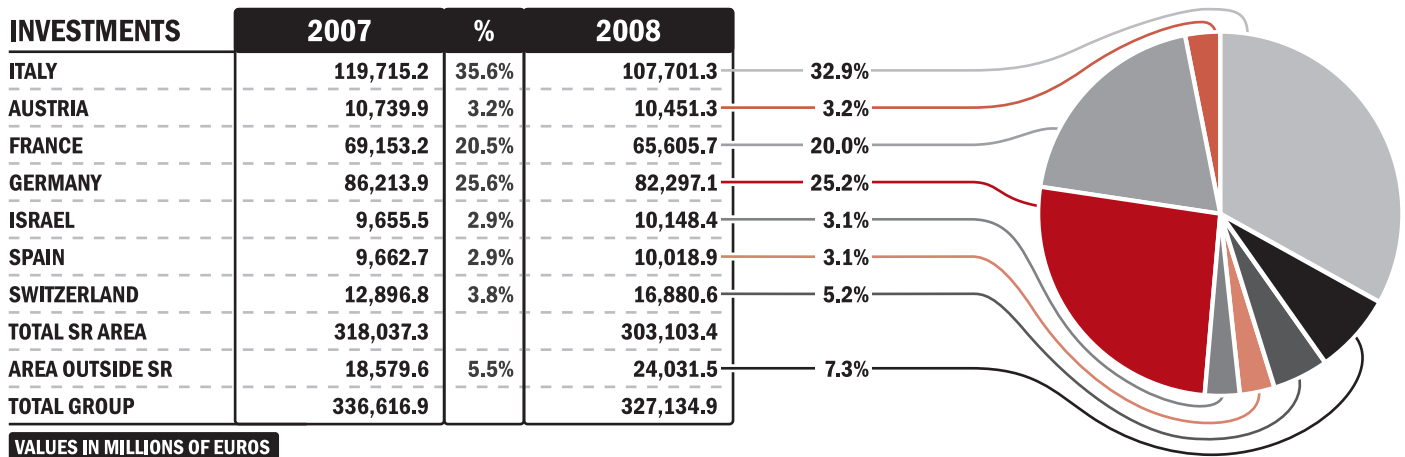
	MOTOR		ACCIDENT AND HEALTH		NON MOTOR PERSONAL		NON MOTOR COMMERCIAL		TOTAL			
	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008		
ITALY	3,786.7	3,259.1	1,415.3	1,384.4	836.8	840.3	1,964.8	1,957.4	8,003.7	7,441.3	▼	-7.0%
AUSTRIA	628.5	612.6	127.0	136.9	350.3	367.0	188.3	193.7	1,294.1	1,310.2	▲	+1.2%
FRANCE	1,095.4	1,073.2	431.3	438.9	1,186.0	1,316.0	670.9	683.4	3,383.6	3,511.5	▲	+3.8%
GERMANY	1,198.2	1,168.5	443.0	454.4	1,120.7	1,151.9	271.2	282.0	3,033.1	3,056.8	▲	+0.8%
ISRAEL	126.9	144.6	33.9	1.5	27.4	30.3	111.1	114.2	299.3	290.6	▼	-2.9%
SPAIN	563.8	539.7	153.9	156.6	263.5	279.9	529.3	556.0	1,510.5	1,532.2	▲	+1.4%
SWITZERLAND	234.2	245.2	89.8	95.4	121.4	129.8	4.8	2.4	450.2	472.8	▲	+5.0%
TOTAL	7,633.7	7,042.9	2,694.3	2,668.1	3,906.0	4,115.4	3,740.6	3,789.1	17,974.6	17,615.4	▼	-2.0%

- Non-life premium income fell overall by 2% against 2007 in the Sustainability Report area, highlighting, as in the life sector, contrasting trends in different countries.
- The concentration of non-life business is more contained than life business: 65% of premiums in the Sustainability Report area are generated in the three leading markets (Italy, France and Germany).
- The Group's range of products in all countries extends to virtually all lines of business, with a focus on individuals and small and medium enterprises. The motor line represents, on average, 40% of premium volume.

- The negative trend in the motor business observed in most markets is due to the effects of the sharp decline in new vehicle registrations, which in some cases, in particular in Italy and Germany, comes alongside fierce competition in rates.
- Non-motor business, on the other hand, has posted an overall increase, despite the slowdown in business towards the end of the year as the effects of the international recession began to be felt. Growth in other non-life individual lines of business in France was good, driven by a positive trend in assistance policies.

Investments

Investments by country (SR area; 2007-2008)



- The breakdown of investments by country reflects the extent of Group commitments and interests in the various markets.
- Investments in the life sector, totalling 274,650.8 million euro, are prevalent (84% of total investments), due to the particular characteristics of the business line and its importance in the Group's business. Investments in the non-life line of business totalled 32,677.2 million euro while investments in the financial segment totalled 19,806.9 million euro.

Breakdown of investments (Consolidation area; 2007-2008)

	2007	IMPACT	2008	IMPACT
LAND AND BUILDINGS (INVESTMENT PROPERTIES)	11,906.5	4.2%	12,473.3	4.4%
INVESTMENTS IN SUBSIDIARIES, ASSOCIATED COMPANIES AND J. V.	2,735.9	1.0%	2,568.4	0.9%
HELD TO MATURITY INVESTMENTS	1,148.4	0.4%	1,798.0	0.6%
LOANS AND RECEIVABLES	61,371.0	21.5%	69,192.5	24.2%
AVAILABLE FOR SALE FINANCIAL ASSETS	180,933.4	63.3%	173,701.1	60.8%
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	27,809.8	9.7%	26,050.3	9.1%
TOTAL	285,905.0	100.0%	285,783.5	100.0%
INVESTMENTS BACK TO POLICIES WHERE THE INVESTMENT RISK IS BORNE BY THE POLICYHOLDERS	50,711.8		41,351.4	
TOTAL INVESTMENTS	336,616.9		327,134.9	

VALUES IN MILLIONS OF EUROS

- At December 31, 2008, the Group's overall investments totalled 327,134.9 million euro. The most significant changes in investments occurring during the year consisted in an increase in the incidence of loans and receivables to the order of 2.7 percentage points and in reduced concentration of financial assets available for sale of 2.5 percentage points.

Shareholders' equity

The Group shareholders' equity amounted to 11,312.8 million euro (14,789.6 million at December 31, 2007). This fall was substantially ascribable to the lower results in the period.

The reserve for net profit on available-for-sale financial assets went from 2,024.2 million euro at December 31, 2007 to -1,105.7 million euro. This corresponds to the balance between capital gains and capital losses on financial assets, net of amounts due to life policyholders and of deferred taxes.

The cost of Parent Company shares held by itself or by other Group companies amounted to 1,866.8 million euro (1,875.4 million at December 31, 2007), at an average cost per share of 29.09 euro.

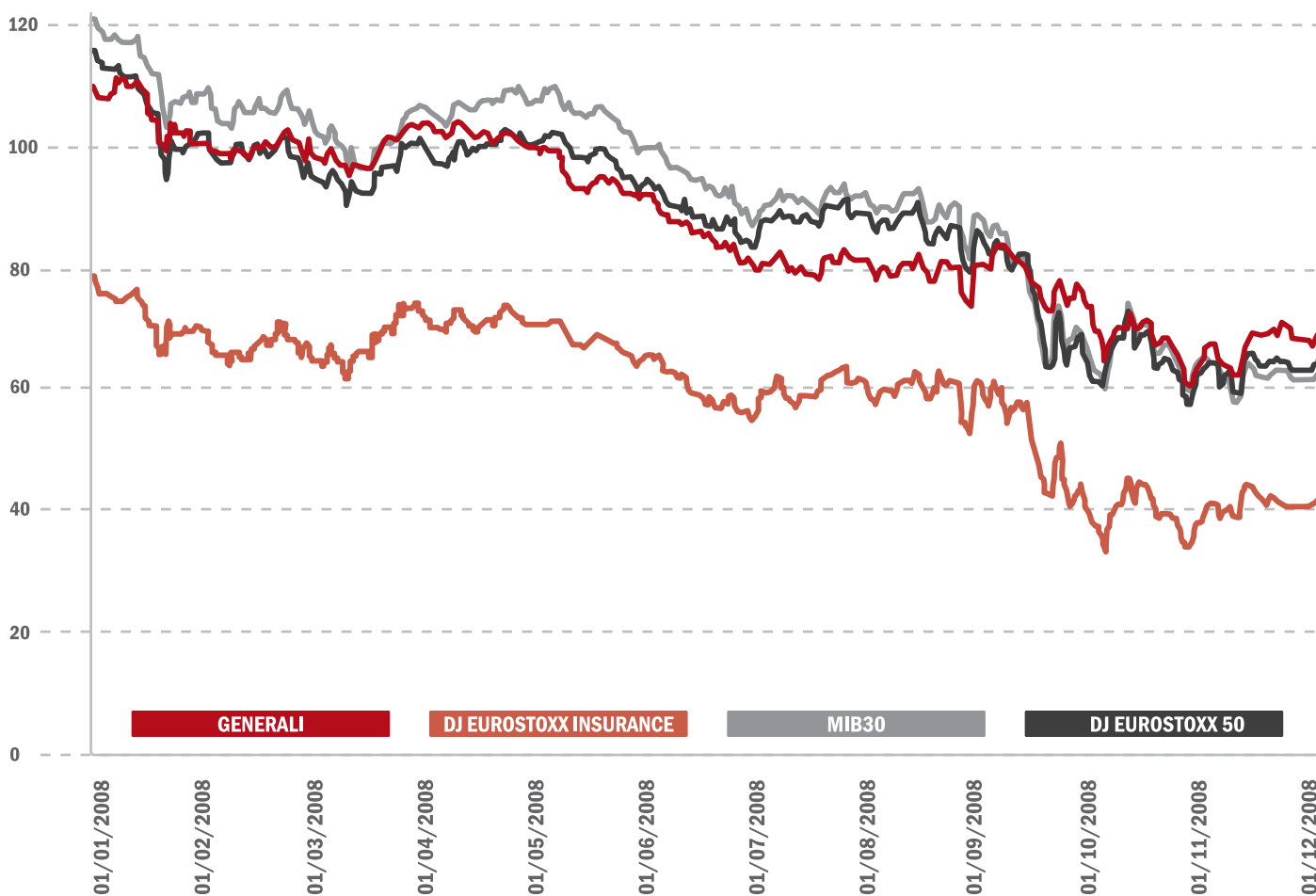
Company value

The Company's Stock market capitalisation at the end of 2008 was 27,483.1 million euro, making Generali one of the major insurance-linked securities in Europe.

The embedded value, representing the Company's intrinsic value, i.e. adjusted shareholders' equity plus portfolio value, was 22,507 million euro at the end of 2008, equivalent to 16.7 euro per share, compared to 28,710 million euro at December 2007, equivalent to 21.21 euro per share.

Generali shares

Generali share performance compared to the main Stock Exchange indexes (Assicurazioni Generali; 2008)



- During 2008, the price of Generali shares fluctuated between a low of 17.17 euro (November 21, 2008) and a high of 31.40 euro (January 10, 2008). The Group's shares were listed at 19.49 euro at December 30, 2008, with a depreciation of 36.86% compared to the end 2007.

- The performance of Generali shares however outperformed major market indexes: Mib 30, the Italian stock exchange index (-45.50%), DJ EuroStoxx Insurance, the insurance index for the euro area (-47.14%) and DJ Eurostoxx 50 (-46.32%).

Generali is listed in 163 Stock Exchange indexes. The below table highlights the percentage impact of Generali shares on the main Stock Exchange indexes.

Percentage impact of Generali shares on the main Stock Exchange indexes (Assicurazioni Generali; 2007-2008)

	2007	2008
MIBTEL	5.801%	7.170%
MIB 30	7.646%	9.173%
FTSE EUROTOP 100	0.904%	0.978%
DJ EUROSTOXX 50	1.555%	1.831%
DJ EUROSTOXX	0.976%	1.194%
DJ EUROSTOXX INSURANCE	10.368%	10.682%

For further, up-to-date information on the Group's economic-financial performance, please refer to the "Investor Relations" section of the www.generali.com website.



CARLA COGHETTO

Italy

THE RIGHT TIME



GLOBAL ADDED VALUE

Description

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

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

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

Calculating Global Added Value

The Generali Group's consolidated financial statements as at December 31, 2008 were prepared in accordance with IAS/IFRS, thus ordinary and extraordinary items are no longer distinct. It follows that added value cannot be calculated on standard operations without considering the impact of extraordinary transactions.

Calculating GAV (Consolidation area; 2007-2008)

	2007	2008
TOTAL INCOME	83,266.9	70,554.6
OF WHICH: NET EARNED PREMIUMS	61,821.1	61,982.2
NET INCOME FROM FINANCIAL INSTRUMENTS AND LAND AND BUILDINGS	18,338.3	4,129.4
TOTAL EXPENSES	69,109.9	58,543.5
OF WHICH: NET INSURANCE BENEFITS AND CLAIMS	61,415.1	44,540.3
EXPENSES FROM OTHER FINANCIAL INSTRUMENTS AND LAND AND BUILDINGS	1,785.3	6,902.5
GLOBAL ADDED VALUE (GAV)	14,157.0	12,011.1

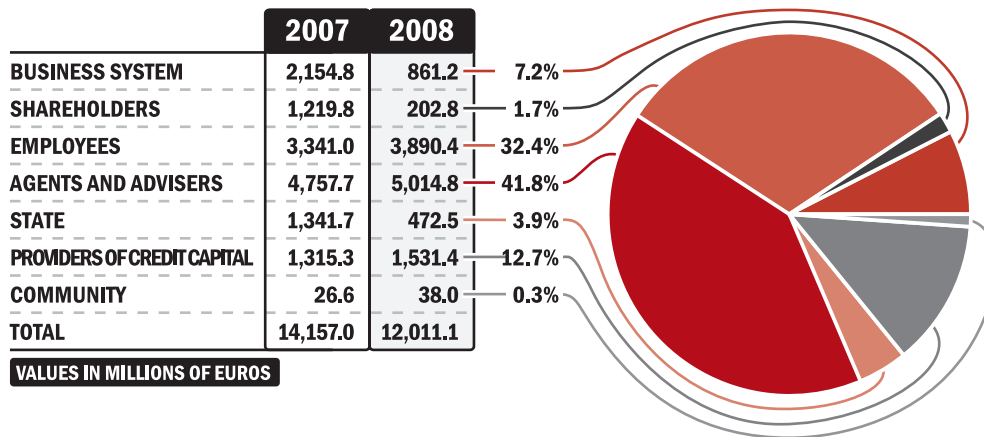
VALUES IN MILLIONS OF EUROS

- **Total income** - corresponding to the total income item in the consolidated profit and loss account and including income from: net earned premiums; financial instruments; property investments; investments in subsidiaries, associated companies and joint ventures - fell by 15.3% due to the fall in income and charges deriving from financial instruments and investment property (-77.5%).
- **Total expenses** - corresponding to standard expenses (costs pertaining to insurance operations, such as: settlement of claims and life policies at maturity, changes to insurance provisions, acquisition costs, administration costs and depreciation) minus items relating to: employee, agent and adviser remuneration, open distributions and sponsorships and interest on borrowings - revealed a sharp decline (-15.3%), partly due to the fall in net insurance benefits and claims (-27.5%).
- GAV dropped by **15.2%** compared to 2007.

Distribution of Global Added Value

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

Distribution of GAV (Consolidation area; 2007-2008)



- In 2008, the distribution of GAV differed from that of 2007, with significant changes for some stakeholders. In particular, the amount of shares distributed to agents and advisers, employees and providers of credit capital increased.
- Funds allocated to the community rose significantly (+42.9) especially for the numerous initiatives supported by Banca del Gottardo and PPF insurance group companies, which became part of the Group in 2008.
- The fall in the result for the period on the other hand led to a sharp decline in the funds allocated to the State (-64.8%), to the business system (-60%) and to shareholders (-83.4%). Where the latter is concerned, it should also be noted that the sum shown here, equivalent to the portion of gains due to shareholders, represents only a part of the overall dividend attributed to them: for 2008, in fact, they received a combined dividend corresponding to 0.15 euro per share and one free ordinary Assicurazioni Generali share per every 25 shares held.
- In 2008, Generali Group received no significant government financing.





福庙迎春花卉展

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CHAPTER 3

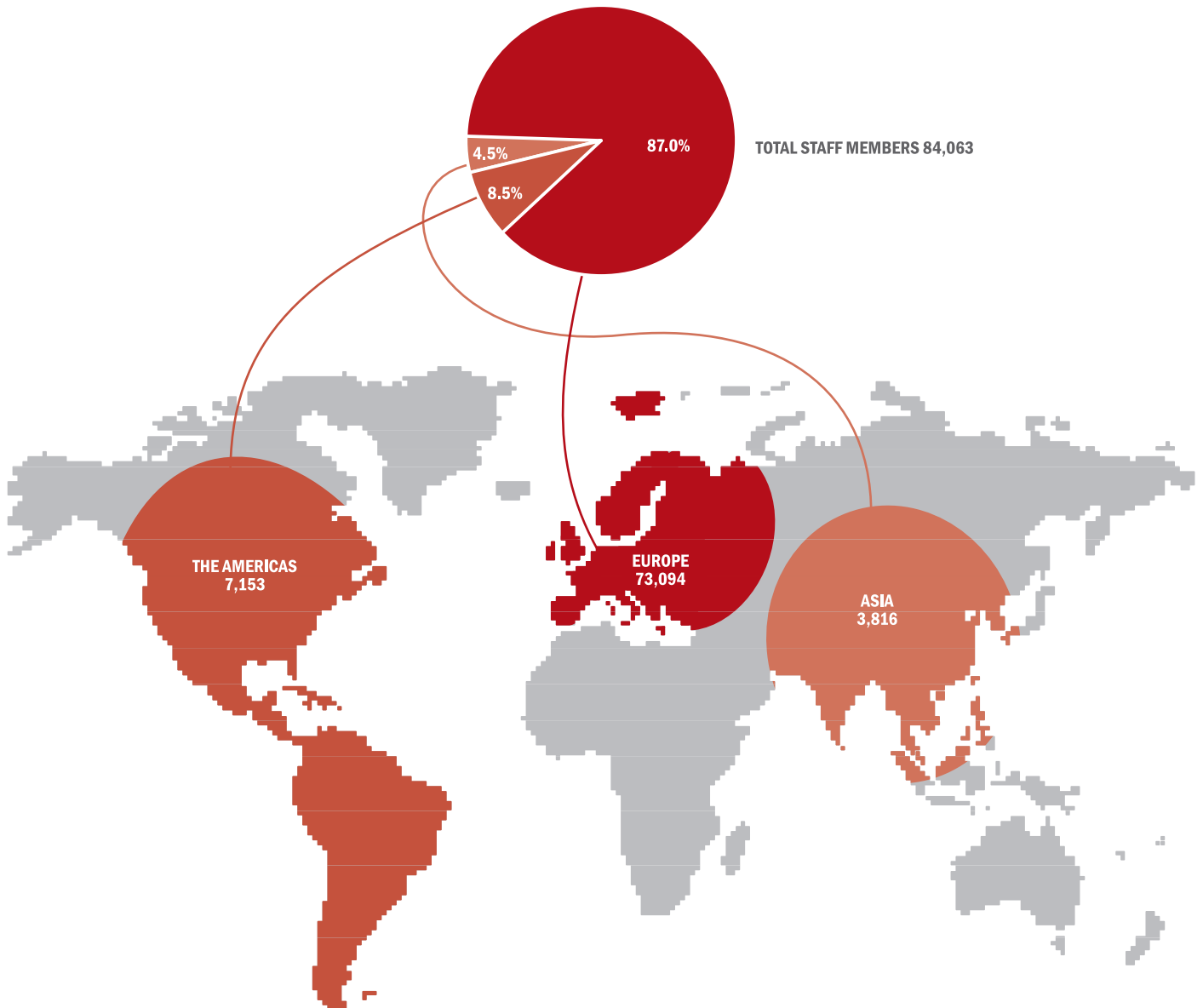
DIRECT STAKEHOLDERS

EMPLOYEES

Human resources are the key element of the Group's strategic vision, which believes in the value of its collaborators and builds its competitive advantage on the expertise and commitment of each individual.

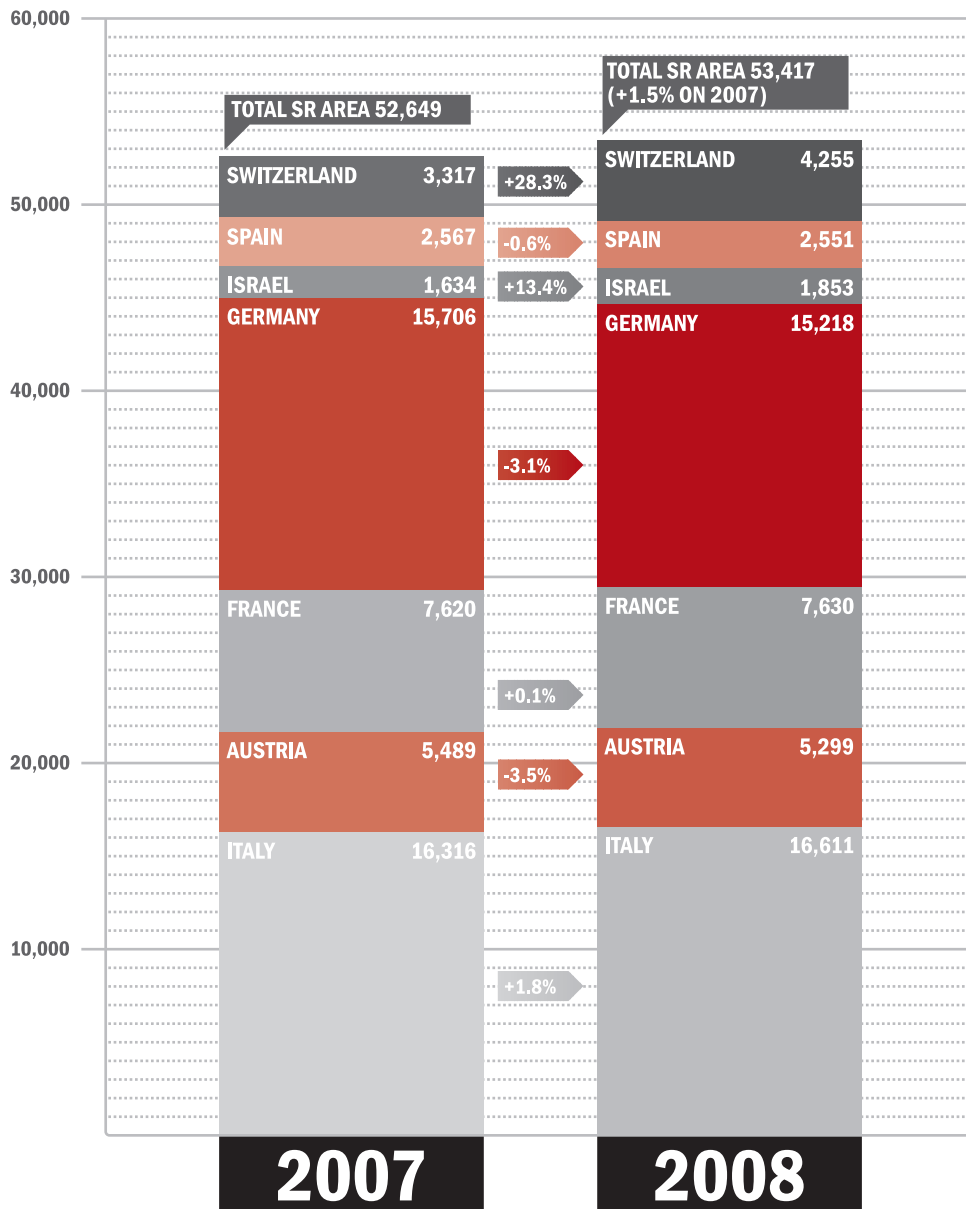
Dynamic workforce

Group staff members (Consolidation area; 2008)



- As at December 31, 2008, the workforce of consolidated Group companies numbered 84,063. The increase of 16,757 people (+24.9%) since the previous year is ascribable to companies entering the consolidation area when the PPF Group became part of Generali PPF Holding, to companies under Banca del Gottardo and to some companies that were previously not taken into consideration.
- The workforce, highly concentrated in European countries, comprises 2,338 managers, 58,229 employees and 23,422 sales force on payroll.

Workforce (SR area; 2007-2008)



- The number of staff members in the Sustainability Report area overall rose by 768 people (+1.5%), though differing workforce trends were recorded in individual countries:
 - the workforce increased significantly in Israel (+13.4%) by about 200 employees, and in Italy (+1.8%), where the number of sales force on payroll continues to rise, while strong growth in Switzerland is ascribable to a significant rise in the number of employees in the insurance segment (+5%) and more importantly to the acquisition of Banca del Gottardo by BSI;
 - the workforce fell in Austria (-3.5%) and in Germany (-3.1%) where downsizing continues as part of a Group reorganisation process;
 - the workforce remains generally stable in France and Spain.

Turnover (SR area; 2007-2008)

	2006				2007				2008				
	STAFF MEMBERS AS AT 31/12/06	RECRUITMENTS	TERMINATIONS	CHANGE	STAFF MEMBERS AS AT 31/12/07	RECRUITMENTS	TERMINATIONS	CHANGE	STAFF MEMBERS AS AT 31/12/08	RECRUITMENTS	TERMINATIONS	CHANGE	STAFF MEMBERS AS AT 31/12/08
ITALY	15,725	3,150	2,559	591	16,316	2,727	2,432	295	16,611	2,727	2,432	295	16,611
AUSTRIA	5,475	322	308	14	5,489	542	578	-36	5,453	542	578	-36	5,453
FRANCE	7,798	1,076	1,254	-178	7,620	1,112	1,102	10	7,630	1,112	1,102	10	7,630
GERMANY	17,164	1,408	2,866	-1,458	15,706	1,745	2,233	-488	15,218	1,745	2,233	-488	15,218
ISRAEL	1,543	323	232	91	1,634	439	220	219	1,853	439	220	219	1,853
SPAIN	2,551	338	322	16	2,567	388	404	-16	2,551	388	404	-16	2,551
SWITZERLAND	3,123	699	505	194	3,317	1,619	681	938	4,255	1,619	681	938	4,255
TOTAL	53,379	7,316	8,046	-730	52,649	8,572	7,650	922	53,571	8,572	7,650	922	53,571

- The rather high turnover is essentially due to the inclusion of temporary staff and project workers in the recruitment and termination figures reported. Only for Austria, the data concerning recruitments and terminations does not include temporary staff.
- The staff members recruited in Switzerland in 2008 included 1,048 employees for Banca del Gottardo, which was acquired and merged with BSI in the course of the year. Terminations included 69 transfers of Banca del Gottardo employees in Italy to BSI Italia (Banca Generali Group), which were included in the recruitment in Italy.

Characteristics of the workforce

Staff members by level (SR area; 2007-2008)

	MANAGERS		MIDDLE MANAGERS		EMPLOYEES		SALES FORCE ON PAYROLL		OTHER		TOTAL	
	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008
	ITALY	331	347	1,767	1,830	8,423	8,487	5,671	5,836	124	111	16,316
AUSTRIA	51	45	329	337	3,048	2,968	2,011	1,923	50	27	5,489	5,299
FRANCE	108	116	2,689	2,810	2,684	2,645	2,139	2,059	0	0	7,620	7,630
GERMANY	272	288	740	643	10,760	10,566	3,805	3,561	129	160	15,706	15,218
ISRAEL	51	52	156	173	1,427	1,628	0	0	0	0	1,634	1,853
SPAIN	78	73	284	351	1,335	1,241	863	876	7	10	2,567	2,551
SWITZERLAND	229	207	620	563	2,842	2,794	575	604	99	87	4,365	4,255
TOTAL	1,120	1,128	6,585	6,707	30,519	30,329	15,064	14,859	409	395	53,697	53,417

- The composition of the Group's workforce by level has not changed significantly as far as the percentage of individual levels is concerned.
- The most significant changes relate to sales force on payroll in the Sustainability Report area, which has been reduced by 205 people overall (-1.4%), with differing trends in individual countries. The number of sales force on payroll in fact rose significantly in Italy (+165) and, to a lesser extent, in Switzerland and Spain, while the number fell in Austria, France and especially in Germany (-244), a country where the reduction was part of the current reorganisation process.
- Among administrative staff, the number of middle managers and managers increased, while the number of employees fell, though the latter held firm at 56.8% of the Group's overall workforce. The fundamental causes included the reorganization process being implemented in Austria, Germany and Switzerland, where overstaffing is managed through early retirement schemes. The resulting positions are generally filled by existing employees rather than by new recruits. The reduction in the number of employees was also attributable to internal promotions in line with professional growth. Italy was an exception, where the number of employees rose slightly (+0.8%), as was Israel, where the figure rose by 14.1% following the recruitment of 201 new staff members.
- In France, the number of managers and middle managers (38.3%) continued to be notably higher than the Group average (14.7%).

- In contrast, Germany (69.4%) and Israel (87.9%) had a significantly higher proportion of employees than the Group average (56.8%).
- The Hay method was used to place staff at managerial levels. The method has been used by Generali Group for many years, and is based on an assessment of the position the staff member occupies. This helps to assess the workforce of different countries on an equal level and provides a coherent comparison.

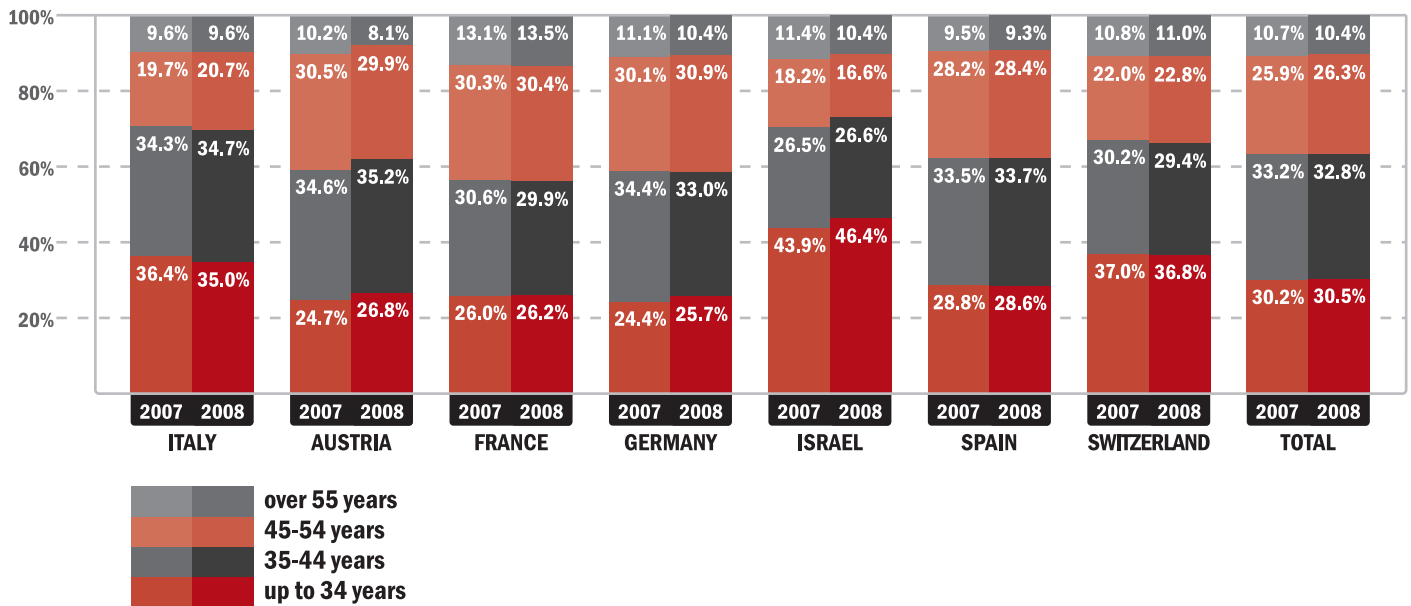
Reflecting the diffusion of a growing number of telephone customer services (please refer to “Clients” chapter), especially as relates to the handling of claims and - in direct sales companies - of the issue of policies, the number of call centre staff has increased by 7.4%, to a total of 2,999 people. They now account for 9.9% of total employees, which is the category they belong to. Call centre staff represent an important share of the Group’s workforce in Spain (about 28%, or 58.6% of employees). Because of the specific nature of the service they provide, call centres are an essential element, especially for Europ Assistance Group companies.

Staff members by type of contract (SR area; 2007-2008)

	FULL-TIME PERMANENT STAFF MEMBERS		FULL-TIME TEMPORARY STAFF MEMBERS		PART-TIME PERMANENT STAFF MEMBERS		PART-TIME TEMPORARY STAFF MEMBERS	
	2007	2008	2007	2008	2007	2008	2007	2008
ITALY	87.0%	87.5%	3.1%	3.0%	7.5%	7.5%	2.4%	2.0%
AUSTRIA	90.2%	89.3%	0.0%	0.1%	9.8%	10.5%	0.0%	0.1%
FRANCE	83.6%	83.7%	5.2%	4.7%	11.1%	11.5%	0.1%	0.1%
GERMANY	85.2%	83.3%	1.4%	2.1%	13.0%	14.3%	0.4%	0.3%
ISRAEL	93.8%	96.0%	6.2%	4.0%	0.0%	0.0%	0.0%	0.0%
SPAIN	93.8%	93.5%	1.6%	1.9%	4.1%	4.5%	0.5%	0.1%
SWITZERLAND	82.2%	85.7%	0.3%	0.1%	15.0%	12.0%	2.5%	2.2%
TOTAL	86.6%	86.4%	2.5%	2.5%	9.9%	10.2%	1.0%	0.9%

- The table does not include BSI data for Switzerland, which is not available due to its merger with Banca del Gottardo.
- 96.6% of the workforce in the Sustainability Report area has a permanent contract, a percentage that nears 100% in Austria.
- Group companies also employ temporary agency staff, for limited periods of time, offering them temporary contracts or project contracts when work is at a peak, for special projects or when staff members are temporarily absent (e.g. maternity leave or sick leave, etc.). In 2008, a total of 1,687 temporary agency workers were employed, 867 of which in France and 588 in Germany.
- Full-time workers account for almost 89% of the workforce.
- Part-time workers number 5,705, equivalent to 11.1% of the workforce and consist predominantly of women (86.3%). Despite the decrease recorded in the year, Switzerland retains one of the highest numbers of part-time workers, along with Germany (14.6%) and France (11.6%). There are no part-time workers in Israel, where this type of contract does not exist.

Staff members by age bracket (SR area; 2007-2008)



- In the Sustainability Report area, the composition of the workforce by age bracket has not changed substantially since last year. The most numerous bracket is that of workers between the ages of 35 and 44 (32.8%) and 63.3% of staff are under the age of 45.
- In Israel, a generation change is underway, reflected in the fact that it has the highest level of workers under the age of 35 (46.4%) within the Sustainability Report area.
- In Italy, as a consequence of retirements in the last few years, almost 70% of workers are under 45.
- The evolution over the past year has taken the percentage of staff members over the age of 54 to an average of 10.4%, with figures in Austria slightly lower (8.1%) and in France slightly higher (13.5%).
- In line with the Generali Group European Social Charter and in compliance with International Labour Organization (ILO) standards, Group companies do not employ minors.

The number of **graduate and post-graduate employees** continues to increase, in line with company policy: in Italy, for example, only graduates are normally hired. In the Sustainability Report area, 28.3% (26.4% in 2007) of workers hold university degrees. The percentage is particularly high in Israel (65%) and Spain (48.8%).

Percentage by length of service (SR area; 2007-2008)

	<2 YEARS		2-10 YEARS		10-20 YEARS		>20 YEARS		AVERAGE LENGTH OF SERVICE	
	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008
	ITALY	28.2%	25.2%	32.5%	35.2%	21.0%	21.3%	18.3%	18.3%	10.6
AUSTRIA	11.4%	14.1%	25.4%	26.2%	31.6%	30.7%	31.6%	29.0%	15.8	13.8
FRANCE	15.3%	16.6%	32.2%	30.9%	23.2%	23.5%	29.3%	29.0%	14.2	14.1
GERMANY	11.5%	15.5%	36.2%	35.3%	29.0%	28.9%	23.3%	20.3%	11.4	11.9
ISRAEL	34.5%	37.7%	36.1%	35.1%	18.6%	17.1%	10.8%	10.1%	7.7	7.7
SPAIN	20.3%	20.9%	28.0%	29.1%	29.3%	26.5%	22.4%	23.5%	15.2	15.0
SWITZERLAND	31.6%	30.1%	40.0%	41.0%	16.2%	15.4%	12.2%	13.5%	8.6	8.1
TOTAL	19.9%	20.8%	33.3%	33.9%	24.7%	24.3%	22.1%	21.0%		

- Loyalty among members of staff in the Sustainability Report area is high: indeed, 45.3% of employees have worked with the Group for over ten years. Austrian workers have shown a particular tendency to remain with the company for long periods of time, with 59.7% having more than ten years of service and 29% more than twenty years' service. Seniority is also high in France, where over 52% of the workforce has been with the company for more than ten years.

- As previously mentioned, countries with the lowest levels of seniority of service are those countries with expanding workforces: in Israel, 72.8% of workers have less than 10 years of service, with slightly lower figures in Switzerland (71.1%) and in Italy, (60.4%).

Equal opportunities

The Group values its employees and recognises the different contributions each staff member can make to the organisation, while prohibiting any form of discrimination.

Generali Group corporate contracts include examples of rules to ensure the **equal treatment of men and women** in the selection, training, career promotion and remuneration process, which often anticipate the implementation of European and national legislation. This policy is explicitly laid down in Generali Group's Ethical Code and European Social Charter, which rejects any form of discrimination against both its staff members and all other counterparts.

In particular, the Group applies the national equal opportunity and non-discrimination legislation to all countries in the Sustainability Report area as well as the specific regulations set out in national insurance industry collective contracts in some countries.

The below table shows the situation in the various countries and also lists some initiatives currently underway.

Country	Policies of equal opportunity among men and women
Italy	The work of the Equal Opportunities Committee (set up in 2006 and comprising of one representative from each Group company and of one delegate from each trade union) has continued with an assessment aiming to verify the trend of management data relating to male and female employees throughout the Group and in each sector. A cognitive survey was also conducted to reveal the contractual provisions and/or laws on equal opportunities and to check the initiatives undertaken by individual companies.
Austria	All processes relating to recruitment, employment, training, remuneration and so on for employees comply with the national law (2004) on equal opportunities for men and women.
France	A trade union agreement has been in place since December 2006 and affects all Group employees in the country. It describes the fundamental principles of professional equality between men and women, especially on issues such as remuneration, recruitment, mobility, career development and the balancing of family and professional life. A policy promoting equal opportunities was implemented in 2008 with the ultimate goal of creating a single policy to cover all aspects that had previously been dealt with individually: disabled people, equality among men and women, the placement of young people and so on.
Germany	Each company has appointed an ombudsman to monitor application of the equal opportunities legislation (which came into force in August 2006), adopting all necessary measures in the event of violation. All members of staff are kept informed by letter, e-mail and articles published on the corporate Intranet about the legal provisions and the rules of conduct to adopt and receive adequate training on the issue.
Israel	The company applies current regulations protecting women's rights to equal opportunities in the workplace.
Spain	Pursuant to the introduction of the national law on equal opportunities (2007), in 2008 the company negotiated an equal opportunities agreement with worker representatives, which includes an analysis of the current situation and a plan of action to prevent discrimination and ensure equal opportunities.
Switzerland	Companies apply national equal opportunity and professional equality legislation; employee regulations also forbid any type of discrimination. The Human Resources Committee is responsible for ensuring that these regulations are observed, and is also responsible for intervening in the event of violations.

Percentage of women by level (SR area; 2007-2008)

	MANAGERS		MIDDLE MANAGERS		EMPLOYEES		SALES FORCE ON PAYROLL		OTHER		TOTAL	
	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008
	ITALY	10.6%	11.5%	20.5%	20.7%	50.6%	51.4%	35.0%	34.9%	29.8%	28.8%	41.0%
AUSTRIA	2.0%	2.2%	19.1%	19.6%	52.3%	53.8%	13.4%	12.9%	0.0%	0.0%	35.2%	36.2%
FRANCE	22.2%	26.7%	49.8%	50.3%	70.5%	69.1%	20.4%	20.2%	0.0%	0.0%	48.4%	48.4%
GERMANY	7.4%	9.0%	19.1%	18.8%	51.6%	54.0%	17.4%	18.3%	75.2%	55.6%	41.2%	43.3%
ISRAEL	31.4%	30.8%	47.4%	45.1%	76.0%	76.9%	0.0%	0.0%	0.0%	0.0%	71.9%	72.6%
SPAIN	17.9%	6.8%	22.9%	16.2%	49.3%	53.3%	31.3%	31.8%	0.0%	0.0%	39.2%	39.3%
SWITZERLAND	11.4%	9.2%	25.5%	21.8%	55.2%	52.0%	3.7%	3.6%	0.0%	0.0%	41.8%	38.9%
TOTAL	12.1%	12.2%	33.4%	33.4%	54.4%	55.6%	24.2%	24.6%	46.2%	41.8%	42.4%	43.2%

- On average, women represent 43.2% of the Group's workforce, with a slight increase on 2007. The only sizable changes against average figures can be seen in Austria, where the percentage of female employees is just 36.2%, although the figure is on the increase, in France, where women now make up almost 50% of the workforce, and in Israel, where women represent a clear majority (72.6%).
- The number of female employees is on the increase or has remained stable in all countries, with the exception of Switzerland, where the sharp decrease is ascribable to the acquisition of Banca del Gottardo, which has a very low percentage of female employees.
- Despite the increase seen at all levels, most female employees continue to hold office positions, where they account for 55.6% of staff, a figure that exceeds 75% in Israel and is approaching 70% in France.
- Group-wide, the number of women holding positions of responsibility has risen: there were forty more female managers and middle managers in 2008 compared to the previous year. In particular, France and Israel continue to stand out for the high percentages of women in executive positions, where women respectively account for nearly 50% and more than 40% of managers and middle managers.

Women employed in call centres (SR area; 2007-2008)

	CALL CENTRE EMPLOYEES		OF WHICH WOMEN		CALL CENTRE WOMEN / CALL CENTRE EMPLOYEES	
	2007	2008	2007	2008	2007	2008
	ITALY	1,202	1,144	821	771	68.3%
AUSTRIA	148	161	100	102	67.6%	63.4%
FRANCE	384	434	234	255	60.9%	58.8%
GERMANY	390	382	340	279	87.2%	73.0%
ISRAEL	66	79	52	66	78.8%	83.5%
SPAIN	538	727	468	383	87.0%	52.7%
SWITZERLAND	65	72	44	49	67.7%	68.1%
TOTAL	2,793	2,999	2,059	1,905	73.7%	63.5%

- The number of staff employed at call centres has increased by 206, while the number of women has fallen by 154 (10.2%), resulting in a reduction in the percentage of female employees from 73.7% to 63.5%.

The workforce in each country almost entirely consists of local staff, as Generali has always valued the contribution that the local population can offer in terms of market knowledge and business development.

Employees of all **nationalities** are offered equal professional growth and personal career opportunities, thanks in part to a policy that promotes and implements infragroup mobility at a national and international level. On average, over 90% of managers are local, while the remainder are foreign, but not all are from the Parent Company.

All Group companies in the Sustainability Report area comply with laws to protect equal opportunities for **disabled** people in social as well as professional fields. These laws, which regulate recruitment and provide protection in the workplace, vary from country to country; therefore, it has not been possible to provide data on a comparable basis. In

particular, the definition of “disabled”, in terms of the percentage reduction in professional capacity that is required in order to be classified within the category and the level of disability qualifying the person for protection for recruitment purposes, vary from country to country. In application of the regulations in force in each country for the recruitment of disabled people, in 2008, there were **1,554** Group employees with disabilities, an increase of 84 from 2007. Most company premises have been adapted to enable disabled users to carry out their duties. Such adaptations include accessible bathrooms, sliding doors, lifts and work stations with large computer monitors and special equipment for the deaf and dumb, and for the blind. The premises that do not yet provide accessibility are planning restructuring to eliminate architectural barriers. Some companies also provide disabled parking in the immediate vicinity of the building.

Group initiatives benefiting disabled employees that are worthy of special mention include the “Plan Familia” in Spain, which provides support for disabled employees and employees with disabled family members via psychological assistance and training programmes. However, France is the most active Group country in terms of recruitment and workplace integration of disabled employees.

France for people with disabilities

In 2008, Generali entered an agreement with DDTEFP - Direction Départementale du Travail, de l'Emploi et de la Formation Professionnelle, a body which reports to the Ministry of Social Affairs and which aims to strengthen initiatives in favour of its employees with disabilities. The objectives of the agreement are:

- to increase the number of disabled people recruited;
- to increase training courses specifically for disabled employees;
- to increase collaboration with ESAT (Etablissements ou Services Aide par le Travail), an institution that assists in the integration of disabled people in the workplace;
- to develop sports and cultural activities for employees with disabilities;
- to improve the placement of workers with disabilities by raising awareness among people who work with and for Generali.

In this context:

- people whose job it is to recruit and employ members of staff have attended training courses on how to recruit and employ people with disabilities;
- the work of PITH (Pôle d'insertion des travailleurs handicapés) has continued through the “CaPITHalisez vos compétences” project, comprising of training courses (IT, stress management, advice on how to write a Curriculum Vitae, etc.) for unemployed disabled people in Seine-Saint-Denis and Paris; as well as through the theatre, with 7 plays being written and performed by Group employees, interpreting scenes of company life and use humour and serious notes to highlight the difficulties faced by disabled employees;
- a pilot course was provided to teach sign language to all members of offices where a deaf person is employed.

These initiatives contributed to Generali being awarded the 2008 “**Flèche d'Or du développement en zone franche urbaine**” (Golden arrow for development in the urban free zone).

Policies for combining professional and family/personal life

Group companies generally offer **flexible working hours** to accommodate staff combining work with family and personal demands, varying in duration on the basis of the national contracts in place in the various countries: the working week varies from 35 hours in France and Spain to 42.5 in Israel.

Some companies impose no restrictions on what time staff members arrive at or leave work, such as in Austria, where the law establishes a limit of 10 working hours a day, and in Switzerland, where members of staff negotiate their working hours with the Head of Department in compliance with legal limits. Employees in Italy, on the other hand, are generally offered a flexible start and finish times. In France, employees have several options, involving flexible combinations of workdays and holidays. Any hours worked in excess of the legal limit of 35 hours per a week can be offset as paid time off. In Germany, flexible working hours are agreed on an as-needed basis to suit the needs of young families.

Europ Assistance companies provide policyholders with service 24 hours a day, 7 days a week. Work hours are therefore divided into shifts lasting about 8 hours a day 5 days of the week. Similarly, some call centres that are open until 10pm, work on several shifts.

Vertical and horizontal **part-time** work contracts are available in countries/companies of the Sustainability Report area apart from Israel. On the whole, working hours are reduced by 50%, but lesser or greater reductions are often possible, varying between a maximum of 80% (in France) and a minimum of 20% (in Switzerland).

Staff members are normally granted a part-time contract for family reasons, such as the need to provide care for close relatives (parents, children, spouse or other household members) who are ill or disabled, or to take care of children under 14, or for serious personal reasons. In France, workers over 55 years of age are encouraged to work on a part time basis, to prepare for retirement. In Germany, a similar contractual provision is in place for older workers. Whether a staff member is granted a part time contract generally depends on whether this is compatible with the company's technical, organizational and production needs. Where it is not possible, employees may however be granted fewer working hours if they are willing to consider equivalent responsibilities or being transferred to a different department within the same company. The option to return to full-time work often remains open, though normally for a period of time limited to a certain number of years, after which the company may still decide to accept the request.

Women are much more likely to opt for part-time work contracts, as they are more involved with running and caring for the family. In 2008, 4,925 women worked part-time in the Sustainability Report area, accounting for 86% of the part-time workforce. On average, more than one female employee in five (21.4%) has a part-time contract, rising to around 30% in Germany.

The challenges of combining family/private and professional life are among the main issues addressed by the Company Equal Opportunities Committee in Italy. Moreover, a project was undertaken to create in-house nurseries or to enter special agreements with existing nurseries in response to the results of a survey conducted among Group employees. In Austria, the Group has adopted a family-friendly policy, which provides, for example, for different types of part-time contracts, with models for 10, 20 or 32 hours, telecommuting, subsidies in the event of the birth of a child, parents' right to leave to provide care for children and two days' of paternity leave for fathers.

In Munich, in Germany, a crèche and nursery are provided for the children of Generali staff members. Different levels of financial assistance are available for both services depending on employee salary. In 2008, Generali Versicherung and AachenMünchener were awarded "**Audit Beruf und Familie**" (work and family certification), a quality mark awarded by the non-profit organisation "Gemeinnützige Hertie-Stiftung", sponsored by the Federal Ministry of Family Affairs and the Federal Ministry of the Economy to companies employing efficient and outstanding measures towards balancing work and family life. The award recognised the validity of measures undertaken by Group companies to benefit employees by making it easier to balance work and family and the quality of its family-friendly human resource management policy. AachenMünchener, in particular, in addition to offering a number of different options to structure working hours around the need to provide care for children and family members, offers its employees much broader options than the provisions of the law or collective agreements insofar as maternity/paternity leave expectations are concerned. During such periods of absence, moreover, the company continues to make voluntary contributions into employees' company pension schemes.

In Switzerland, **in-house nurseries** were opened in Adliswil and Nyon to help staff members with small children combine their work and family commitments.

All Group employees are entitled to remuneration during periods of **absence** from work as provided by the law, Collective Bargaining Agreements and company-based agreements. The treatment offered by most Group companies – though differences exist depending on the country – is generally more favourable than the minimum requirements established by law or national collective contracts for certain types of absence, such as marriage, family bereavement, pregnancy, maternity/paternity leave, sickness and children's birthdays, medical appointments and treatments, study, providing care for disabled family members and donating blood. Where company organisation permits, employees are generally entitled to take days or partial days off that can either be counted as paid time off, or they can make the hours up, helping combine work with daily personal and family commitments.

Percentage of absence at work (SR area; 2007-2008)

	HOLIDAYS		PAID LEAVE		UNPAID LEAVE		ILLNESS AND ACCIDENT		MATERNITY LEAVE		TOTAL	
	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008
ITALY	8.54%	7.84%	0.51%	0.53%	0.35%	0.23%	3.51%	2.91%	1.95%	1.54%	14.86%	13.05%
AUSTRIA	9.28%	11.83%	0.29%	0.31%	0.02%	0.03%	2.89%	3.76%	1.60%	1.95%	14.09%	17.87%
FRANCE	9.70%	9.92%	0.31%	0.39%	0.04%	0.07%	4.24%	4.95%	1.36%	1.05%	15.65%	16.39%
GERMANY	10.81%	11.33%	1.41%	1.05%	0.04%	0.05%	5.25%	5.87%	0.55%	0.38%	18.06%	18.99%
ISRAEL	8.29%	7.60%	0.13%	0.11%	2.13%	1.39%	4.42%	4.32%	3.05%	2.82%	18.02%	18.99%
SPAIN	11.36%	11.37%	0.60%	1.22%	0.00%	0.00%	3.89%	3.36%	0.72%	0.58%	16.57%	16.53%
SWITZERLAND	9.67%	8.37%	1.54%	0.84%	0.19%	0.13%	3.06%	2.44%	0.35%	0.38%	14.81%	12.16%
TOTAL	9.63%	9.78%	0.76%	0.67%	0.21%	0.16%	4.13%	4.26%	1.34%	1.14%	16.07%	16.01%

- The absenteeism rate is calculated as the ratio between the number of days of absence (total or by identified cause) and the number of working days in the year (excluding Saturdays, Sundays and holidays) multiplied by the number of staff at the end of the year.
- Overall, the absenteeism rate in the two-year, 2007-2008 period remained substantially stable at around 16%, rising to around 19% in Germany and Israel.
- The leading cause of absence from work is holiday leave. In most countries, staff members are entitled to 25 days off for holidays each year, rising to 30 days where the working week is 6 days long. In Israel, where the law allows for 9 days off a year, the Company initially offered 10 paid days, with annual, yearly increments to a maximum of 20 days a year.
- The absenteeism rate for maternity, mirroring the proportion of women in the workforce and the distribution of this age bracket, is also influenced by different national legislation in the various countries, where there are different compulsory maternity leave periods (varying between 14 weeks in Germany, Israel and Switzerland and 20 weeks in France and Italy).

The workplace: health and safety

In line with the "Health protection" principle set out in its Ethical Code, Generali Group considers the physical integrity of its members of staff a key value. To protect it, it guarantees working conditions with consideration for the dignity of the individual in terms of workplace health and safety, in compliance with current health and safety regulations. To this end, Group companies have a dedicated department, which monitors and handles issues relating to **risk prevention**, **health** and **safety** in the workplace for employees in the course of their duties.

All staff members receive training and are informed of regulations and initiatives relating to health and safety through a variety of means (brochures, pamphlets, dedicated boards, e-learning courses and the Intranet). Ad hoc training and refresher courses are also organized for staff members with special tasks in case of medical or fire emergencies.

Ongoing interventions involving Group assets, often based on the advice of ergonomic experts, workplaces are set up in such a way as to protect worker safety, make working conditions more comfortable and to boost the efficiency and reliability of man-machine systems.

Structures for health and safety

Country	Structures and tasks
Italy	<p>The Group Risk Prevention Department is responsible for guaranteeing and improving the health and safety of workers and coordinates each Group company's appointed department. The Safety Consolidating Act (Legislative Decree no. 81/2008) was introduced in Italy on 15 May 2008. Among other things, the decree introduces:</p> <ul style="list-style-type: none"> • an increase in employee information and training initiatives; • the introduction of psychological/social risks associated with sex, age, coming from a different country and particularly the risk of work-related stress; • increased penalties that may now result in heavy penalties and may also fall under the corporate liability for the Company. All Group employees have taken part in e-learning training courses on "Protecting health and safety in the workplace" pursuant to Legislative Decree no. 81/2008. <p>Each Group premises have an emergency response team, comprising a certain number of trained volunteers, who are provided with medical kits or packages. During working hours, there is a first-aid service at the Mogliano Veneto headquarters with an emergency care doctor on duty, and in Trieste, a health provider is on duty and, at certain times of day, a professional nurse is available. Both services have a defibrillator. A private first-aid service is provided in Rome by Medital – a company in the Europ Assistance group – who supplies a well-equipped ambulance with a doctor and nurse on board.</p>
Austria	<p>A structure is in place, comprising of two safety experts and nine doctors. Each year it conducts safety checks at all Group Companies. Each Company has a safety Committee, which drafts safety protocols, subject to control by the Government Agency. Staff members are given training particularly on fire protection and first aid, so as to create a rapid response team within the company.</p>
France	<p>A Health Department was created pursuant to national regulations, with an eight-strong team, including two doctors and five nurses. Its purpose is to monitor employee health and implement preventive health measures.</p>
Germany	<p>A Health and Safety Committee comprising experts, the company doctor, workers' representatives and a company representative is in place in compliance with law. The Committee assesses working conditions and social/health services, it makes sure safety regulations are observed, it supports and motivates workers to adhere to them, and it adopts measures to prevent accidents in the workplace.</p>
Israel	<p>A Safety Officer is on site, pursuant to national regulations, and provides information and supervision of safety aspects in the workplace, including preparation for earthquakes and fire. The Officer must attend eight training days each year, and is assisted by an emergency team responsible for providing assistance in the event of evacuation from the building and help in the event of an accident. Emergency and safety procedures are in place. The company coordinates its work with the Ministry of Industry, Commerce and Labour.</p> <p>In order to improve safety in the workplace, a "Work Plan" is drafted and adequate controls are implemented each year.</p>
Spain	<p>A Group-wide Committee was created to ensure employee health and safety, as required by law. Moreover, each Company appoints a person to coordinate the Medical service, and Health and Safety in the workplace to work in collaboration with workers' representatives.</p> <p>Europ Assistance, in particular, employs a company specialised in the prevention of accidents in the workplace.</p>
Switzerland	<p>Companies provide a first aid station and procedures have been put in place in case of accidents, in compliance with the national labour law. In the Zurich and Geneva offices, moreover, Red Cross units (of 5 people) are available during working hours to handle emergency situations and any other medical needs. Four people at BSI have been appointed to take care of physical safety, supported by a health intervention team, equipped with radio-paging system, medical supplies and cardiac defibrillator.</p>

Smoking is banned in all public places in the Sustainability Report area; with the exception of Switzerland, where, Group companies nevertheless follow internal regulations that ban smoking in offices so as to protect the health of workers who do not smoke. In all countries, Group companies have introduced measures not only to implement current legislation, but also to provide incentives and support members of staff who want to quit smoking by offering specific programmes coordinated by doctors, psychologists and experts.

Assistance, training, consultation, prevention and control

Country	Programmes
Italy	In compliance with the law, all Group staff members are subject to regular health checks in the workplace including eye-tests and posture assessments. All staff members have received training and information on the correct posture and behaviour to adopt in order to remain in good health, through the e-learning training course relating to Legislative Decree no. 81/2008 and a pamphlet on the corporate Intranet.
Austria	A prevention programme (which includes alcohol prevention) has been created for staff.
France	<p>Every two years, workers are given health checks targeting prevention.</p> <p>In 2007, a new site www.agirpourmasante.com was created, dedicated to prevention and health information, in response to HON standards for communicating medical information on the web. The site offers all visitors:</p> <ul style="list-style-type: none"> • a map of Europe illustrating risks relating to air quality (ozone, nitrogen dioxide, etc.); • numerous free downloads of guides prepared by the Association of health insurers (APS) on: sports injury, accidents in the home, obesity, stress, cardiovascular risks and so on; • up-to-date information on medical issues. <p>The site also offers Generali policyholders information on exclusive services such as the explanation of medical tests, personal coaching for stress and smoking etc., with the support of health experts.</p>
Germany	Some companies offer and/or are preparing programmes to improve health and the physical fitness of employees, with the aim of reducing absence caused by illness. As part of these programmes, which target healthy employees as much as people already suffering from an illness, information is provided to raise awareness among staff members on health and numerous services, including: advice on stress, nutrition, dependency, postural problems and so on, guidelines for maintaining good health, programmes to help employees return to the workplace after long periods of absence due to serious illness, company medical services, check-ups, collaboration with sports clubs and so on. Medical personnel are available at any time to provide employees with the required support.
Spain	<p>A support service is currently being set up, which is to be provided to individuals on an anonymous and confidential basis by telephone, to provide psychological support to employees by placing them in contact with professional psychologists.</p> <p>A risk Prevention department handles the health and safety of employees in the workplace providing advice in the event of a serious illness. In the context of prevention, members of staff are provided with fact sheets to promote healthy lifestyles.</p>
Switzerland	A system is in place to help members of staff with health problems, provided in part by external consultants.

In 2008, there were **710 accidents in the workplace** in Group Companies within the Sustainability Report area, up 9.1% from 2007 (650). For the most part, they involved injuries occurring as a result of road traffic accidents on the journey to or from work, which primarily affected sales force in the course of field business.

Human resources policies

The Group's human resources policies are based on:

- attention to staff members and commitment to offering personal and professional development opportunities, by enhancing their skills and expertise and developing their potential;
- placing trust in young people who are open to change and keen to progress and often given them duties with increasing levels of responsibility.

Official documents such as the **Generali Group Ethical Code** and **European Social Charter**, both available on the www.generali.com website, explicitly lay down attention and commitment to human resources, respect for human dignity, freedom, equality, equal opportunity in the workplace and career path, with **no form of discrimination** on the basis of sex, ethnic origin, language, religion and sexual orientation. In particular, the European Social Charter, compiled in collaboration with the European Works Council, which will be discussed in more detail later in the chapter, defines workers' fundamental rights and the development objectives set down with regard for the protection of human resources and of the representation of Group workers.

Some characteristics of the management systems with regard to human resources are illustrated below.

Selection and recruitment policies

The human factor, as mentioned above, is the Group's key resource. The Company is therefore committed to recruiting and retaining particularly well qualified members of staff.

- The selection process is based on the principles of correctness and impartiality: candidates are assessed exclusively in the pursuit of corporate interests.
- Candidates for vacant positions are primarily sought within the Group itself. Staff members can apply through job-postings or human resources offices may headhunt candidates directly.
- If it is necessary to look outside the Group, applicants who have contacted the company spontaneously by post or via the company website are first considered, as are candidates nominated by universities or postgraduate institutes.
- In some countries, employment agencies are contacted and positions are advertised in the press and on insurance and financial websites, especially where management positions or sector experts are concerned.

Ideally, candidates must have a good university degree and/or consolidated experience in the sector and good knowledge of at least one foreign language. An industry-related master's degree is the preferred qualification for top positions. Some Group companies require applicants to complete aptitude and psychological tests to verify their skills and potential.

The Italian Group's Recruitment and Selection Department continued to pursue its objective of defining and homogenising recruitment and hiring policies and criteria in 2008 in line with Group values, increasing the number of staff members and improving their professional quality and profile.

In the pursuit of its objective:

- the Group's Human Resources Department consolidated its role of searching for and selecting candidates for management positions in Italian Companies from the external job market;
- the Selection Network, an inter-company work group currently comprising 30 staff members from various Human Resources areas, developed a new Group standard recruitment process for university graduates and people with less than three years of work experience, a process that was successfully tested in November. The process involves a half-day assessment consisting of individual and group aptitude tests, in addition to an individual final interview by Network recruitment specialists, without the involvement of external consultants;
- relations with universities and post-graduate institutions were consolidated further in order to find quality candidates, in part through events such as Career Days and other presentations;
- a single database was created making job applications available to all Group companies in Italy via the web (over 15,000 in 2008).

This approach is shared in the major European countries where the Group has operations; in particular, it has already been implemented in France.

Group staff members are employed under a standard contract of employment, and undeclared employment or exploitation are not tolerated in any form. Members of staff receive clear, detailed information on regulatory and salary aspects when they enter an employment contract and throughout the duration of the contract. Members of staff are provided with guidance on the nature of their role to enable them to adequately perform their duties for the entire duration of their contract.

Virtually all Group companies have internal **Regulations** that define the rights and duties of staff members, rules of conduct and disciplinary measures in place for non-compliance or breach of the agreements. BSI also has a **Code of Conduct**, which, in addition to relations with the company and the Generali Group, also governs client and media relations drawing on principles of ethics, quality and transparency, with the aim of maintaining high standards of integrity and professionalism in all bank business.

Salary and incentive policies

- Group-wide, salaries for non-management positions are linked to current Collective Bargaining Agreements and supplementary agreements in each country. Each company also offers additional incentive programmes on a meritocratic basis to enhance staff performance and the achievement of specific goals.
- The general policy is to ensure the balance of pay levels in relation to positions and responsibility, in accordance with local salary markets.
- Top management and middle management salaries are calculated in accordance with the Hay method, which attributes a score and makes it possible to elaborate salary policies based on internal equity needs and on comparison with the market as a whole.
- Managers express a periodical assessment of the results achieved by managerial staff using the following parameters: work performance (in terms of quality and quantity output, commitment, timekeeping and behaviour); the development of knowledge and skills; professional development, including collecting comments and suggestions to identify professional goals and future training opportunities.
- Generali Group has adopted an incentive system that assigns personal objectives to managers under the Balanced Scorecard method.

Individual remuneration and motivation policies adopted in the Sustainability Report area are listed below:

Assessment processes for human resources

Country	Assessment methods
Italy	Management as a whole (managers and middle managers) are involved in a Group-wide competency development process which, in its initial stages, used a structured method (assessment centre or 360° multirater feedback) to measure competency. The measurement stage marks the start of a broader process that leads to the identification of personal development plans on an individual basis for the people involved (micro tactics, training, coaching, organization opportunities, etc.).
Austria	All staff members, except the sales force, undergo an assessment interview focusing on: comments, information on future duties, definition of qualification measures and manager-employee cooperation. The variable portion of managerial salaries is based on the MBO (Management by Objectives) system and is linked to achieving financial targets.
France	The national agreement requires every member of staff to be classified under one of seven salary levels, established by means of annual interviews on the basis of five criteria: training and experience, problem identification and solving ability, interpersonal skills, autonomy and significance of contributions made.
Germany	All employees are assessed on an annual basis. For managers, annual assessments are based on performance and on individual development potential, while executive personnel take part in an assessment interview with their superiors focusing on their competence profile and on individual development planning.



Country	Assessment methods
Israel	The multirater feedback 360° approach, an assessment process based on observing behaviour, was introduced four years ago. The elements assessed in the process applicable to all staff members, including managers, are performance and the importance attributed to the various aspects being assessed. When the assessment process is complete, the employee receives a report highlighting the differences between his assessment and his superiors', colleagues' and/or subordinates' assessments. The final step is an interview with a superior, with the objective of creating dialogue aiming to improve performance and define any training that may be necessary.
Spain	The MBO system is applied for senior and middle managers, based on the results achieved by the Company and personal objectives, while the performance assessment system is used for other workers.
Switzerland	The basic reference for insurance staff advancement is the "model of expertise", which evaluates the skills needed for the desired profile and those already possessed, aiming at bridging the gap. All staff members undergo annual performance and career development assessments. BSI implements a process for defining and evaluating individual objectives. A team assesses whether each member of staff has achieved the objectives determined by a superior at the beginning of the year, personal skills and professional expertise. Assessment results are used to identify training plans and the granting of promotions and bonuses.

Stock options

Long-term incentives aimed at managerial staff consist of stock option plans for Parent Company shares.

In 2008, the Assicurazioni Generali shareholders' meeting approved the 2008-2009 stock option plan for the Chairman and Managing Directors of the Company and the 2008-2010 stock option plan for managers and non-managerial personnel at Assicurazioni Generali and other Generali Group companies. The latter divides recipients into six brackets, based on criteria that take into account the different levels of responsibility, contribution to the company's economic results and position in the company. The allocation is subject to achieving a performance target as set out in the Regulation for each period. The 2008 plan allocated a total of 7,857,500 options which, divided into three tranches, may not be respectively exercised before three, four and five years have passed from the date of allocation, after which time they may be exercised within three years.

On the basis of approved stock option and stock granting plans, equity instruments were allocated to top management, management or financial advisers by the following Group companies in 2008: Banca Generali, Alleanza Assicurazioni, Generali France and Migdal.

For further information on the abovementioned plans and on management remuneration, please refer to the Generali Group Financial Statements 2007, available at www.generali.com.

Benefits

Group company salary packages include a number of benefits; this is deemed to be a very important factor in encouraging the active participation of employees and other members of staff. Four benefit categories can be identified:

1. Supplementary retirement scheme - Each country/company in the Sustainability Report area has a supplementary retirement scheme for all employees, usually consisting of local pension funds financed partly by company contributions and partly by voluntary employee contributions. Upon retirement, members of staff who subscribe to the fund will be entitled to receive the guaranteed benefits in the form of a lump sum, an annual income or a combination of the two, in addition to the state pension entitlement of the various countries.

2. Healthcare - The Group has set up a series of insurance instruments to grant its staff members access to quality healthcare at little or no cost.

In Italy, the Group bears the cost, through the Healthcare Fund, of a number of insurance benefits that are available to all employees with at least 12 months' service. The fund covers all accidents in the workplace; hospital admissions due to illness, accidents, surgery and childbirth; death and permanent disability during working hours; major surgery (also reimbursing the cost of diagnostic testing, medicines and surgical treatment). The healthcare cover provided for orthodontic care, consultant visits and diagnostic tests, healthcare and outpatient services is particularly significant,

and it is extended to employees and their family members. Moreover, for all employees, for whom the Collective Bargaining Agreement for the insurance sector is in place, the Group bears the cost of insurance against the risk of staff members losing their self-sufficiency (coverage extending into retirement), managed by the Long Term Care Fund, specially set up nationwide.

In France and Switzerland, the Group bears the cost of additional health cover for all staff members; however, in Israel and Spain, such cover is only available free of charge to managerial staff. In Israel, on the other hand, all employees are given the possibility of joining a collective healthcare policy against payment of a premium. In Spain, the Collective Bargaining Agreement provides members of staff with the opportunity to receive a special loan in the event of serious illness and, if a family member should become ill, it grants a period of paid leave of absence. In addition, a sum is set aside each year to cover situations requiring particular protection or support, such as serious illnesses in the families of members of staff.

3. Other benefits for members of staff and their families - Members of staff may be offered other benefits, which are extended to their family members, depending on the company they work for and their salary level. In general, employees benefit from discounts and/or more favourable contractual conditions for numerous types of life and non-life policies and banking products; moreover, they can obtain subsidised loans and/or mortgages from Group or partner companies for the purchase, renovation or building of their own homes or for the purchase of a vehicle. Depending on the company they work for and the country they live in, employees may also be entitled to benefits such as canteen or luncheon vouchers, free tax assistance, study grants for children and reimbursement for relocation costs (in the event of transfers). To improve language skills, many companies offer their employees subsidised language courses. To foster loyalty among employees, German companies pay out one-off cash sums and award additional paid holidays on reaching a certain number of years of service (25, 40, 50 years), in addition to awarding an extra monthly allowance after 10 years of service. In Italy, employees are also rewarded after 20 or more years of service.

4. Social and cultural activities - The Group values the spirit of belonging, not only in the course of professional duties, but also in activities outside business hours through Company Groups that encourage sports and that cater to the social and cultural needs of its employees. The Group organizes Christmas parties and similar events at other times of the year and provides gifts.

The Children's Festival (Italian Group)

This year, the traditional Children's Festival, for the children of all Italian Group employees, once again offered staff a concrete opportunity to demonstrate **solidarity for less fortunate children**.

Parents were given a choice: to select a gift for their child from gifts of decreasing value, or to refuse the gift, thus donating greater sums of money to charity. All Group staff members (not only parents) were asked to complete a survey to select the organisations for less fortunate children to be supported through the initiative. The generosity of the parents involved was such that 60,000 euro was collected and equally divided among the following non-profit organizations:

- **Save the Children**: the largest independent international organisation committed to protecting and promoting children's rights. The sum will be used to support the "Rewrite the Future" project, a campaign aimed at securing quality education for children in poor and conflict-affected countries;
- **A.B.C. Burlo**, a voluntary association working to help children affected by serious malformative disease requiring complex and multiple surgery;
- **AGMEN FVG (an association for parents of children with haematological malignancies in the Friuli Venezia Giulia region)**, that aims to ensure that children can be cared for in the most suitable and least traumatising environment. The association strives to improve hospital areas, hospital equipment and information, guaranteeing education and play-recreation. It also promotes research and study in the field of tumours in children promoting in particular extensive global assistance for the family throughout the child's illness and beyond.

Some countries also place special focus on **retired colleagues**:

- in Italy, the Parent Company supports the Senior Company Staff Group consisting of around 3,700 retirees and widows/widowers of former and current employees with over 20 years' service. The Senior Group organises social and cultural activities and trips for members and provides assistance to those in need. The annual "Seniors' Party" is a key event and is attended by Top Management;
- in Austria the "Silberlöwenclub" association comprises of Group retirees and organises cultural and leisure events;
- in Switzerland, BSI retirees can participate in numerous activities organised by the bank's cultural and sports groups.

Cultural initiatives organised for employees in France that merit special mention include:

- the creation, in collaboration with the Université de Tous les Savoirs, of a club providing employees with the opportunity to attend conferences with top speakers in the university, economic and social fields;
- the continuation of the "Les pauses sourires" initiative, which was awarded the "Argus d'or" in 2005. The initiative was organized for employees following the transfer of the company's offices to Saint-Denis, with a view to creating a Group culture and promoting social cohesion.

Labour/management relations

All staff members have the right to join trade unions, to appoint workers' representatives and to exercise the relative functions in accordance with freedom of association and with the regulations/practices in force in the individual countries.

In the Sustainability Report area, almost all employees are covered by national collective industry agreements. Israel is the sole exception, where work contracts for Migdal group employees are based on personal agreements, except for pension fund staff contracts, which are covered by collective sector industry agreements.

In Austria, Germany and Switzerland, where there is no direct contact between companies and trade union organisations, Collective Bargaining Agreement renewal negotiations normally take place via the National Federations of Insurance Companies.

In the event of company reorganization, the value of each member of staff is protected, where necessary, via training or professional requalification, taking into account the personal abilities and aspirations of each individual. Training is also the solution of choice in the event of company mergers, to accompany and assist integration between employees of different companies (please refer to the paragraph on Training). In general, company reorganizations are managed using tools such as: early retirement incentive plans for senior workers, not hiring new people when a member of staff leaves and relocating employees made redundant to other Group companies.

As described in the remainder of this chapter, in Germany and Switzerland, in the case of company reorganizations stemming from mergers taking place in the year in Germany and Switzerland, training was a popular solution to help integrate and assign new roles to employees of the various companies.

In all Sustainability Report area countries, workers' representatives are informed of organizational changes at least 30 days prior to implementation of such changes. France is the sole exception, where at least one week's notice must be given prior to the meeting, during which time said initiatives are explained to the workers' representatives.

The trade union agreements entered into in the year with trade union representatives included:

- in Italy, a trade union agreement on integrating the INA ASSITALIA Managing Agency Consortium for Rome, under the direct management of INA ASSITALIA and the extension of the provisions relating to the rules and procedures for managing, from a union standpoint, the integration and reorganisation processes within the Generali Group, contained within the Group agreement dated June 23, 2005 and expiring on December 31, 2008.
- in France, an agreement setting out incisive action in support of people with disabilities within in the Group and an agreement to extend the policy of employment and skill management provisions to the sales force, an agreement in place since 2006 for administrative staff. Furthermore, an agreement on professional equality between men and women at Europ Assistance.

It has not been possible to provide data on trade union membership, as in many countries trade union membership takes place through external channels and the company is not informed for privacy reasons. In France in particular, the law prohibits companies from asking employees to disclose such information.

Cross-border social dialogue is expressed within Group through the **European Works Council (EWC)**, the only body representing European Group staff and currently comprising 40 delegates from 17 countries in the European Union. The debate on social issues in Europe has become a central issue for the Group, as reflected in its second renewal of the agreement regulating the EWC's objectives and functions until 2011.

Among other things, the agreement provides for more meetings between the EWC and Top Management and the Group's Human Resources Director. The Parent Company is also obliged to keeping the Restricted Committee of EWC - a body comprising 7 EWC representatives elected internally who act as preferred participants in dialogue with the Parent Company - fully and immediately informed, in addition to promoting consultation as an instrument for exchanging opinions that may be taken into consideration in implementing the cross-border measures adopted by the Group.

In renewing the agreement, the Group employed a Europe-wide, social dialogue instrument, that is proving adequate in the general context of large multi-national groups subject to significant cross-border structural changes, to manage and support specific regulations introduced by the European Union, such as the regulation governing the function and role of EWC in groups.

With regard to the information as set out in the introduction to the agreement, in the second half of 2008, the EWC monitored the application of the European Social Charter, created as a constructive comparison of the Committee and the Parent Company, especially in Central and Eastern Europe. In this context, the Parent Company has recently reiterated its commitment towards full application of the commitments and objectives as set out in the Charter for all companies in Europe; the recent adoption of the Charter by Generali PFF Holding attests this commitment. At the same time, the Parent Company launched a profitable cooperation with some non-EU countries for the sharing of the objectives as set out in the Social Charter.

Further information on the EWC can be found in the "Work with us" section of the www.generali.com website.

The European Commission on employment, social affairs and equal opportunities has asked Generali Group to share its experience in the field of social dialogue as a "pioneering company in the adoption of cross-border social contracts and agreements", deeming that these instruments may contribute to supporting the companies in advance of and in managing the change.

Countries not included in the Sustainability Report area

OTHER EUROPEAN COUNTRIES

Generali also conducts insurance business in Belgium, Greece, the Netherlands, Portugal, the United Kingdom and in Eastern European countries (the latter countries has been discussed in the Generali PFF Holding section).

Human and worker's rights - The commitments defined in the Generali Group Ethical Code and European Social Charter apply to all these countries and guarantee workers the rights as set out in the United Nation's Declaration of Human Rights and in the International Labour Organization's Regulations.

Contracts of employment - All employees are provided with written contracts of employment that comply with Collective Bargaining Agreements, where these are in place. Salaries are generally in line with the national insurance industry average and on a scale depending on the level of employment corresponding to the various duties; equal salaries are offered to men and women alike. The working week ranges between 35 hours a week in Belgium to 39 in Greece. Overtime is generally paid, although in Belgium overtime is only available in exceptional cases as provided for by law.

Health and safety for staff - The Group complies with local health and safety regulations for staff and offers its staff members insurance cover for illness and accident in the workplace as well as additional benefits, such as: accident cover (the Netherlands); additional cover that grants staff members access to quality healthcare such as hospitalisation due to illness, accident, surgery, childbirth or home medical assistance (Portugal); medical assistance (Belgium and Greece).



ASIA

The Group has operations in China, Hong Kong, the Philippines, Japan, India and Thailand.

Non discrimination - Recruitment and remuneration policies in these countries prohibit any form of discrimination on the basis of gender, ethnic origin, nationality, religion, age, disability and sexual orientation. The Group is fully committed to respecting workers' fundamental rights.

Contracts of employment - There is no industry Collective Bargaining Agreement in place in these countries; in compliance with national legislation, employment contracts are handled individually and are implemented by appointment letters. Salaries are in line with the national industry average and are on a sliding scale depending on the level of employment corresponding to the various duties; there are no differences between men's and women's salaries. The working week ranges between 36.25 hours in Japan and 44 hours in the Philippines. Overtime is paid in all countries except India, where the concept of overtime for employees is non-existent. The Group prohibits child labour, which complies with national legislation on the matter, and has also, in some cases (India and Thailand), set a minimum recruitment age that is higher than that required by the law.

Trade Unions - Members of staff in all these countries are entitled to join trade unions, although membership figures are unknown.

Health and safety for staff - The Group maintains health and safety in the workplace standards and insures all staff members against illness and accidents in the workplace, in line with local legislation. Moreover, in China, the Philippines, Japan and India, Group companies offer all staff members one or more of the following additional covers: quality healthcare, accident insurance and life insurance in the event of disability or death.

THE AMERICAS

The Group has operations in Argentina, Brazil, Colombia, Ecuador, Guatemala, Mexico, Panama and the United States of America.

Non discrimination - Recruitment policies in these countries prohibit any form of discrimination on the basis of gender, race, nationality, religion, age, disability and sexual orientation. The Group is again, fully committed to respecting the fundamental rights of workers in these countries.

Contracts of employment - In Argentina, the Group applies the industry Collective Bargaining Agreement and in Brazil, it adheres to regulations as set out by the Constitution and by the Collective work agreement for each category of worker. There is no Collective Bargaining Agreement in the other countries, however in Mexico, Generali-Banorte has a national agreement in place, which applies to all workers in the three Group companies, while in Panama there is a collective company agreement. In Colombia and Guatemala, on the other hand, employment contracts are compiled on an individual basis. Salaries - which are on a sliding scale depending on the level of employment and to the various corresponding duties - are in line with or above the national industry average and without differences between men and women. The working week varies from between 35 hours for the US Branch and 48 hours for the "Caja" in Argentina and in Colombia. Overtime is paid in all countries except Ecuador and Mexico. The Group prohibits child labour, and does not employ people under 18 years of age even in Argentina, the only country in the area with a minimum age (16 years of age).

Trade Unions - There are no restrictions on the worker's right to appoint representatives or to join trade unions, rights that are permitted by law in all these countries except Ecuador and the United States of America, where trade union associations do not exist. In Mexico, although there are trade unions, there is no form of active worker participation.

Health and safety for workers - Group-wide health and safety regulations are in place, insuring workers against illness and accident in the workplace as required by law. In addition, in all countries in Latin America, excluding Panama and Mexico, Group companies offer one or more of the following additional covers at either no or very low cost: quality healthcare, accident or illness hospital cover, life and permanent disability or disability cover. In the United States, Europ Assistance has adopted the safety systems introduced by the OSHA standard (Occupational Safety and Health Administration).



GIAN ALDO ZARDINI

Belgium

MASPALOMAS DUNA



SALES FORCE

Agency networks

The Group sales network has a multi-channel commercial structure in which the agency network plays a key role. There are over 8,000 agency networks in the Sustainability Report area. The network consists of:

- **contracting agencies**, consisting of independent agents, who have been granted the authority to manage and develop the Group's insurance portfolio in an exclusive, designated area. The agencies are focused on the management and sale of insurance products aimed at individuals and small and medium enterprises. This type of agency is the most common;
- **company agencies**, where agents and personnel are on the payroll of Group companies. This organisation is typical of Austrian Group companies and has also been adopted by Alleanza Assicurazioni in Italy, by Volksfürsorge in Germany and by Generali Iard in France. Assicurazioni Generali, alongside an extensive network of contracting agencies, has five company agencies - the so-called "gerenze" - which are located in major Italian cities and focus on the corporate market segment.

Agencies by premium bracket (SR area; 2007-2008)

	<1 MILLION PER YEAR		1-2 MILLIONS PER YEAR		2-4 MILLIONS PER YEAR		4-6 MILLIONS PER YEAR		>6 MILLIONS PER YEAR		TOTAL	
	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008
ITALY	168	208	272	280	533	542	409	417	721	728	2,103	2,175
AUSTRIA	4	4	0	1	15	14	23	23	82	83	124	125
FRANCE	426	407	287	290	121	121	16	16	14	14	864	848
GERMANY	3,761	3,216	232	75	40	20	2	2	3	1	4,038	3,314
ISRAEL	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	1,500	1,500
SPAIN	1,378	1,379	109	144	28	44	14	14	66	77	1,595	1,658
SWITZERLAND	0	0	0	0	0	0	6	3	54	56	60	59
TOTAL	5,737	5,214	900	790	737	741	470	475	940	959	10,284	9,679

- In 2008, the number of agencies in the Sustainability Report area decreased by 605 people compared to the previous year. This decrease was mainly determined by the transfer of 724 staff members to the DVAG financial adviser network in Germany as part of the AachenMünchener agency network reorganisation plan. In contrast, the agency network expanded in Italy and Spain, while it remained stable in Austria and Switzerland.
- In particular, the number of small agencies decreased: in 2008, agencies with annual turnover of less than two million euro fell by 633 people (-9.5%), of which 523 people from the top income bracket. Conversely, the number of larger agencies increased, particularly those with an income of more than 6 million euro per year, which grew by 19 people. Nevertheless, smaller agencies still account for the vast majority, representing 63.7% of the agency total.
- Small agencies are especially common in Germany (where they account for 97% of the total) and in Spain (83.2%), where the network is expanding and existing agencies are expanding alongside new agencies. There is however, on the contrary, a high predominance of agencies with annual turnover in excess of six million euro per year in Austria (66.4%) and in Switzerland (94.9%) in particular, where none of the agencies have total premiums of less than four million euro.

Agents by seniority of service (SR area; 2007-2008)

	<2 YEARS		2-10 YEARS		10-20 YEARS		>20 YEARS		TOTAL	
	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008
ITALY	12.6%	22.9%	37.5%	30.6%	31.4%	27.4%	18.5%	19.1%	3,376	3,702
AUSTRIA	39.0%	40.7%	51.0%	52.9%	4.8%	3.4%	5.2%	3.0%	210	204
FRANCE	13.5%	13.4%	42.4%	42.4%	26.9%	27.0%	17.2%	17.2%	1,061	1,049
GERMANY	31.0%	36.3%	40.4%	38.6%	17.3%	13.9%	11.3%	11.2%	4,038	3,314
ISRAEL	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	1,500	1,500
SPAIN	40.2%	40.9%	38.3%	38.0%	15.5%	14.9%	6.0%	6.2%	7,752	7,613
SWITZERLAND	40.1%	41.0%	50.4%	36.7%	6.4%	16.0%	3.1%	6.3%	574	605
TOTAL	30.9%	34.2%	39.4%	36.9%	19.3%	18.2%	10.4%	10.7%	18,511	17,987

- Agents are the main points of reference for the agency network. In 2008, the overall number of agents fell by 524, or 2.8%. This decrease is linked to the abovementioned reorganisation of the AachenMünchener sales network in Germany, where the number of agents fell by 724. A significant reduction also occurred in Spain, to a large extent due to termination of agency mandates, which were not compliant with the new insurance brokerage laws. The number of agents in Italy and Switzerland, on the other hand, continued to rise.
- In Italy, the number of agents includes 316 multi-firm agents operating for Europ Assistance. All 1,500 agents in Israel and 30 agents in Spain are also multi-firm agents.
- The distribution of agents by seniority of service varies among the different countries of the Sustainability Report area. In Italy and France, Generali relies on a very loyal and experienced network, with over 44% of agents having worked with the Group for over ten years; however, in 2008 in Italy the number of agents with less than two years of service virtually doubled. In Austria, Spain and Switzerland, about 40% of agents are new to Generali. In Austria, this is due to the fact that it was only recently decided to draw on the services of agents in addition to employed sales agents and brokers: only 6% of agents have over 10 years of service. In Spain and Switzerland, on the other hand, the network is being expanded by newly recruited brokers.

As at December 31, 2008, the sales force in the Group's agency network in the Sustainability Report area numbered **150,741 people**, comprising:

- **16,487 agents**, the vast majority of whom - as mentioned - own their own businesses, have their own staff and define the latter's tasks and salary;
- **94,265 sub-agents**, appointed by agents to manage the business - at their own risk and expense - in certain zones within the area assigned to them. This category includes about 83,000 part-time agents appointed by the Group in Germany, where they are especially numerous;
- **25,130 self-employed agency co-operators**, typical of the Italian market, who generally find new clients on behalf of the agent. This category also includes "multi-ethnic insurers", employed as part of the sales network of Assitalia and Alleanza over the course of the past year. These are professionals from non-EU countries who overcome language and cultural barriers to more clearly identify the insurance and pension needs of immigrants;
- **14,859-strong sales force on payroll** who work primarily mainly in the retail segment, supported by an agency appointed by the Head Office or company agents.

In all countries, each individual company has a specific managerial structure that defines business strategies for the coordination of the sales and agency network. Control, technical and administrative support for networks are often provided through a complex macroarea structure, each led by an area manager. Moreover, Assicurazioni Generali and INA ASSITALIA and Generali Vie divide sales areas into inspection zones, which are entrusted to a Management Inspector. The latter is responsible for directly managing agencies and employed sales agents in the relevant area in order to achieve company goals and provide improved supervision over the quality of sales.

The Group often recruits agents from the Company's ranks, from among the employed sales force or sales inspectors. New agents are typically selected from among the sales agents who prove they have adequate sales and organizational skills after an adequate training period. In other cases, agents and the sales force on payroll are recruited through a careful selection process from candidates recommended by the agents themselves or by specialist companies, or who have sent in a spontaneous application or responded to a job advertisement.

The legal and regulatory framework in countries in the European Union has been profoundly changed by the introduction of European legislation on insurance brokerage. In Italy, in particular, ISVAP regulation no. 5/2006 has:

- set new requirements for distributing insurance products;
- set up the Single Register of insurance and reinsurance Brokers (R.U.I.);
- set rules of conduct for brokers to guarantee the provision of adequate advice to the client, requiring the broker to acquire prior information on the policyholder's needs and propose the best conditions possible in line with his or her real needs (the adequacy principle).

Another important change was implemented by Law no. 40/2007, which abolished agency exclusivity for non-life policies, paving the way for multi-firm agents to operate in a given area.

In recent years, changes introduced by regulatory provisions on the matter and the Group's customary focus on sales policies have led to the renewal of agreements to support recruitment, hiring, training and learning activities for new staff members with the objective of adopting means and methods compliant to the new regulations. Investments aimed at improving the IT systems for more efficient management of the information the RUI needs for brokers and of the pre-contractual information to provide the client, have continued. The Company provides its sales agents with suitable training in order that they may achieve the necessary requirements for RUI membership and monitors the work of sales channels via the people in charge of internal control and supervision who ensure punctual and timely intervention where required.

In Spain, as previously mentioned, the introduction of European insurance broker regulations had major repercussions on the local distribution network. As mentioned in the paragraph on training, over the year the Group made a major investment in training its sales agents to a suitable standard to meet the new requirements for accessing and exercising the profession.

Other insurance company sales networks

In addition to agencies, Group companies use other channels to sell their products. In particular, they use a network of:

- **financial advisers (over 48,000 in 2008)**, asset management experts generally operating within organised networks throughout the territory, and often belonging to captive companies, i.e. companies owned by the company or bank whose products they sell. Financial advisers channel asset management into the life line of business, targeting being primarily medium-high income individuals. The Group draws primarily on support from the Deutsche Vermögensberatung AktienGesellschaft (DVAG) network in Austria, Germany and Switzerland, and it also works through the OVB network of financial advisers in the latter two countries. Financial advisers are particularly important in Germany, where they number around 36,500. In France, approximately 1,850 independent financial advisers sell Generali products. In Italy, La Venezia Assicurazioni uses 1,686 Banca Generali financial advisers. Alleanza Assicurazioni, Generali and INA ASSITALIA insurance agencies draw on the services on 2,729 financial advisers, employed by Simgenia, a Banca Generali Group company, who are also Group company' agents. In Italy, the majority of tied agents hold the necessary qualification to work as financial advisers, as is the case in Austria, where Generali Bank set up Generali Deutschland Services GmbH to assist financial advisers;
- **brokers (over 34,000 in 2008)**, independent brokers who adjust insurance contracts to the client's needs and have considerable contractual power with insurance companies. This channel is especially popular in Germany, where 16,350 brokers distribute Group products;
- **bank counters (6,090 in 2008)**, which offer insurance products to the clients of some of the biggest banks and local credit institutions, ensuring distribution networks within the territory. In Italy, the Group relies on 3,862 bank counters; the most extensive network is the Banca Intesa network with which, Assicurazioni Generali has partnered to create the subsidiary Intesa Vita (1,451 counters). In 2008, the number of bank counters fell by 200 following the merger between Banca Intesa and Istituto San Paolo IMI, which led to the restructuring of the sales network so as to avoid dual area coverage. In Austria, BAWAG PSK Versicherung, acquired in 2007, had a network of 150 bank counters. In Germany, the Group's main banking partner is Commerzbank, which sells Volksfürsorge products through its branches. In addition, the Group has signed numerous distribution contracts with regional banks in the south-west of the country. In Spain, the bancassurance company Cajamar Vida, a joint bancassurance subsidiary of Generali España and the Cajamar credit institute, draws on the partner bank's network of over 926 bank branches as a sales channel. In France, a number of distribution agreements are in place with major banks endorsed by Generali.

- **Internet site** and **call centres**, are used by some Group companies in all countries except Austria to sell their insurance products. Genertel in Italia and Cosmos in Germany sell their products primarily over the telephone and the Internet. These sales channels are particularly important for Europ Assistance companies, which, due to the very specific nature of the products offered, also use specific sales channels such as travel agencies (6,275 in Italy; 3,700 in Germany; 3,000 in Spain), car dealers, car-hire firms and vehicle body shops (200 in Germany).

Bank sales networks

The Group heads some major banks directly.

Banca Generali is one of the leading providers of integrated financial, banking and insurance products in Italy. It primarily uses the Internet and call centres, though it also operates through 37 branches, 120 financial adviser offices and 28 private banking offices with a total of 1,358 operators, plus 2,729 Simgenia financial advisers, who are also Group company agents.

Deutsche Bausparkasse Badenia, established in 1931, is a private-sector building society. Its products are also sold at branches of major German banks such as Commerzbank, and the DVAG network of financial advisers which, following the reorganisation of Badenia in 2008, integrated 172 financial advisers from the credit institute into its sales network.

BSI, established in 1873 in Lugano as the Banca della Svizzera Italiana, is the leading bank in the Canton Ticino. Over the years, it has specialised in the asset management sector and in services for individual customers and external investors. Currently it has eight branches in Switzerland and a network of branches, representatives and affiliates in major financial centres in Europe, South America and the Far East.

Generali Bank began operations in Austria in December 2002, offering individual customers a wide range of asset management products and services to suit diverse needs via the Internet and contact centres. It has one branch at its headquarters and a call centre with 24 consultants. It distributes products through 397 brokers and through its collaboration with various partners, including DVAG financial advisers.

Sales ethics

The Group's focus on the principles of fairness and honesty, professionalism and transparency towards its clients is echoed in distribution network regulations, which, in addition to ensuring that insurance brokerage legislation is observed, particularly the principle of adequacy, are based on the principles of the Ethical Code. These recommendations are reiterated to individual agents if complaints are received from clients. The importance the Group attributes to these rules of conduct is for example reflected, in the fact that the Parent Company explicitly excludes a company in the event of the violation of incentive campaign regulations for agencies and the sales force on payroll.

Measures to reward efforts of the sales force to achieve customer satisfaction, and thereby loyalty, are increasingly frequent in the network remuneration mechanisms. In Italy, INA ASSITALIA introduced a number of quality parameters aimed at recovering expiring life policies and limiting compensation redemption in its method for the calculation of *rappel* (overriding commission). Genertel also uses an incentive system aimed at promoting portfolio renewal and cross-selling. In Austria, the commissions system is also based on the length of time the policy remains in the portfolio. In Switzerland, contracts for the sales force link the variable remuneration components to certain key indicators aiming at client loyalty, such as cross-selling, reinvestment of sums accrued on life insurance policies and so on, with the aim of motivating sales agents to maintain long-term client relations.



XAVIER RABÈ | France

TÉMOIGNAGE D'UN PRÉSENT EN VOIE DE DISPARITION



EMPLOYEES AND SALES FORCE

Training

Human capital development

Generali Group considers learning and knowledge exchange to be critical in achieving the Group's strategic objectives focused on the creation of stakeholder value: enhanced governance, operational improvement through Group synergies, investment in sustainable growth and innovation with a focus on customer service quality.

More specifically, in the area of Human Capital Development, Generali Group aims to:

- improve its value proposition and brand as a global best employer;
- create a culture of people value that recognizes and values individual and collective knowledge and expertise as a strategic asset for competitiveness and innovation;
- build dynamic and sustainable networks among its employees to ensure ongoing exchange of ideas and knowledge.

Country-specific learning and knowledge exchange initiatives designed to further these objectives and meet short to medium-term business needs are supplemented by Group-wide strategic leadership development and innovation programmes offered by the Generali Group Innovation Academy, the Corporate University of the Group.

Unity through diversity is the principle that characterises the balance of these initiatives in line with the Group's business model. Alignment and international collaboration are guaranteed by two multi-country committees for HR Heads and the Heads of Training and Development respectively, which meet on a regular basis.

The Generali Group Innovation Academy

The Generali Group Innovation Academy, created in 2004, aims to maximise the contribution of education and the knowledge exchange on the successful implementation of Group's strategy and value creation. The Academy's mission is to "support people to learn and to embrace change in order to accelerate growth and value creation in the Generali Group."

Generali Group Innovation Academy manages training for all Generali Group companies in Italy, organises international learning and knowledge exchange initiatives for employees Group-wide and provides support for the activities of similar training centres in nine countries in Europe, Israel and China. The initiatives are organised according to a Training and Development Framework, which is designed to orient and plan investment in learning and knowledge exchange in line with the Group's objectives and strategies.

Strategic alignment

Strategic alignment initiatives pursue a broader vision, a better understanding of global issues, their interrelations and local effects in order to adapt to and anticipate change.

Generali Executive Forum - A series of meetings between Group top executives and senior managers from around the world. Forum participants reflect, debate and share ideas on current issues of strategic importance to the Group's future business development by means of strategic conversation. Managing Directors select the issues to be discussed by the Executive Forum, and a report on each issue is compiled at the end of the year. In 2008, over 100 managers from all over Europe participated in four Executive Forums.

Strategic Management Forum - A series of workshops organised across the Group in four languages - Italian, French, German and English - whose purpose is to involve senior and middle managers in the collective reflection and strategic intelligence on issues identified by the Generali Executive Forum. Their conclusions are incorporated into the report to the Group Managing Directors at the end of the year. In 2008, over 230 managers participated in the Forums.

Ulysses Programme - An intense leadership development programme for a select group of senior managers from around the Group that examines the competitive advantage of Generali Group in current market conditions and in the light of future developments. The programme is structured as a series of learning journeys. In 2008, a group of 25 managers from Europe and China participated in the third edition of the Ulysses Programme while in March 2008, participants of the second Ulysses Programme presented the results of their work to the Managing Directors of the Generali Group.

Leonardo Programme - Learning events for junior managers and professionals from around the Group. The purpose of the Leonardo programme is to build international leadership skills for a global company: individual and organisational capability in creating value through leveraging diversity, harnessing the power of networks and exploiting emerging opportunities that come from a systemic understanding of the global business context. In 2008, the Leonardo Programme was launched with two events, focused on the Knowledge Economy and on the theme of Ambition. Over 40 participants from Europe, Israel and China were involved in the initiative, which was officially inaugurated on the Generali Island in "Second Life".

Marco Polo Programme - A learning and development programme designed for all employees moving to work internationally for more than six months. The purpose of the Marco Polo programme is to maximise the effectiveness of international mobility by preparing employees to make the most of the challenges and opportunities they face when moving from one country and working environment to another. In 2008, a pilot edition of the Marco Polo programme took place with a group of expatriates in order to test its effectiveness with participants from five countries.

Welcome Programme - 2008 saw the continuation of this initiative which aims to ease the integration of newly hired employees in the company, providing them with an overview of the Generali Group - with particular attention to aspects such as historical evolution, mission and values, social commitment and ethical principles, objectives and strategies, the organizational model and corporate governance, as well as initiatives for enhancing the human capital - and a clear assessment of major aspects of business and service.

Major country-specific initiatives in 2008

Support for mergers and acquisitions

Germany - A number of training and facilitation activities were implemented to ease the merger between Volksfürsorge in Hamburg and Generali Versicherung in Munich, one Germany's leading insurers.

Switzerland (BSI) - The acquisition of Banca del Gottardo by BSI was followed by extensive training in support of IT migration and the change in management process. The new IT system was the tip of the iceberg in terms of changing working processes, but provided an effective starting point. Training sessions were based on video tutorials covering all business functions, including practice exercises and case studies. These were made available two months prior to the migration, thus allowing the sessions to be organised on an individual basis. As part of the process, a number of "champions" representing each unit attended classroom training, and Q&A sessions were held on particular subjects. In all, 6,000 training hours were provided.

Czech Republic - All employees of the newly formed Generali PPF Holding participated in a mandatory training programme designed to familiarise them with the core sales processes of the Czech companies. This included shadowing a sales agent for two days to experience and understand the business at the point of sale.

Business awareness

Italy - Generali Corporate Centre launched a cycle of 17 workshops, called "I Venerdì della Finanza", with the objective of ensuring widespread understanding of the constituent elements of an insurance company's balance sheet and of the impact of financial management on operational processes, risk management and value creation. The initiative draws on the expertise of the Corporate functions, making available the knowledge and experience of managers and professionals of Italian Group Companies, with the occasional contribution of external speakers. The workshops will continue in 2009.

France - In Generali France, the implementation of a new working organisation that assigns responsibility on all levels, was backed by the development of a rapid learning method for teams, an original educational approach designed to develop skills through practical experience.

Germany - Senior executives were involved in a Management Campus, which included study tours to foster, among other things, greater understanding of markets and competition, strategic management and growth through Customer Orientation. Future Department Heads were involved in a Performance Campus, which emphasized strategy development and implementation, Value-Based Management, change management and leadership.

Israel - A project was launched to improve communication between service staff and Migdal agents and policyholders. The project aim was to define key service indicators, improve knowledge and motivate staff members to maintain customer satisfaction.

Switzerland - 350 employees (professionals and team leaders, agents and directors) attended a two-day business awareness seminar whose main objective was to align all the "cadres" with the Company strategy for 2008-2010. One of the first synergies created by the acquisition of Banca del Gottardo by BSI was an expansion of BSI's product and value proposition, thanks to the injection of new expertise. This change involved admin staff in a total of almost

3,000 training hours, including classroom lessons and on-the-job training. These activities were held in mixed groups to promote the integration process.

Managerial and leadership skills

Italy - 2008 saw the continuation of the "Essere leader" initiative, a programme designed to introduce the entire managerial population in Italy to the inspirational leadership. "Miglioriamoci", a project that extends the messages of "Essere leader" to employees in non-managerial roles, saw the participation of 1,716 people from around Italy. A special "Miglioriamoci" series was created for part-time employees in order to ensure their inclusion in the project.

France - Generali France has launched a training programme to prepare tutors who are involved in providing support to new hires, people involved in mobility and in cross-functional projects.

Germany - A wide range of soft skills training and managerial and leadership programmes are available. For the top management alone, the Academy offered 15 different cutting-edge courses in 2008. The LEAD programme for Top Managers included a study tour to the U.S. in which participants focused on the role of leaders in change and customer focus as a key element to economic success.

Israel and Switzerland - Training programmes for new team leaders were organised with the objective of strengthening their leadership abilities and improving motivation among employees.

Technical-professional expertise and knowledge

Italy - The Professional Families project was accelerated in 2008. The project involved more than 200 line managers and technical experts with the aim of identifying and sharing implementing practical competency repertoires for the following professional families: Life Insurance, Non-Life Insurance, Banking, Finance, Investments, Human Resources and Organization. These competency repertoires will be used directly by employees and line managers to identify specialist technical training needs across the Group, to organise knowledge exchange through common practice and internal faculty certification.

Israel - New areas were created on the company Intranet in order to strengthen professional standards and to maintain up-to-date technical knowledge thus giving employees greater autonomy.

Some major **sales force** initiatives are outlined below.

Italy - A significant and innovative blended training programme was provided delivered to the sales force of Assicurazioni Generali at the launch of the new "Vivifuturo" product on the Italian market. The programme included scenarios, conducted in collaboration with SDA Bocconi and targeted workshops for the sales force involved in the project as well as an online course for agents. Italian sales force trainers began working with Generali Group Innovation Academy to share their expertise and create a common training base.

France - As part of a professional qualification programme offered to agents and their employees in partnership with the University of Bordeaux, 2 further "branded" programmes were created in 2008, on sales techniques and on enterprise solutions. 1,500 people have been trained in these programmes in the last three years.

Spain - "GENER@", a new e-learning training campus, was launched in Spain and comprises a series of tools and utilities for training employees and brokers. Access to training courses is scheduled in the work plan of each target group, ongoing tutor and expert support is provided and the system allows participants to contact other participants, consult an HR library and record and certify training.

IT training programmes for end users and language courses continued in 2008, in Italy and abroad. Various types of courses were conducted, from classroom training, specialised courses and e-learning to telephone courses.

Training activities for 2008 in figures

Since 2005, Generali Group has adopted some of the American Society of Training and Development's (ASTD) performance indicators used worldwide to evaluate investment in training and development. The Group collected this data (including training for the sales force) for 2008 to be comparable with the ASTD benchmark.

Training activity indicators by country (SR area; 2007-2008)

	AVERAGE ANNUAL EXPENDITURE PER EMPLOYEE*		HOURS OF FORMAL LEARNING RECEIVED PER EMPLOYEE		AVERAGE PERCENTAGE OF PAYROLL INVESTED IN LEARNING		AVERAGE COST PER LEARNING HOUR RECEIVED*	
	2007	2008	2007	2008	2007	2008	2007	2008
ITALY**	348.1	283.8	35.7	34.1	0.9%	0.7%	9.8	8.3
AUSTRIA	1,112.6	1,249.8	41.6	40.6	1.7%	1.9%	26.8	30.8
FRANCE	1,099.1	1,402.9	35.6	35.9	2.5%	2.1%	30.9	39.1
GERMANY	1,325.8	1,271.4	42.4	42.4	2.3%	1.2%	31.3	30.0
ISRAEL	948.2	663.8	39.8	48.5	4.2%	3.2%	23.9	13.7
SPAIN	110.8	241.8	17.2	50.1	0.9%	1.1%	6.4	4.8
SWITZERLAND	934.0	946.4	7.0	6.5	1.6%	1.6%	133.1	146.1

* VALUES IN EUROS

[**] EXCLUDING THE TRAINING OF INA ASSITALIA'S SALES FORCE

- The variable nature of indicator values in different countries is in part due to:
 - different training and consultancy market conditions;
 - different business priorities, leading to variable balances between the need for professional and managerial training and, consequently, to a different relationship between internal trainers and external facilitators.
- In proportion to salaries, Israel and France made the largest investments in training and France had the highest average annual expenditure per employee.
- Italy invested the least in training, partly on account of the high incidence of sales force training, the cost of which is more contained due to the use of internal trainers.
- Spain and Israel provide the highest average number of training hours per employee. In Spain, in particular, the number of hours per employee has almost tripled and the annual average expenditure per employee has more than doubled, in line with new insurance broker regulations that require insurance companies to provide a minimum number of training hours per insurance agent.
- Switzerland makes mid-level investment in training, with an average cost per training hour that is significantly higher than that of other countries and a minimal number of training hours per head, in part to contain spending.

On average, **52.4%** of employees have received training in the Sustainability Report area.

Comparison with ASTD benchmark (SR area; 2007-2008)

	GENERALI GROUP		ASTD BENCHMARK	
	2007	2008	2007	2008
AVERAGE ANNUAL EXPENDITURE PER EMPLOYEE [EUROS]	717.7	707.6	867.5	1,157.4
HOURS OF FORMAL LEARNING RECEIVED PER EMPLOYEE	34.1	37.2	40.7	43.0
AVERAGE PERCENTAGE OF PAYROLL INVESTED IN LEARNING	1.8%	1.4%	2.2%	2.7%
AVERAGE COST PER LEARNING HOUR RECEIVED [EUROS]	21.0	19.1	35.7	33.6

Benchmark comparison indicates lower Group positioning for all indicators. In particular, Group investment in training is equal to around 51.9% of the benchmark, with an average annual cost per employee of 61.1%. The number of training hours per head is equivalent to 86.5%, against a cost per hour that is 56.8% of the benchmark.

Disputes

Labour disputes (SR area; 2007-2008)

	NUMBER OF DISPUTES		VALUE OF DISPUTES*	
	2007	2008	2007	2008
ITALY	195	237	16,266	14,280
AUSTRIA	5	5	n.a.	500
FRANCE	225	249	8,837	8,506
GERMANY	338	220	2,075	1,922
SPAIN	11	6	149	989
SWITZERLAND	6	5	420	441
TOTAL	780	722	27,747	26,638

*VALUES IN THOUSANDS OF EUROS

- The number of labour disputes in 2008 - including dispute action taken by employees and former employees - decreased on the whole (-7.4%). Virtually all disputes (over 97%) were concentrated in France, Italy and Germany.
- The overall value of disputes, considered as an amount equivalent to the claims made by the opposing party, fell by 4%, a virtually all-round reduction. Spain, where the amounts claimed increased significantly, and Switzerland were the sole exceptions.
- In Italy, the number of labour disputes increased by 21.5%, yet their value decreased by 12.2%. The most commonly cited grounds for legal action included de-skilling, claims to superior responsibilities and pay issues generally, disputes on the legitimacy of individual terminations, and appeals against disciplinary measures.
- In France, claims against the Company resulted directly from introduction of a new sales force remuneration system. The new system, approved by the majority of trade unions in 2007, was not accepted by a number of sales agents, for whom, a plan to protect sales force positions was introduced in accordance with the law, offering relocation as an alternative to leaving the company. The dispute was fuelled by agents who did not deem the proposal satisfactory.
- In Germany, labour disputes, which saw a significant decrease (-35% approximately), related in the most part to damages sought by workers following organisational changes within the Group, resulting in termination of employment, despite the Company resorting to tools such as early retirement plans and part-time contracts for staff members approaching retirement age.

Dialogue with members of staff

In all Sustainability Report countries, employee satisfaction surveys and various other forms of dialogue with employees, agents and the sales force are organised.

In 2008, certain Group companies placed special on activities involving members of staff with the aim of **creating a corporate culture and identity**.

- BSI and Banca del Gottardo integration centred around the "Corporate autobiography" project, conducted in collaboration with ISTUD, which included an initial phase on analysis of the cultures and values of the two banks. As part of the transition process, all members of staff, at all levels, were involved in the creation of a new corporate identity.
- 2008 saw the consolidation of the "Ambition" project, which was launched in France in January 2007 with the aim of creating a common objective and shared values around a new, single company culture. In the year, 45 open discussion forums were each held twice to explain, improve and continue the plan of action for each company division. Four forums were held focusing on the Internet, brand, quality and the "Responsible Generation" initiative. A monthly newsletter targeting managers was created and a quarterly publication and Intranet chats were launched for all personnel.
- Employees from all countries in which Generali Investments operates have been involved in the creation of a Charter of Values and work has begun on identifying a series of operating rules to guarantee that these values become a part of daily practice.

- In formulating an Ethical Code which develops the Group Ethical Code as part of the company vision and strategy, Migdal has strengthened its position as company leader and author of market-oriented innovation.

Some of the primary activities involving staff members and the sales force in 2008 are outlined in the two tables below.

Surveys and other forms of dialogue with employees

Target	Frequency/Type of initiative/Topics	Results and provisions
Italy Generali Group Employees	Biennial "Ascoltiamoci 2008" opinion survey Topics: managing change, personal commitment, internal communication, aligning strategy, training and development, performance management, leadership and effective management, relations with managers, group work, mobility, customer orientation, organizational wellbeing.	The survey attracted 85% participation, an increase on the previous edition; positive feedback included: <ul style="list-style-type: none"> • pride in belonging to the Group • awareness that everyone can contribute to creating company strategy • awareness of Group values The main criticisms that emerged included: <ul style="list-style-type: none"> • a lack of clarity in staff assessment criteria and the management of professional growth • a lack of fluidity in cross-departmental operations • the need for more information on corporate strategy, providing a basis for tasks and activities • the need for timely communication flows between Top Managers and employees
	One-off Nursery survey Topics: identify user needs, monthly expenditure, most important factors for a parent.	A project was launched in relation to setting up corporate nurseries or the entering into agreements with existing nurseries.
Italy Employees of the Europ Assistance Group	Once a year Internal questionnaire distributed via e-mail Topics: company strategy, management, training, image, internal information, Group philosophy.	The survey attracted a higher level of participation than in the previous year, revealing a very positive view of the Group, which led to: <ul style="list-style-type: none"> • activation of internal mobility via job postings to offer opportunities for professional growth • undertaking a process to assess the performance of all permanent staff, following requests for assessments and periodic feedback • the creation of a corporate Intranet, to meet the need for the provision of further information at corporate and Group level
France Generali Group Employees	One-off Laboratories for small groups of employees covering 9 different topics, including: the social barometer project 2008, the new Intranet site, the new multi-risk household product, etc.	<ul style="list-style-type: none"> • participate in pre-launch reflections for a product, an instrument, a process etc, through the eyes of a client/user • enable employees to contribute ideas on current projects • create social opportunities for staff members outside normal working hours



Target	Frequency/Type of initiative/Topics	Results and provisions
Germany Generali Group Employees	Every 18 months Satisfaction surveys Topics: involvement, commitment, development opportunities, client orientation, leadership, collaboration, company/brands.	Different perceptions relating to the topics in question emerged from individual companies. Measures to be adopted were identified on the basis of the survey results and brought to the attention of Top Management.
Israel Migdal Employees	Annual Employee satisfaction survey conducted by an external consultancy.	The survey, the first of its kind, highlighted the level of satisfaction among employees and the strong ties to the Company.
Switzerland Generali Group Administrative Employees	Annual Satisfaction survey Topics: leadership, cooperation with superiors, working environment, customer orientation, communication, commitment, company strategies, benefits.	83% of employees took part in the survey and results have been positive on the whole; compared to the 2007 survey, collaboration between managers and employees has improved, with employees feeling more appreciated and more motivated. Identified improvement areas: <ul style="list-style-type: none"> • employee involvement in the decision-making process • professional development • cooperation between business units • communication and discussion of results

Surveys and other forms of dialogue with the sales force

Target	Type of initiative
Italy Generel	<ul style="list-style-type: none"> regular sales and back office coordinator meetings with Human Resources one-to-one meetings between sales consultants and the Insurance Operations Manager
Italy Das agents (Toro Group)	<ul style="list-style-type: none"> annual road show
France Generali	<ul style="list-style-type: none"> six-monthly sales agent-supervisor meetings for the presentation of objectives monthly agent-promoter meetings for the presentation of commercial strategies
Germany Dialog	<ul style="list-style-type: none"> road show meeting agent interviews agent e-mail contact
Germany Central Kranken- versicherung	<ul style="list-style-type: none"> agent satisfaction survey sales supervisors and manager workshops broker meetings broker e-mail contact
Germany Volkfürsorge	<ul style="list-style-type: none"> annual broker satisfaction survey
Spain Banco Vitalicio de España agents	<ul style="list-style-type: none"> quarterly meetings and road shows for the presentation of new products and commercial strategies
Switzerland Generali	<ul style="list-style-type: none"> agent workshops held three times a year to promote an atmosphere encouraging dialogue

The table shows the main types of sales force dialogue implemented in the Sustainability Report area during the year. The Group's constant commitment to communication and to involving the sales force is clear.

The activities listed above show that:

- many, frequent meetings are held between managers, supervisors, agents and the sales force in order to share results, budgets, annual production forecasts and to solve common operating problems. From survey results it has emerged that there is a high level of satisfaction among agents as regards Group companies;
- more satisfaction surveys are being carried out to identify areas for improving management practices and areas for developing human resources influencing business results. The results highlight a general appreciation of the initiatives implemented by Group companies;
- focus on communication and on involving sales networks has been welcomed.

The various countries are developing a variety of events for presenting new products and commercial and marketing initiatives. Management meets with agents on an annual basis to review the previous year's business and set new objectives. Furthermore, annual meetings provide an opportunity for the company's Top Management to reward the best agents/sales agents, thus fostering team spirit and a sense of belonging.



MARYNA KUSHNAROVA | Ukraine

WHY NOT BECOME FRIENDS



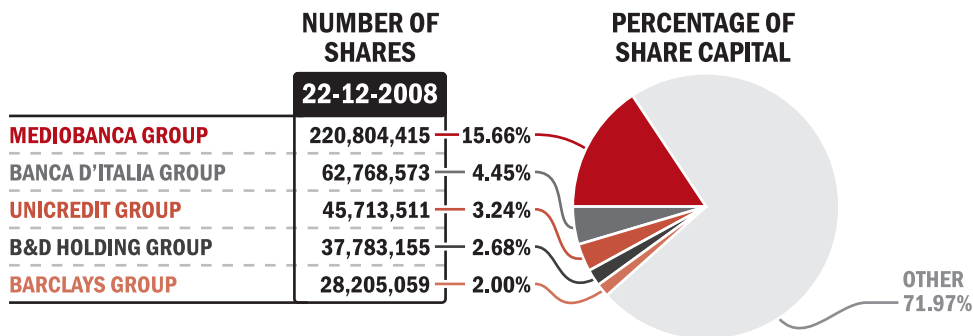
SHAREHOLDERS

The Group's key priority is to maximize shareholder investment, which it does by implementing an industrial policy to guarantee adequate long-term financial returns.

Description

At the end of the 2008 financial year, Assicurazioni Generali S.p.A. had a share capital of 1,410,113,747 euro, divided into an equal number of shares with nominal value of 1 euro; at that date, the company had 226,144 shareholders.

Major shareholders (Assicurazioni Generali)

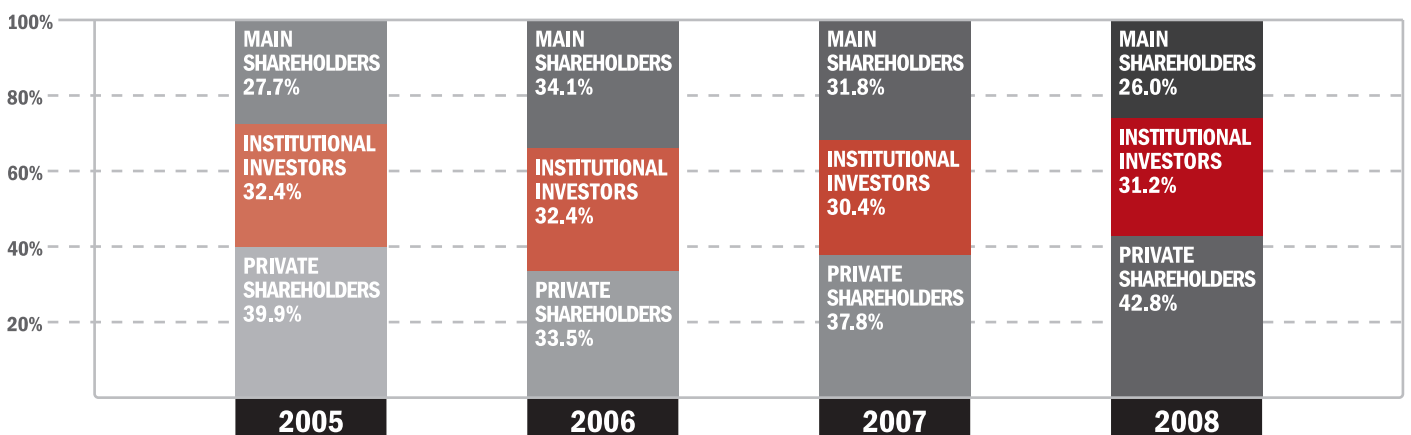


- Major shareholders (those holding shares exceeding 2% of the share capital, whether this be directly and/or indirectly, through third parties, trustees and/or subsidiary companies) hold a combined 28.03% interest in the share capital.
- Compared to 2007, major shareholders no longer include the Premafin and Carlo Tassara groups, while Barclays group is now a major shareholder.

The latest version of the Company's Corporate Governance report and additional, constantly updated information is available on the www.generali.com website.

This chapter considers a four-year period as opposed to a two-year period, to better illustrate the results achieved.

Shareholders by type (Assicurazioni Generali; 2005-2006-2007-2008)



- Against a reduction in the number of major shareholders, an increase in the stake held by private shareholders and, to a lesser extent, the stake of institutional investors was recorded.

Policies for value generation

The Group's key commitment to shareholders is the pursuit of the objectives outlined in the Industrial Plan. The steps it has taken to implement such objectives in 2008 resulted in increased premium income, both in the life and non-life lines of business that was on average higher than market performance. As shown in the below table, the result for the year felt the impact of the global financial crisis on investments. Nevertheless, in a difficult context, the Group's sound financial position as one of the strongest groups in the insurance industry, has allowed the shares to outperform major market indexes.

Economic and financial performance (Consolidation area; 2005-2006-2007-2008)

	2005	2006	2007	2008	AVERAGE CHANGE 2008/05	CHANGE 2008/07
NET PROFIT (IN MILLION EURO)	1,918.6	2,404.8	2,915.6	860.9	-23.4%	-70.5%
SHARE CAPITAL AND RESERVES (IN MILLION EURO)*	13,947.2	15,206.5	14,789.6	11,312.8	-6.7%	-23.5%
PRICE OF GENERALI SHARES (IN EURO)**	26.83	30.25	30.87	19.49	-10.1%	-36.9%
STOCK MARKET CAPITALISATION (IN MILLION EURO)	37,629	42,608	43,511.5	27,483.1	-9.9%	-36.8%

[*] THEY ALSO INCLUDE THE NET PROFIT

[**] ADJUSTMENT TO ACCOUNT FOR THE FREE INCREASES OF CAPITAL

Generali share performance (Assicurazioni Generali; 2005-2006-2007-2008)



Dividend policy (Assicurazioni Generali; 2005-2006-2007)

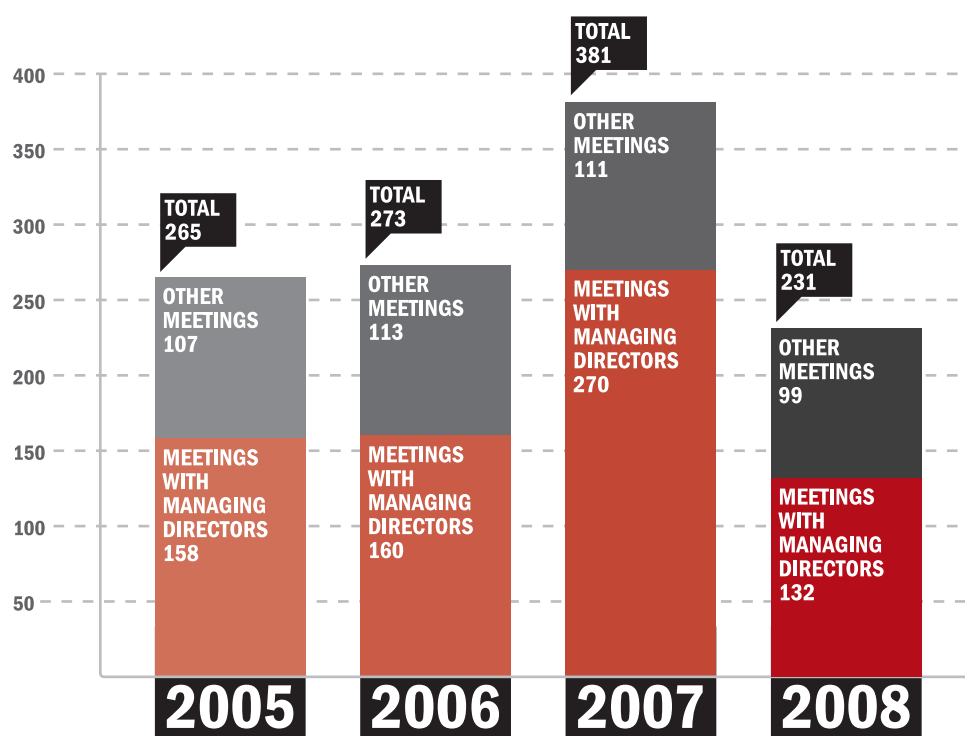
	2005	2006	2007
DIVIDENDS (IN MILLION EURO)	689.0	955.0	1,220.0
DIVIDEND PER SHARE (IN EURO)	0.54	0.75	0.90
DIVIDEND YIELD	1.8%	2.5%	2.9%
PAY OUT RATIO	35.9%	39.9%	41.8%

- The table, reporting dividends in the 2005-2007 three-year period, highlights the upwards trend of share capital returns in the period. The economic crisis, which hit the financial markets in the second quarter 2008, led to a reduction in the Parent Company's net profit to 828.3 million euro (1,401.1 million in 2007). Despite this reduction, the Company was one of the few in the sector to distribute a shareholder dividend, allocated in mixed form, to the order of 0.15 euro per share and the allocation of one free ordinary Assicurazioni Generali share per every 25 shares held, drawn entirely from its treasury shares.

Dialogue with investors

Generali Group regards transparency of information as one of the fundamental aspects of its shareholder and institutional investor relations. To this end, it organizes special presentations on occasion of the publication of its financial statements and in the event of extraordinary events and operations. Contact with the financial community is maintained through a number of channels such as individual interviews with analysts and investors, road shows and attendance of industry-specific conferences organised by the major international stock exchanges.

Meetings with investors (Assicurazioni Generali; 2005-2006-2007-2008)

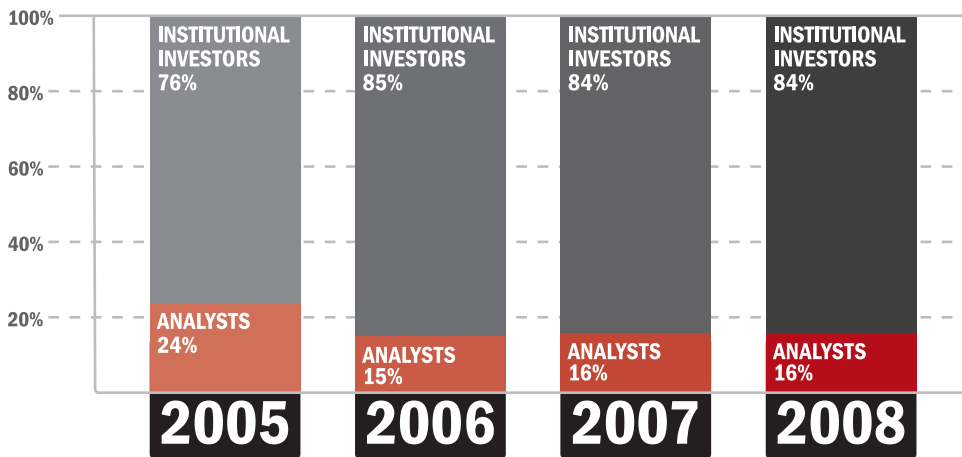


- The growing importance of managing relations with the financial community for listed companies has led the company's Top Management to become increasingly involved. Meetings of the Managing Directors of Assicurazioni Generali S.p.A. have risen from a few dozen in the late Nineties to 132 in 2008.
- The marked reduction in meetings with the financial community in 2008 was primarily due to the crisis affecting the financial markets, which shifted the attention of analysts and investors to more macroeconomic aspects, reducing the number of meetings with Managing Directors.

- Over the past year, the two Managing Directors have been involved in important institutional meetings, including the presentation of the 2007 annual results in London and the presentation of the Economic Balance Sheet to the financial community.

Shareholders are also given the opportunity of communicating directly with the Company through the “Investor Relations” section of the Group website, through which the Shares Office, which deals with private shareholder relations, and the Investor Relations office, which deals with institutional investor relations, can also be contacted. Shareholders can find all the information they may require on the Shareholders’ Meeting, on Corporate Governance, and more generally on the Company’s economic-financial trend with related financial statements and interim reports, on this section of the website.

Meetings by type of participant (Assicurazioni Generali; 2005-2006-2007-2008)



- The distribution of meetings by type of participant has remained unchanged over the past three years.
- With regard to meetings with institutional investors, we have highlighted certain contacts with ethical funds, which have begun to value Generali Group commitment to socially responsible, environmentally friendly growth.



FREDERIC BRUNEAX

France

RESPECTER LE CYCLE DE L'EAU



A decorative graphic consisting of seven vertical lines of varying heights and styles. From left to right: a dotted line, a solid line, a solid line, a solid line, a solid line, a solid line, and a dotted line. The text 'CHAPTER 4' is positioned below the first four lines.

CHAPTER 4

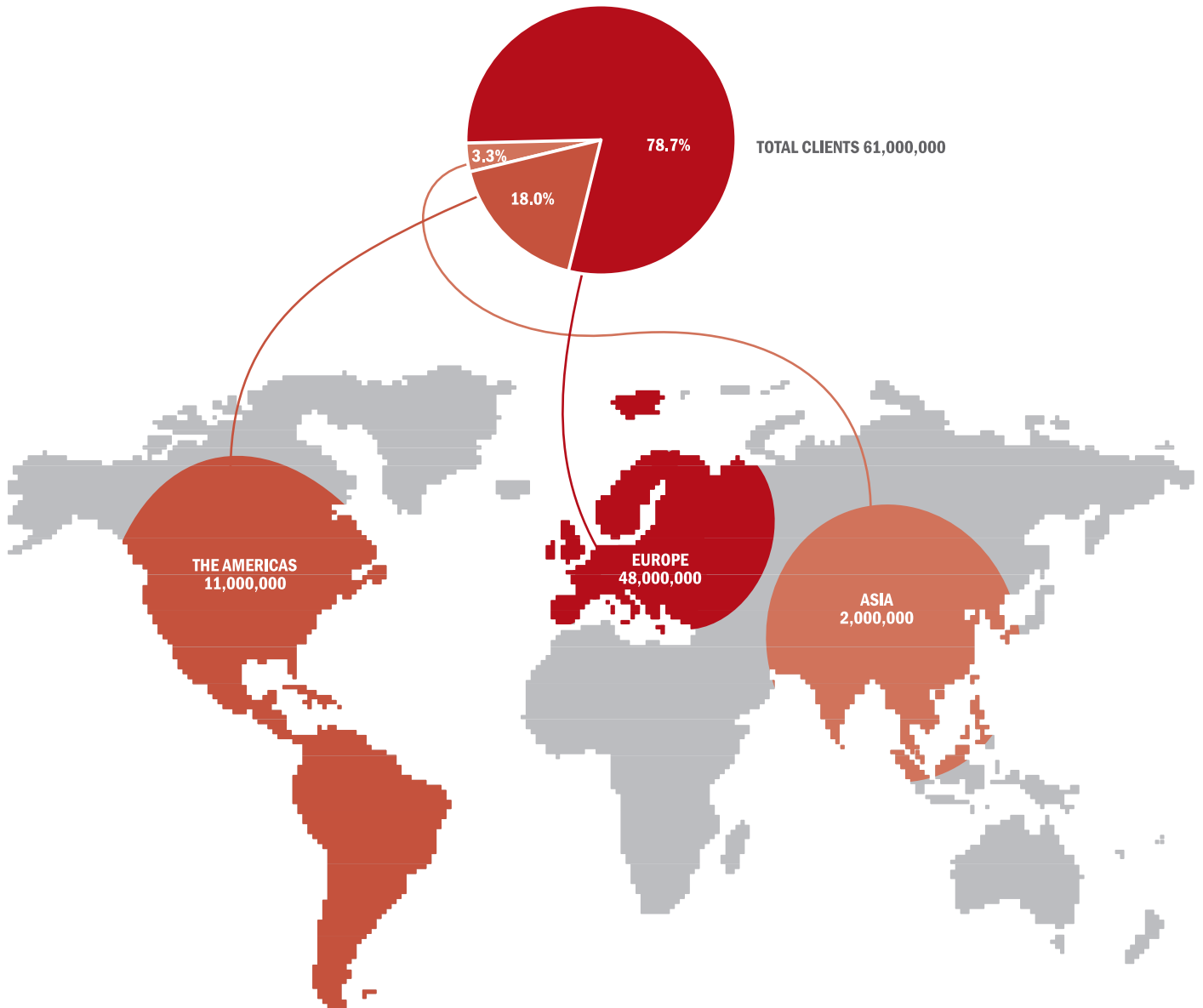
COMPETITIVE STAKEHOLDERS

CLIENTS

Maximising **customer satisfaction** is one of the Group's key objectives, which it pursues through increasingly high standards of service and by building relationships based on fairness, honesty, professionalism and transparency.

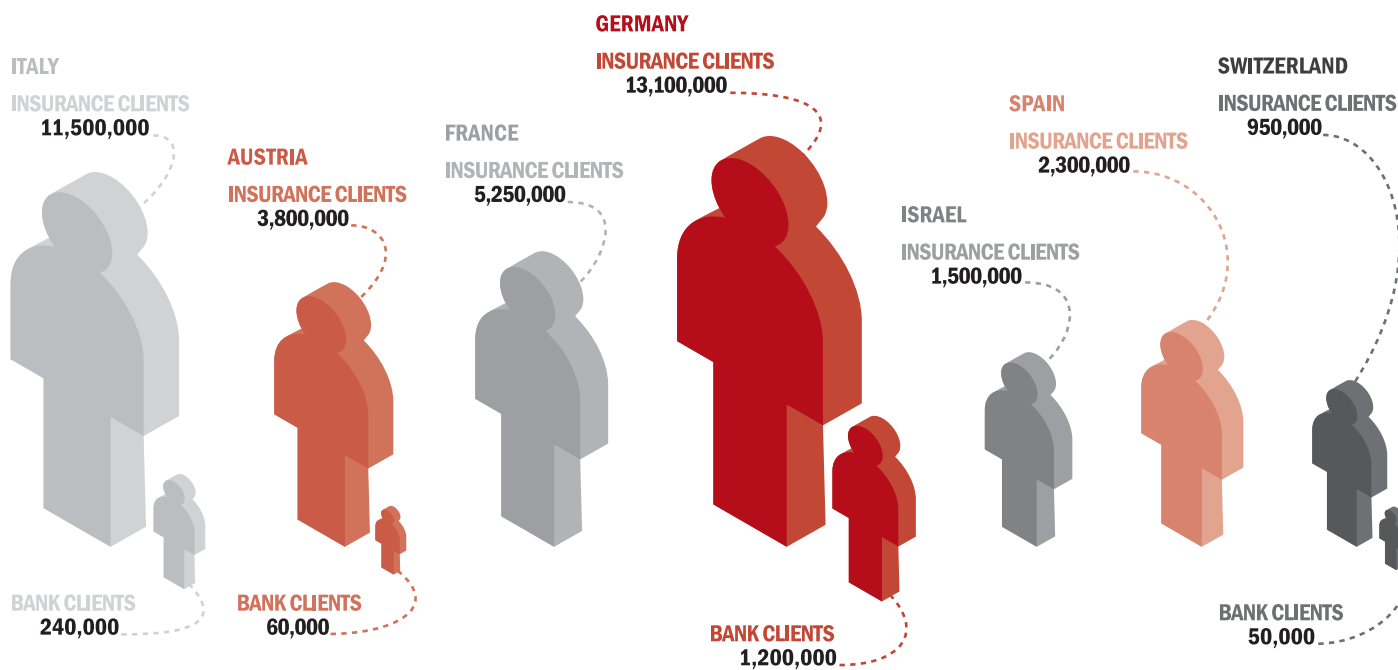
Description

Group insurance clients (Generali Group; 2008)



- Group insurance clients in 2008 are estimated to be around 61 million, the vast majority of which are based in Europe. The last year has seen an increase in clients: in Europe, the change can be primarily attributed to sealing of the joint venture agreement with PPF Group.
- The Group continues to refine its IT procedures with the aim of constantly monitoring development to avoid duplications where policyholders holding numerous policies in different insurance lines are counted twice.

Clients (SR area; 2008)



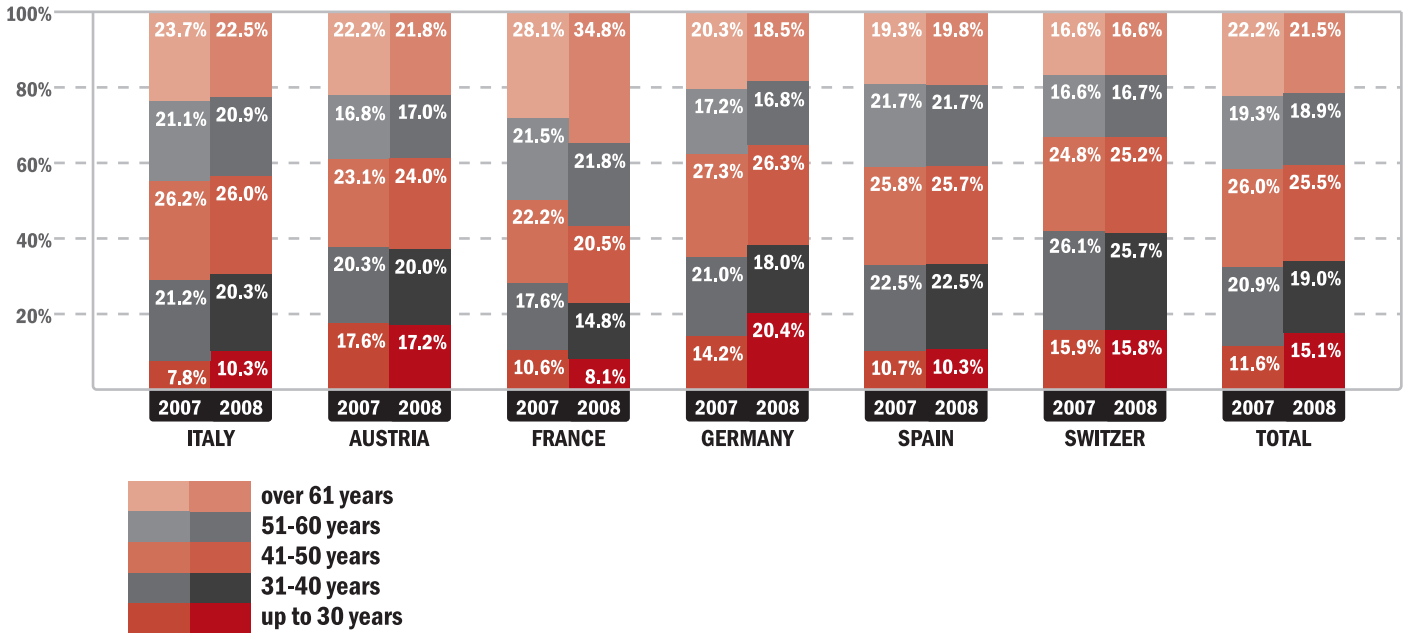
- The overall number of clients in the Sustainability Report area is estimated to be almost 40 million: 38.4 million insurance clients and 1.5 million banking clients.
- As a result of the strategic move to focus its insurance business on individuals and small to medium enterprises, only 3% of Generali Group clients are medium to large enterprises.
- Within the Sustainability Report area, the country which saw the greatest increase in insurance clients in 2008 was Italy (+4.6%), while Germany saw the greatest reduction (-3.4%). In Austria, the increase in 2008 was due to the inclusion of BAWAG P.S.K. Versicherung AG clients, not included in the previous year.

Number of clients by line of business (SR area; 2007-2008)

	LIFE		HEALTH		MOTOR		OTHER NON-LIFE LINES	
	2007	2008	2007	2008	2007	2008	2007	2008
ITALY	4,498,911	4,669,448	291,869	279,329	4,663,882	4,824,031	3,398,542	3,745,513
AUSTRIA	539,798	719,304	406,169	408,820	962,826	958,791	2,470,568	2,529,063
FRANCE	1,547,289	1,603,864	478,361	468,186	1,542,024	1,547,934	2,465,945	2,382,886
GERMANY	7,410,164	7,406,595	1,753,012	2,087,735	1,862,182	2,024,841	5,963,277	6,650,025
SPAIN	563,351	587,092	61,238	61,577	802,083	807,804	1,133,473	1,143,162
SWITZERLAND	402,348	418,041	70,579	70,528	289,736	292,068	417,102	427,570
TOTAL	14,961,861	15,404,344	3,061,228	3,376,175	10,122,733	10,455,469	15,848,907	16,878,219

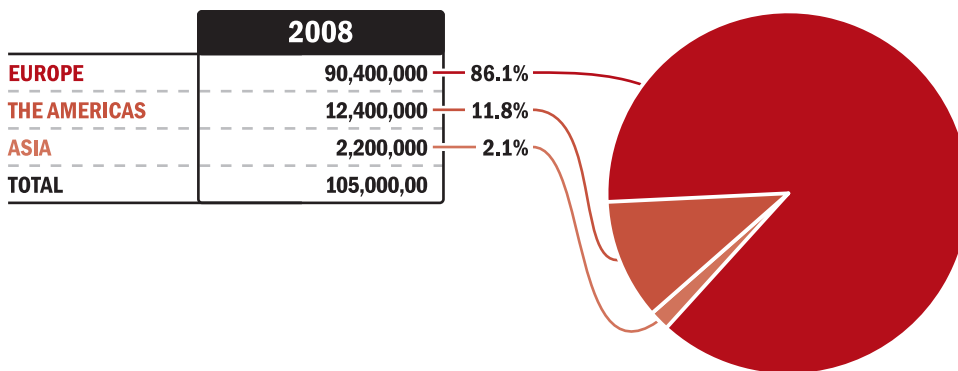
- The table does not include Europ Assistance Deutschland and Europ Assistance España clients, for which a breakdown by line of business is not available.
- The overall number of clients by line of business is greater than the overall number of clients, as an individual client may have taken out more than one policy with Group companies, to cover different risks.
- Overall, there has been an increase of 3% in the number of life clients, with positive trends in almost all countries, with the exception of Germany where there has been a slight decrease.
- The Group's client base has continued to expand, even in the various non-life fields: the motor line of business saw 3.3% growth, other non-life lines saw 6.5% growth while the health segment saw 10.3% growth.

Percentage of clients by age bracket (SR area; 2007-2008)



- The Group’s client base is distributed over the various age brackets, the main concentration being in the middle brackets, particularly in the 41 to 50 age bracket (25.5%). At this age people generally have a certain amount of savings and assets at their disposal, leading to a greater need for security and consequently, insurance cover.
- In almost all countries, the lowest age bracket, consisting of clients under the age of 30, has the smallest number of policyholders (15.1% on average). Germany is the exception, where in 2008, clients in this age bracket increased by over 6 percentage points.
- Switzerland has the youngest clients, over 40% of whom are under the age of 40, while in France more than 55% of clients are over 50, with a clear predominance of clients over the age of 60.

Group policies (Generali Group; 2008)



- As at December 31, 2008, the Group’s portfolio consisted of 105 million policies overall, 86.1% of which were in Europe.

Policies by line of business (SR area; 2007-2008)

	LIFE		HEALTH		MOTOR		OTHER NON-LIFE LINES		TOTAL	
	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008
ITALY	10,085,437	9,962,791	334,105	337,503	6,771,772	6,804,478	5,164,725	5,079,580	22,356,039	22,184,352
AUSTRIA	772,463	1,121,742	717,442	733,171	2,410,589	2,389,851	3,372,767	3,419,309	7,273,261	7,664,073
FRANCE	2,133,708	2,254,947	686,015	739,006	1,831,874	1,881,479	2,718,909	2,668,970	7,370,506	7,544,402
GERMANY	12,505,948	12,504,243	1,258,976	1,351,700	4,900,779	4,681,217	12,475,902	12,803,419	31,141,605	31,340,579
SPAIN	621,768	622,823	74,081	80,411	1,178,859	1,188,815	1,490,638	1,527,685	3,365,346	3,419,734
SWITZERLAND	462,763	480,866	73,153	73,190	337,093	339,775	437,032	467,527	1,310,041	1,361,358
TOTAL	26,582,087	26,947,412	3,143,772	3,314,981	17,430,966	17,285,615	25,659,973	25,966,490	72,816,798	73,514,498
INCIDENCE%	36.6%	36.7%	4.3%	4.5%	23.9%	23.5%	35.2%	35.3%	100.0%	100.0%

- Overall, the number of policies increased by 1%, with growth in all lines of business except the motor line, which saw a slight decrease due to the drop recorded in Austria and Germany. The number of policies is increasing in all countries except in Italy, where the slight decrease (-0.8%) is attributable to performance in the life and non-life sectors. Portfolio growth was particularly high in Austria (+5.4%), where the increase primarily affected the life sector, due to BAWAG joining the Group.
- Comparison of the number of policies against the number of clients shows that, on average, clients have more than one policy with Group companies. This pattern is particularly evident in the life and motor lines of business, where on average each client holds 1.7 policies.
- The breakdown of the insured portfolio in each country - calculated as the ratio between the number of policies held in the individual lines of business of each country and the total number of policies for the same country - reveals significant differences. There is a general predominance of non-life contracts (taken as the amount of motor, health and other non-life policies), however Italy and Germany have a significant number of life policies (40-45%). Conversely, in Austria and Spain, motor and other non-life policies make up more than 75% of the insurance portfolio.

As a result of expansion strategies targeting the individual risk sector in particular, group policies account for just 5.5% of total policies in Sustainability Report area countries.

Product and service policies

Insurance business

The Group aims to be a global operator, and offers a comprehensive and flexible product range, providing not only insurance cover, but also of retirement and asset management services for all client segments.

By their very nature, insurance products have a certain social value in that they provide a solution to meet client needs; in this context, insurance products linked to the socio-demographic development of the population and to the gradual reduction of public services to the public, are of particular relevance. In addition, a service approach is in the process of being implemented with regard to personal cover in particular, to provide services designed to provide help at times of difficulty as part and parcel of the insurance indemnity cover.

This document provides basic information on products of particular social value. For information on products promoting of eco-compatible behaviour among policyholders, please refer to the "Product ecology" paragraph in the "Environment" chapter.

Life products - In developing individual and group life products, great importance is attached to pension products, designed in every market to allow policyholders to benefit from local tax incentives; in this way they can be integrated to the maximum possible extent with state pensions, which have seen significant cuts almost everywhere.

Many Group companies offer the so-called Dread Disease insurance, usually combined with a life policy in case of death, but also offered under separate cover. The policy guarantees the payment of a lump amount or life annuity upon the occurrence of one of the serious illnesses covered by the policy, to meet the cost of care and reduced income resulting from an inability to work.

Long Term Care policies, on the other hand, involve payment of a lump amount or life annuity to cover the cost of assistance should there be a loss of self-sufficiency and inability to perform daily activities (eating, washing, dressing and undressing, moving around, personal hygiene), which may also simply be due to old age.

In Italy and Austria, companies also place great focus on **children** and **teenagers**, offering savings plans which accompany them throughout their education. INA ASSITALIA and Toro Assicurazioni provide two such policies, both of which - as an incentive to promote continued studies - guarantee an insured capital bonus if account holders pass their high school diplomas with excellent marks or are awarded a university degree with honours. Assicurazioni Generali offers an accident guarantee and medical assistance combined with an accumulation plan which provides special indemnity in the event of the loss of a school year and of home medical visits.

Non-life products - Non-life products are evolving and becoming increasingly structured and flexible, with single contracts now able to provide cover for all specific client protection needs. These are the so-called multi-risk policies, for which, as previously mentioned, a service approach is in the process of being implemented to provide services designed to provide help in times of difficulty as part and parcel of the insurance indemnity cover.

In France, an innovative household policy has been launched, which includes multiple provisions for fire and theft. On taking out this type of policy, policyholders receive two free smoke detectors from Generali. In addition, the basic product can be extended to cover babysitters, workers and domestic help with a series of provisions for children and young people. This extension provides accident cover for children on their journey to and from school, during school and sporting activities, on holiday and during work experience. The policy provides for individual home schooling for children who are absent from school due to ill health or accidents.

To meet diverse client needs, INA ASSITALIA has developed a special roadside assistance guarantee for drivers of adapted vehicles and also provides physical disability cover. In Austria and Switzerland, discounted policy premiums are available to clients in disadvantaged categories, such as those with disabilities.

Within the **health and accident** sector, the Group offers many products which provide, for example, payment of a life annuity following serious invalidity, or cover for organ transplant, cancer treatment, highly-specialised diagnostic/therapeutic services, expenses incurred in relation to hospital admission (diagnosis, specialist visits, etc.), and basic and/or post-hospitalisation home care. Some products and services provide financial support alongside home medical care, including telemedicine services, complementary therapies and national health services as well as offering the policyholder the opportunity of receiving the best possible treatment on a global level and of obtaining different medical opinions.

In Austria, Generali provides particular assistance to policyholders who have suffered serious and disabling accidents, including the provision of a specialist to help the policyholder return to work and even mediation to find a more appropriate position, where necessary.

The increase in life expectancy has prompted the development of product lines based on personal protection for the **over 50-55s**. The Group is especially active in this client segment, in which many people have specific needs, offering life cover and/or health and accident cover with specific features. In 2008, Assicurazioni Generali in Italy introduced "Vivifuturo", an innovative, integrated savings and health cover solution for people between the ages of 50 and 70, which provides assistance to clients in resolving the most important and urgent health-related problems such as: medical consultancy, guarantee of rapid access to the best specialist facilities and home assistance.

Risk prevention

A special mention is reserved for the products and various initiatives that many Group companies have prepared with the aim of providing information and increasing client and public awareness of the importance of risk prevention, with special focus on health and motoring risks in particular.

Prevention in the health field - Numerous Group policies promote the benefits of a healthy lifestyle in preventing illness. In fact, virtually all Group companies offer life policies with lower premium for non-smokers and higher premiums for smokers.

With the same aim, Assicurazioni Generali in **Italy** offers a health and accident policy developed in collaboration with the Italian cancer society, the Lega Italiana per la Lotta contro i Tumori (L.I.L.T.). INA ASSITALIA in Italy also entered collaboration with O.N.D.A. (National Observatory on Women's Health) for the purposes of supporting and developing a programme for the prevention and early diagnosis of women's diseases. As part of this programme, the company updated its "Salute sicura" policy, adding a prevention programme which includes a series of check-ups (the first of which is free) throughout the term of the policy. Similarly, Assicurazioni Generali has added a health provision which includes a prevention plan with comprehensive, two-yearly check-ups to its "Da donna" policy.

In **France**, Generali has launched a special disease prevention website www.agirpourmasante.com to provide information on ways of stopping smoking and controlling stress. An information guide for the prevention of domestic

accidents has also been created, which also includes advice on eco-compatible household behaviour. Europ Assistance has launched a special Extranet for people who reside abroad, offered as an option in the Pass Expatriation and Pass Mission travel policies and which provides information on international risks (health, social, political). In **Switzerland**, agencies distribute brochures created by the Swiss Council for Risk Prevention.

Prevention in the road traffic field - In recent years, Generali Group has launched various initiatives relating to road safety and motor products which aim to promote careful and responsible driving in a bid to reduce accidents. In **Italy**, Assicurazioni Generali offers discounted rates to people attending safe driving courses, while Genertel requires compliance with the safe driving measures stipulated in the policy terms and conditions.

In **Austria**, clients purchasing a special roadside assistance package are offered a complementary safe driving course.

In **France**, Europ Assistance has added safety advice within the preliminary contract information documents (particularly in travel service policies) and on the www.europ-assistance.fr website.

In **Germany**, Central-Krankenversicherung has set up the Central-Med service to provide information and advice on healthy lifestyles (healthy eating, regular physical exercise, vaccinations, etc.). Generali Versicherung created an information brochure with the same aim.

In particular, specific initiatives have been launched that target young people, who are among those most exposed to motoring risks because of their lack of driving experience and their, often inaccurate, perception of risk.

In **Italy**, to act on the behaviour of young people at the wheel, the ANIA (Associazione Nazionale Imprese Assicuratrici), the Traffic Police and Consumer Associations have signed up to the "Patto per i giovani" (Youth agreement) initiative, to which Group companies have adhered, providing discounted tariffs for young people in specified age brackets who agree to respect the moral conduct stipulated in the policy, such as not driving while drunk or under the effect of drugs, not using mobile phones while at the wheel, wearing seatbelts and to fasten their crash-helmet (when on a bike), etc..

In **France**, a similar initiative called Easy Drive, has been launched. The initiative targets young clients and, with the aim of reducing accidents (particularly those occurring at night), provides a reduced policy premium with a monthly restriction on the distance covered and applies a surcharge for the use of vehicles at night. Responsible driving booklets have also been prepared for clients and reflective jackets and triangular warning signs have been distributed.

In **Switzerland**, young people with motor policies are eligible for subsidised mandatory driving lessons.

Banking

Banks included in the Sustainability Report area operate in very different ways and this diversity is reflected in the products and services they offer. Commercial strategies however are continually adapting to changing market orientation, with growing segmentation enabling banks to provide the best solutions for the various client categories. In order to ensure clients receive high standards of advice in line with market development, significant focus is placed on training sales staff (asset management experts).

The main client segments and the services offered in countries in the Sustainability Report area where the Group has banking operations are described below.

Country/Company	Main client segments	Services provided
Italy Banca Generali	Focuses on the integrated management of medium and long-term client investments, where the ability to provide financial advice is the key factor in achieving success. Target clients are: private, affluent and Generali Group clients.	All banking and investment transactions can be carried out via telephone or internet banking: from simple balance requests, to bank transfers or managing shares and bonds. Financial advisers and private bankers are considered the most appropriate tool for the provision of advice on an ongoing basis.
Austria Generali Bank	Aimed at private customers and businesses, this bank stands out due to its wide range of savings, share management, and credit products. The bank is able to meet various client requirements through a dynamic, flexible organisation model.	The client base can access services via the Internet or via the call centres, which ensure timely, up-to-date communication. Moreover, the client base can count on financial advice from a network of partners, including Deutsche Vermögensberatung (DVAG).



Country/Company	Main client segments	Services provided
Germany Deutsche Bausparkasse Badenia	There are three different segments divided by age-group and requirements: <ul style="list-style-type: none"> • customers who want to purchase or build their own home; • homeowners who are coming to the end of their mortgage payments; • homeowners who want to maintain or increase the value of their homes. This latter group is growing significantly due to the increasing importance being placed on renewable energy sources and new energy certification requirements for buildings, as introduced by legislation.	Operates throughout the country and in collaboration with major distribution partners including Deutsche Vermögensberatung (DVAG) and Commerzbank.
Switzerland BSI	Specialising in wealth asset management through sophisticated tools, the bank has developed a range of products which, following the trend of market demand, aims at financial products with absolute returns - products which in the medium/long-term will generate a fixed return rather than return expressed in relation to the benchmark - that draw increasingly on structured products.	The company works in direct contact with the client; customised solutions are created according to the assets to be managed.

Among the products offered by Banca Generali, two have a significant social content: “Friendly” and “Advantage” current accounts dedicated to members of the Italian Multiple Sclerosis Association (AISM), which was involved in their definition. The products combine favourable financial terms and particularly simple management methods; they are highly accessible, safe and tailored to client’s needs.

Initiatives for accessing insurance and banking services

One of the Group’s main objectives is to continually provide accurate, transparent communication capable of reaching all recipients. In order to meet this objective a series of initiatives have been established in all countries to disseminate financial and insurance information and ensure that such information is understandable and user-friendly.

The majority of web pages on the Internet have been designed in accordance with W3C (World Wide Web Consortium) accessibility guideline. Particular attention was placed in removing the main technological obstacles in order to facilitate use for people with visual difficulties. Consequently, proportional measurements are used to define the size of characters, allowing users to resize text with their own browser, and colour relationships between text and background are verified to ensure optimum readability.

All websites have: a glossary, contractual conditions with explanatory notes and a FAQ section to quickly answer the most common subject-related questions.

In **Switzerland** BSI is a member of the ASB association, which has a dedicated banking and financial training website aimed at young people: www.juniorbank.ch.

Recent years have seen marked changes in the client base, which is becoming more and more diverse in terms of provenance and culture. This has prompted some Group companies to translate their company literature into the languages which are most prevalent in their area. In **Spain** in particular, brochures are also available in Romanian and Arabic.

Management of non-life claims

In the non-life insurance sector, client service quality is mainly measured at the claim settlement stage. In all countries except France the Group is equipped with common facilities to optimise claim management procedures and to facilitate settlement. For example, in Italy Generali Business Solutions and in Germany AMB Generali Schadenmanagement manage and settle claims. It is up to the extensive network of call centres to collect notifications of claims and provide information and assistance on claims relating to both clients and injured third parties over the telephone. As an idea of the dimensions of this activity, in 2008, almost 3 million claims were made via call centres in countries in the Sustainability Report area, 1.7 million of which occurred in Spain, where Banco Vitalicio’s claim service is operational 24 hours a day, 365 days a year.

Non-life claims (SR area; 2007-2008)

	CLAIMS REPORTED		CLAIMS SETTLED		SUMS PAID*	
	2007	2008	2007	2008	2007	2008
ITALY	1,978,875	2,068,083	1,682,583	1,823,749	4,221,453	4,593,034
AUSTRIA	825,552	825,987	867,584	870,878	871,391	901,437
FRANCE	1,272,435	1,320,524	1,130,556	1,070,764	1,514,897	1,503,387
GERMANY	3,426,268	3,400,843	2,861,932	2,786,708	2,428,660	2,505,522
ISRAEL	n.a.	n.a.	n.a.	n.a.	223,407	209,910
SPAIN	1,588,639	1,783,651	1,571,184	1,717,382	857,072	942,844
SWITZERLAND	185,816	199,900	183,568	194,254	251,532	286,966
TOTAL	9,277,585	9,598,988	8,297,407	8,463,735	10,368,413	10,943,099

*VALUES IN THOUSANDS OF EUROS

- In 2008, in excess of 9.5 million claims (+3.5% compared with 2007) were made. Distribution in the various countries is essentially consistent with the breakdown of insured risks. The highest share was reported in Germany, where the largest number of non-life policies are held.
- In 2008, nearly 8.4 million claims were settled by payment, with total payouts amounting to more than 11 billion euro. Only some of the payouts related to claims made in the current year, while the remainder related to claims made in previous years.

Speed of settling motor claims (SR area; 2007-2008)

	2007	2008
ITALY	62.8%	64.4%
AUSTRIA	51.5%	52.4%
FRANCE	44.9%	47.3%
GERMANY	64.6%	65.2%
ISRAEL	50.5%	58.3%
SPAIN	64.3%	62.9%
SWITZERLAND	65.8%	55.6%

- One of the main factors affecting client/injured party satisfaction at the time of settlement of the claim is the time taken for compensation to be paid. The table shows the percentage of claims made and not cancelled in the year, that were settled in the same year. The percentage posted in the current year is an indicator of the length of time taken to handle claims through to settlement of the claim with the relative payout to the policyholder/injured party.
- The time taken to settle claims increased in most countries, especially in Israel which saw an of 8 percentage points, while there was a decrease in Switzerland and Spain.
- The country which settled claims more quickly than the rest was Germany, followed by Italy and, despite the slowdown mentioned, Spain.
- In particular, Italy benefited from the compulsory Direct Reimbursement system brought into force (on February 1, 2007), which increased the number of claims handled directly for customers subject to damages by third parties. This procedure made the settlement of claims simpler and quicker by capitalising on the existence of a direct insurance relationship.
- It is worth noting that accurate assessment of the efficiency of a company's settlement procedures in a given country would require information, that is currently not available, on the characteristics of insured risks for the various lines of business in the various countries, and the resulting types of losses, which can entail lengthy technical assessment procedures to quantify the damage incurred.

In **Italy**, Generali Group, which offers its clients innovative services, launched a list of trusted garages (Carozzeria SiCura) in 2008, in order to simplify claims handling and assistance. This list includes a network of 800 garages throughout the country, which undergo regular quality checks by the Italian regulatory body for motor repairs. This is the only research centre in Italy committed to testing vehicle vulnerability and reparability which, through greater care in the vehicle repair phase, is able to provide customers with excellent levels of service and contain the cost of claims.

Services for policyholders in the life line of business

The life insurance sector in Group companies has reached significant proportions, in terms of amounts paid to policyholders (or their beneficiaries) on policy maturity or following claim (death, permanent disability and so forth).

Claims and expiring policies (SR area; 2007-2008)

	NUMBER OF CLAIMS		SUMS PAID FOR CLAIMS*		NUMBER OF EXPIRING POLICIES		SUMS PAID FOR EXPIRING POLICIES*	
	2007	2008	2007	2008	2007	2008	2007	2008
ITALY	18,300	19,499	570,122	610,678	296,114	314,664	4,985,817	5,652,418
AUSTRIA	2,032	41,657	29,629	41,677	26,392	45,660	502,423	556,262
FRANCE	12,911	n.a.	1,223,886	1,465,562	33,843	n.a.	783,786	592,030
GERMANY	73,834	79,481	505,024	578,367	335,119	326,507	3,397,216	3,549,855
ISRAEL	n.a.	n.a.	145,122	163,419	n.a.	n.a.	90,491	103,114
SPAIN	4,492	4,592	79,495	91,219	17,146	31,242	753,670	1,028,807
SWITZERLAND	2,937	2,996	53,918	58,967	7,336	7,446	200,673	217,792
TOTAL	114,506	148,225	2,607,196	3,009,889	715,950	725,519	10,714,076	11,700,277

*VALUES IN THOUSANDS OF EUROS

- In 2008 a total of 873,744 life policies were settled, with an increase of 5.2%, due to an increase both in the number of claims and matured policies.
- In the life insurance sector, payments to policyholders/beneficiaries amounted to 14.7 billion euro; the majority of payments - in the form of a lump-sum or annuity - related to matured savings policies which accounted for 11.7 billion euro. Payouts for claims related to death or permanent disability due to illness, totalled 3 billion euro. The considerable increase in Austria in 2008, both in terms of the number of claims and matured policies and in terms of the amount paid out, is due to the inclusion of BAWAG data, which was not included in the previous year.

Complaints and disputes

Insurance business

Each Group company handles complaints in accordance with current legislation in the country of operation and through their own internal procedures.

Country	National provisions and/or supervisory authority	Group policy (complaint handling)
Italy	Complaint handling is regulated by ISVAP (insurance regulatory body) and Regulation 24 of 2008, which Companies had to comply with by 1st January 2009. This obliges insurance companies to keep an electronic log of complaints it receives and of the relative internal complaints handling data. Insurance companies are also required to periodically involve corporate bodies in the complaints resolution process.	The Internal Audit Department is responsible for managing the electronic log and relations with the Supervisory Authorities, and compiles a quarterly report for Top Management. Each company has appointed an organisational unit which manages the filing, analysis and handling of complaints.
Austria	No specific legal requirements are in place.	Since 2001, complaints received by the Group companies have been reported to the Holding and registered in its computer filing system. An annual report is submitted to the Top Management including the number and reason for the complaints.



Country	National provisions and/or supervisory authority	Group policy (complaint handling)
France	Legislation requires that companies have a complaints handling procedure in place but it does not set out any obligations for reporting activities or the compulsory creation/maintenance of specific logs.	In 2008 a complaints department was set up with the aim of establishing standard procedures and to assess the quality of service levels. Five teams report to this department, each in relation to their own area of responsibility, and deal with the processing and assessment of complaints forwarded to the company.
Germany	The handling of complaints is regulated by circular 1/2006, issued by the supervisory body which stipulates that, where the company should not respond to the customer's complaint the supervisory body shall intervene.	Each individual company handles its own complaints and prepares a periodic report for Top Management, containing details of the number of complaints received and their outcome.
Israel	No specific legal requirements are in place.	All complaints are handled by a dedicated department which collaborates with the various areas involved, where necessary.
Spain	Spanish legislation (RD 303/2004 and Orden ECO 734/2004) obliges companies to create a log of complaints received and to set up a dedicated department to handle complaints.	A customer service department logs, analyses and handles complaints. Companies prepare periodic internal reports to keep Top Management informed and to implement corrective measures in a timely fashion.
Switzerland	No specific legal requirements are in place.	Group companies voluntarily follow guidelines issued by the Ombudsman for private insurance, which was established thirty years ago by the Associazione Svizzera delle Compagnie di Assicurazione (Swiss Association of Insurance Companies). Each company prepares an annual report which is sent to the relevant Group complaints manager.

Insurance complaints (SR area; 2007-2008)

	RECEIVED		ACCEPTED		REJECTED		OUTSTANDING		ACCEPTED/RECEIVED	
	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008
ITALY	18,207	22,746	7,626	10,907	9,024	10,423	1,557	1,416	41.9%	48.0%
AUSTRIA	605	564	432	470	170	89	3	5	71.4%	83.3%
FRANCE	3,870	4,120	2,448	1,814	1,386	1,896	36	410	63.3%	44.0%
GERMANY	39,960	48,572	20,138	26,243	19,549	21,811	273	518	50.4%	54.0%
SPAIN	2,731	2,072	683	812	1,968	1,211	80	49	25.0%	39.2%
SWITZERLAND	51	42	36	27	15	12	0	3	70.6%	64.3%
TOTAL	65,424	78,116	31,363	40,273	32,112	35,442	1,949	2,401	47.9%	51.6%

- In 2008, the insurance companies included in this report received, in various formats (post, fax, e-mail, or via agencies), a higher number of complaints compared to the previous year, however still a fairly contained amount, with an average of 10.6 complaints per 10,000 policies underwritten.
- The figure falls to **5.5 complaints per 10,000** policies if only upheld complaints are considered, in other words those which were acknowledged as being founded. In spite of an increase of 28.4%, on average, accepted complaints account for just over half of all complaints received. The number of upheld complaints in relation to the amount of complaints received is greater in those countries (Austria and Switzerland) where a much lower number of complaints have been received.
- Upheld complaints are very concentrated: about 65% relate to Germany with a figure of 8.4 complaints per 10,000 policies.
- In the majority of cases (91%) the complaint is made by the policyholder, whereas it is made by the injured party/beneficiary in only about 8.6% of cases.

- The increase in the number of complaints in Italy is connected to organisational delays relating to the introduction of the Direct Settlement system.
- Only partial information on the average number of days required for the processing of upheld complaints is available. The average processing time in countries for which data is available varies between 3.7 days in Germany and 43 days in Spain, where the maximum timeframe stipulated by existing legislation (Order ECO 734/2004) for the processing of complaints is 60 days from the date of receipt.

Complaints by area (SR area; 2007-2008)

	ADMINISTRATIVE AREA		UNDERWRITING AREA		SETTLEMENT AREA	
	2007	2008	2007	2008	2007	2008
ITALY	20.1%	14.5%	24.5%	19.8%	55.4%	65.7%
AUSTRIA	27.1%	31.9%	67.3%	61.5%	5.6%	6.6%
FRANCE	24.4%	9.8%	22.7%	24.1%	52.9%	66.1%
GERMANY	70.3%	67.2%	16.4%	14.3%	13.3%	18.5%
SPAIN	9.0%	14.6%	24.7%	24.9%	66.3%	60.5%
SWITZERLAND	15.7%	9.5%	15.7%	7.1%	68.6%	83.4%
TOTAL	50.6%	47.2%	19.9%	17.0%	29.5%	35.8%

- In this and the following tables, complaints relating to Germany do not include the 39 Dialog complaints.
- Overall, the majority of complaints are of an administrative nature, due to the prevalence of administration complaints in Germany; indeed complaints mainly relate to organisational management issues, with particular reference to timescales and procedures.
- In Italy, France, Spain and Switzerland, it is the settlements area that receives most complaints, and most complaints relate to the time taken to settle claims the amount of compensation and outstanding assessments. In Austria, on the other hand, the majority of complaints are linked to underwriting, as in most cases complaints relate to contractual aspects.

Complaints by line of business (SR area; 2007-2008)

	COMPLAINTS: LIFE POLICIES		COMPLAINTS: HEALTH POLICIES		COMPLAINTS: MOTOR POLICIES		COMPLAINTS: OTHER NON-LIFE LINES	
	2007	2008	2007	2008	2007	2008	2007	2008
ITALY	40.5%	36.0%	5.3%	5.2%	44.5%	47.5%	9.7%	11.3%
AUSTRIA	10.4%	12.2%	19.2%	9.6%	0.0%	17.4%	70.4%	60.8%
FRANCE	24.0%	23.2%	2.4%	20.7%	10.0%	35.5%	63.6%	20.6%
GERMANY	52.8%	53.0%	4.5%	3.4%	22.2%	20.9%	20.5%	22.7%
SPAIN	10.5%	9.6%	2.2%	4.6%	17.6%	14.4%	69.7%	71.4%
SWITZERLAND	7.8%	7.1%	25.5%	26.2%	39.2%	42.9%	27.5%	23.8%
TOTAL	45.3%	44.8%	4.6%	4.9%	27.5%	29.4%	22.6%	20.9%

- In the Sustainability Report area the majority of complaints relate to life policies, as a result of the high concentration of complaints in this sector in Germany. This is due to a decision by the Federal Supreme Court in October 2005 ruling that some clauses in life policies were not transparent and were therefore invalid. The court ordered the company to replace the clauses with a minimum return calculated according to a formula defined by the Court itself. This decision led to numerous complaints relating to the recalculation of interest applied to life policies underwritten between 1994 and 2001.
- With regard to non-life policies, complaints relating to motor insurance are particularly prevalent in Italy and Switzerland, whereas in Spain and Austria complaints pertain more to other insurance contracts; this reflects the breakdown of policies in the various insurance segments and the frequency of claims.

As at December 31, 2008 in the countries included in the Sustainability Report area, the Group was involved in **136,070 disputes** relating to its insurance activities, which are still pending. The number of disputes includes both cases in

which Generali Group companies are the defendants and are therefore called upon to account for their actions, as well as cases where Group companies have initiated proceedings, acting as the plaintiff and seeking various amounts from their policyholders for various reasons.

Most disputes where Group companies are the defendants relate to non-life insurance, in particular motor policies and general third party liability.

Passive insurance disputes (SR area; 2007-2008)

	MOTOR: NUMBER		MOTOR: VALUE*		GENERAL TPL: NUMBER		GENERAL TPL: VALUE*	
	2007	2008	2007	2008	2007	2008	2007	2008
ITALY	33,868	28,517	899,579	912,082	13,139	12,464	1,549,739	1,383,600
AUSTRIA	n.a.	2,000	n.a.	86,667	n.a.	1,000	n.a.	43,333
FRANCE	1,130	1,301	43,309	81,952	2,493	2,379	127,249	125,053
GERMANY	7,168	7,176	41,766	78,882	1,386	1,509	29,985	40,014
SPAIN	6,599	7,061	143,491	183,853	4,906	4,373	48,547	44,329
SWITZERLAND	66	58	12,687	16,329	28	26	15,708	14,058
TOTAL	48,831	46,113	1,140,832	1,359,765	21,952	21,751	1,771,228	1,650,388

*VALUES IN THOUSANDS OF EUROS

- The number of pending disputes has fallen in the motor and public liability insurance sectors.
- In the motor insurance sector, disputes are concentrated in Italy; despite a reduction in 2007 numbers, more than 60% of the total number of pending cases are concentrated in Italy alone; this situation is mainly attributable to the lack of legal mechanisms for assessing personal injuries, which are generally present in other countries, and to the lengthy timescales of the Italian justice system.
- Disputes mainly regard settlements (issues about compensation amounts) and underwriting issues (contractual disputes about incorrect or confidential statements when the contract was underwritten, invalidity of contract, etc.).
- As for the value of the disputes, hereby given as the amount requested in the claim, there was a rise in the motor sector (+19%) and a fall in the general TPL sector (-6.8%).

In 2008 no Group company was penalised by the EU **Antitrust Authority** or national antitrust authorities.

Only in Italy did the **insurance supervisory authorities** issue fines, amounting to 9.8 million euro. The fines were mainly attributable to claims settlement defaults, especially in third party motor claims and late notifications.

Banking

Group banks are organised differently as far as the complaint handling process is concerned, due in part to legislation in the various countries.

In **Italy**, Banca Generali - which for years has had a special Internal Control unit for complaints handling - is subject to the complaint handling regulations issued in October 2007 by Banca d'Italia and Consob, which impose an obligation to follow adequate complaint handling procedures.

In **Austria**, complaints normally arrive at Generali Bank through call centre staff, by internet and through personal advisers, and are recorded in an appropriate register. If a direct solution to a complaint cannot be found, is the complaint is forwarded to a specific internal department and referred to a member of the Board of Directors.

In **Germany**, Badenia has set up a special complaints unit which, as in Banca Generali, is part of its Internal Control unit.

In **Switzerland**, BSI relies on internal complaint handling procedures: all grievances must be communicated to the Complaints Department, which reports to the bank's Legal Department, which then processes the complaint.

In all four countries, these departments not only handle complaints, but also assess complaints to identify possible organisational and procedural improvements. Every quarter, half year or year, depending on the country, a detailed complaints report providing information on any action taken is drafted by Group companies, and then submitted to the Top Management.

Bank complaints (SR area; 2007-2008)

	RECEIVED		ACCEPTED		ACCEPTED/RECEIVED	
	2007	2008	2007	2008	2007	2008
ITALY	628	588	248	240	39.5%	40.8%
AUSTRIA	0	0	0	0	0.0%	0.0%
GERMANY	13,191	12,626	4,692	3,224	35.6%	25.5%
SWITZERLAND	37	144	26	44	70.3%	30.6%
TOTAL	13,856	13,358	4,966	3,508	35.8%	26.3%

- In 2008, the total number of complaints received by the banks fell by 3.6% compared to 2007; the reduction in the number of upheld complaints is even greater, at 29.4%.
- Only 26.3% of complaints received were founded. More than 90% of these related to Germany, where there was nevertheless a 30% reduction in the year.
- The most frequent causes of client complaints were actual or presumed operational errors by the bank relating to interest rates and exchange rates, or delays in executing orders. Issues involving fraudulent use and malfunctions of credit and debit cards also account for a certain proportion of the complaints.
- In Switzerland the rise in the number of complaints is primarily attributable to two factors: the merger with Banca del Gottardo, which has made the complaints procedure available to a wider customer base, and the remarkable movements in the financial markets in the third quarter of 2008, which led to a higher level of product dissatisfaction, particularly with regard to investment funds.

Passive bank disputes (SR area; 2007-2008)

	NUMBER OF DISPUTES		VALUE OF DISPUTES *	
	2007	2008	2007	2008
ITALY	9	12	221	226
AUSTRIA	0	0	0	0
GERMANY	1,577	1,401	207,576	146,865
SWITZERLAND	n.a.	n.a.	n.a.	n.a.
TOTAL	1,586	1,413	207,797	147,091

*VALUES IN THOUSANDS OF EUROS

- BSI banking dispute figures are not available due to the reorganisation following the acquisition of Banca del Gottardo.
- As at the end of 2008, the Group was involved in 1,963 pending disputes arising from its banking business; 1,413 actions were pressed against Group companies, a fall of 10.9% over the year. The reduction in the total value of claims amounted to approximately 30%, calculated as the sum of compensation demanded.
- The main sources of dispute related to allegations of inefficiently managed banking and investment products, financial adviser breaches or operating errors such as failure to execute or incomplete or late execution of transactions.
- Disputes in Germany have been greatly reduced, particularly in terms of the value of claims submitted. The majority of cases brought against the German bank relate to claims for losses from investors who hold the bank responsible for the negative performance of certain property investments in the early 1990s due to not having adequately assessed the risks.

Dialogue with the clients

Group focus centres on the quality of the services it provides its clients. The Group conducts regular surveys of various types to monitor brand perception and client satisfaction with Generali products and services, as well as surveys on client/consumer expectations and the reasons behind their decisions. The purpose of such research is to improve customer service in terms of product marketing, internal organizational procedures and communication. In many cases, objectives include assessing company performance against that of competitors.

A. Customer satisfaction surveys.

The below table provides a summary of the main customer satisfaction survey areas reviewed in countries in the Sustainability Report area.

Country	Issues and target	Survey method and frequency
Italy Generali, INA ASSITALIA, Toro, Lloyd Italico, Alleanza, Fata, Genertel	Customer satisfaction at each stage of the relationship with the Company. • Clients	• telephone interviews • once a year
Italy Genertel	Customer satisfaction surveys regarding improved client conditions and claims handling. • Clients	• personal interviews and questionnaire • monthly
Italy Generali Business Solution	Assessment of proposed settlements. • Clients making claims	• telephone interviews • once a year
Austria	Customer satisfaction in the various stages of the client's relationship with the company. • Clients	• every two years
Austria	Satisfaction with the energy advice service provided to holders of household policies. • Clients who have used the assistance service	• questionnaire • every six months
Austria Europ Assistance	Analysis of Assistance services. • Assistance service users	• questionnaire • continuous
France	Assessment of settlement service offered. • Users making claims	• once a year
France Europ Assistance	Analysis of Assistance services. • Assistance service users	• telephone interviews • once a year
Germany AachenMünchener, Advocard, Badenia, Central, Cosmos, Generali, Volksfürsorge	Customer satisfaction as measured by NPS (Net Promoter Score), an indicator of the likelihood that clients will recommend the company to others. • Clients	• interviews • once a year
Germany Badenia	Customer satisfaction in the various stages of their relationship with the Bank. • Clients	• telephone interviews • once a year
Spain Europ Assistance	Assistance service analyses. • Assistance service users	• questionnaire • once a week
Switzerland	Customer satisfaction with non-life products. • Clients	• interviews
Switzerland	Adequacy of after-sales service for vehicle repairs. • Clients	• telephone interviews
Switzerland BSI	Customer satisfaction in the various stages of their relationship with the Bank. • Clients	• paper questionnaire • once a year

Client satisfaction surveys are of great importance to the Group in highlighting those areas where attention requiring renewed focus and in introducing significant changes in order to meet customer expectations. Results indicate a general level of satisfaction at all stages of the relationship, from receipt of the initial advice, through to product acceptance and after-sales service. Following assessment of survey results, it was decided to implement actions aimed at improving performance at every stage of the client relationship; enquiry response times have been reduced, additional resources have received sales training, new products have been launched, telephone and internet communication channels have been set up to guarantee timely and up to date information and the claims settlement procedures have been reorganised. In Spain, Europ Assistance has conducted surveys on call centre operations in order to measure response times and identify possible improvements to increase satisfaction levels.

B. Brand perception surveys

Surveys on brand perception, company image and advertising are carried out in all countries, usually once a year or every six months, but every two years at BSI, and more frequently in some cases (quarterly in Austria and monthly in Germany). Surveys are normally conducted by telephone interview and generally by external companies; personal interviews are only conducted in Austria and France, while paper questionnaires are used in Germany. Surveys are directed at consumers. Surveys are conducted among consumers drawn from representative samples of the population selected primarily by age but sometimes by more specific criteria (sex, profession, region etc.); occasionally the sales force is also involved.

Two significant brand perception surveys conducted by Group companies in 2007 are detailed below.

In **Italy**, Assicurazioni Generali conducted research into consumer perception of its advertising and brand image, in terms of innovation, prestige, customer care and likelihood of taking out insurance. An external company was employed to conduct 67,000 telephone interviews, evenly spaced throughout the year at a rate of around 150 a week, or 600 a month, from January to December 2008. Those interviewed were male and female, bank/BancoPosta clients or policyholders, aged between 25 and 64. In addition to indicating the effectiveness of the Company's advertising, the responses have enabled the value and image of its brand to be assessed. Genertel has also carried out a survey on similar topics, with particular reference to the extent of consumers' association of the brand with the product category. Results reveal the company as the leader of Top of Mind brand awareness, even though some competitors who have invested more heavily in television advertising may be ahead in terms of being spontaneously associated by consumers with their advertising campaigns. By analysing the results it has been possible to monitor the perception of the image profile and to optimise advertising investments across the various media.

In **France**, interviews were carried out among a sample of 1000 consumers in February and October 2008 in order to assess changes in brand awareness following the "Generation Responsable" advertising campaign. The responses suggested an increase of 12% in brand awareness.

In **Germany**, Badenia repeated the brand performance survey in terms of its effect on the purchasing process and profile. It has been doing so once a year since 2005 with the objective of establishing its standing against its competitors and the consolidation of the perception of problems and market drivers. The survey was conducted using paper questionnaires, targeting end clients and the sales force. Analysis of the results revealed that satisfaction among customers and sales representatives, and the brand itself, were rated below the market average. The company responded by devising a highly structured action plan operating on several fronts (employee involvement, services to customers and the sales force, communication, telephone marketing, redesigning of the website and so on) to gradually increase satisfaction among customers and the sales force, bringing it back to market level by 2011. Brand development based on customer satisfaction has been integrated into the objectives of the company as a whole and into those of the various departments involved.

C. Other survey activity

In recent years research has been specifically directed toward understanding the needs, aspirations and attitudes of clients/consumers in order to further the development and improvement of products and services in all Group companies. The survey results have made it possible to strengthen many aspects of client relationships and have led to significant innovation with regard to product creation, the implementation of targeted services and clarity of communication.

The below table provides a summary of the most significant surveys conducted in 2008.

Country and company	Targets/Type of initiative/Topics	Results and actions
Italy Generali, Toro, Genertel, FATA, INA ASSITALIA	<ul style="list-style-type: none"> clients: interview agents: focus groups call centre operators: focus groups 	Design, creation and implementation of a network of trusted, specialist body shops. Testing of common working procedures for the various companies on matters of direct impact on the business.
Italy Generali	<p>Consumer survey on immigrants (3rd edition): conducted on approximately 1,150 individuals from the main ethnic groups in Italy, aged between 25 and 45.</p> <p>2-phase survey:</p> <ul style="list-style-type: none"> qualitative phase to understand reactions to the marketing system for goods and services, and attitudes towards purchasing, among immigrants a more general phase to review the attitudes and expectations of the survey subjects 	Representation of the condition of immigrants in Italy. Identification of the most relevant products for this market segment. Confirm the effective needs of this client segment.
Italy INA ASSITALIA	<p>Consumers: focus group and individual interviews.</p> <p>Research into the explicit and latent needs of customers in the 30-50 age bracket.</p>	In development.
Italy Genertel	<p>New clients: focus group.</p> <p>Analysis on the accessibility of the website quote application.</p>	Development of the quote system through the use of additional screens in order to simplify data entry for the user.
	<p>Clients in the 18-26 age bracket: e-mail contact.</p> <p>Survey on the insurance needs of younger clients.</p>	Development of a product tailored to the needs of young people.
Austria Generali	<p>Consumers.</p> <p>Various studies and analyses on the behaviour of Austrian residents: "Their fears", "How they plan to spend their money", their opinion on the national health service, on life insurance, etc..</p>	Design and implementation of new products, targeted advertising campaigns and services tailored to client needs.
Germany Generali	<p>Consumers.</p> <p>Study to identify consumer needs and desires with a view to client loyalty.</p>	The results have been used to develop and improve products, services and communication.



Country and company	Targets/Type of initiative/Topics	Results and actions
Israel	Consumers: telephone interviews. Surveys to identify consumer needs in relation to pension schemes, investments and travel insurance.	Product development.
Spain Estrella	Clients. Survey to inform customer of cross-selling opportunities.	Implementation of a cross-selling strategy has led to an increase of 1% in the number of clients taking out more than one policy.
Switzerland	Clients (sample): telephone interviews. A survey of the reasons for non-renewal of car and household policies.	A claims management system was developed, and implemented in 2009, to improve customer service. Tariffs changes have been reviewed in order to ensure that policies remain competitive in the market.
Switzerland BSI	Area managers and active collaborators for specific market strategies (Asia, Middle East, Latin America, East and Central Europe), external managers: workshops. Analysis of objectives and market strategies following the merger with Banca del Gottardo, and specification of the commercial product.	Actions are aimed at integrating the varied products and processes in order to provide a complete and unified product.

Collaboration with other organisations in the interest of consumers

In **Italy**, the Generali Group continues to work with ANIA in order to improve information provided to consumers, transparency and the quality of insurance services, in particular by adhering to the procedures for settling disputes arising from TPL motor claims and participating in the design, creation and distribution of supplementary retirement plan brochures. In keeping with its efforts to promote road safety, in 2008 the Group collaborated on the "Patto per i Giovani" (Youth agreement) as detailed in the "Risk Prevention" paragraph.

Assicurazioni Generali is also a member of the Foundation for Road Safety, part of ANIA, a voluntary group of insurance companies. The Foundation aims to reduce the frequency of road accidents by promoting safe driving habits. It directs its attention to young people in particular, with initiatives such as campus (an instruction course for high school pupils using powered two-wheel vehicles), events for new drivers, prize competitions, etc.. Between July and December 2008, for example, a prize competition entitled "Gratta e vivi" (literally "Scratch and live", a play on words on "Gratta e vivi", meaning "scratch card"), was held. It was linked to the distribution of 800,000 copies of a multi-lingual leaflet containing road safety information by the Traffic Police, delivered to Italian and foreign drivers throughout Italy.

Competitors who correctly answered questions on road safety were entered into a draw for prizes supplied by the ANIA Foundation, consisting of safe driving courses and motor-cycle helmets. Another noteworthy Foundation initiative is the "scatola rosa" ("pink box"), a satellite communication device providing security for women drivers involved in accidents or aggressive situations, allowing them to send an alarm to a central facility linked to the forces of law and order. Further information on the Foundation's activities can be found on the www.fondazioneania.it website.

Genertel is a supporter and permanent member of the Administrative Board of Assolowcost, an association formed with the objective of spreading the culture of low cost quality, the term for both a modern methodology of production and a style of consumption capable of yielding major advantages for consumers in terms of increased buying power and improved quality of life.

In **France**, as part of collaboration with the national industry association (FFSA), Generali France became one of the founding companies of the Association of Health Insurers (APS), which publishes illustrated guides dealing with health matters and the prevention of domestic accidents. These guides, free to the public, are distributed through insurance companies, schools, pharmacies and doctors' clinics and can be downloaded from the www.ffa.fr website

and Generali's www.agirpourmasante.com website. In the past year, Generali France has participated in the formation of the Club des Entrepreneurs d'Avenir, whose membership is drawn from companies and non-governmental organisations selected for their involvement in environmental and social activities (see the section on the environment in the paragraph "Education and raising awareness").

In **Spain**, the Group collaborates with the national association (UNESPA) by supporting road safety campaigns and participating in research programmes for vehicle safety promoted by the Zaragoza Centre, UNESPA's research institute for vehicle safety and repair.



STEPHEN GAINSBARO

United Kingdom

WINDSWEPT



STRATEGIC PARTNERS AND SUPPLIERS

Strategic partners

For the first time, the report includes a section on the main partners with whom the Group has signed agreements leading to the formation of new subsidiary companies, in order that their approach to sustainability may be highlighted. Particular emphasis placed on partners with whom the Group operates in markets having greater development potential.

Generali Group has been active in the life insurance sector in China since 2002 with Generali China Life Insurance Company and in the non-life sector since 2007 with Generali China Insurance Company through the local partner, **China National Petroleum Corporation (CNPC)**. The CNPC is owned by the Chinese government through the SASAC (the Committee that controls and manages state-owned Chinese companies) and is among the world leaders in the energy sector, particularly in the hydrofuel market. It operates in the field of extraction and exploitation of crude oil and natural gases, fuel refinement and sales as well as the production of petrochemicals in 27 countries.

CNPC has adopted a growth strategy with the ultimate goal of improving performance in the various business sectors and becoming a “zero injury, zero pollution, zero accident” company. As for its personnel, a Collective Bargaining Agreement has been adopted for all employees and includes annual human resources development programmes such as training courses for improving individual skills and worker safety courses compliant with OHSAS 18001 certification requirements. The ISO 14001 certified company is committed to being eco-compatible and respectful of resource conservation. CNPC finances projects in various fields aimed at protecting the environment and has developed a programme for producing renewable biomass energy and for the use of wind, solar and geothermal energy. It has also adopted effective measures for reducing polluting emissions and introduced technologies to reduce environmental risk and increase efficiency in the reuse of resources. The company supports the initiatives of the Green Carbon Fund to combat climate change. It is also committed to community development, which is one of its key objectives. To this end, it supports initiatives for the fight against poverty and for educational projects aimed at improving the level of education in the Chinese population and donates funds to the disadvantaged populations in the countries in which it operates.

In India, Generali’s strategic partner in the Future Generali joint-venture is the **Future Group**, national leader in large scale distribution, operating in various commercial sectors ranging from fashion to leisure, entertainment and financial products. The Future group is characterised by a strong progress-driven spirit and is committed to the continuous implementation of new activities and innovative retail sales methods. The company constantly focuses on protecting its values and promoting the organization’s corporate spirit by continuously assessing and improving its procedures, products and services. In order to meet the challenges of a highly competitive market, the group has developed a creative, dynamic environment by investing in professional training for its human resources and mapping the skills, attitudes, abilities and potential of employees so as to provide for the development needs of both organization and the individual. In 2007, the Group received the “Best Employers in India” award for initiatives it adopted for its employees and its focus on equal opportunity policies, which aim to guarantee a proportional representation of the various communities present in the Indian population.

Generali’s strategic partner in the Generali PPF Holding joint-venture, operating in the insurance markets of Central and Eastern Europe, is **PPF Group N.V.**. The international financial group based in Amsterdam. It is 94.36% controlled by the Czech entrepreneur Petr Kellner and is primarily involved in consumer credit and retail banking activities in Central and Eastern Europe and in China and Vietnam in Central Asia.

PPF Group’s growth strategy combines international expansion and adjustment to a constantly evolving market with social responsibility aimed at directly supporting the development of civil society.

Human resources management is closely linked to achieving the objectives of the Group, which operates in highly competitive sectors. PPF promotes a corporate culture focusing on the development of human resources, including selection programmes aimed at identifying talented and motivated people, training courses focusing on fully developing potential as well as informal and open communication within the company with a view to facilitating exchange among employees.

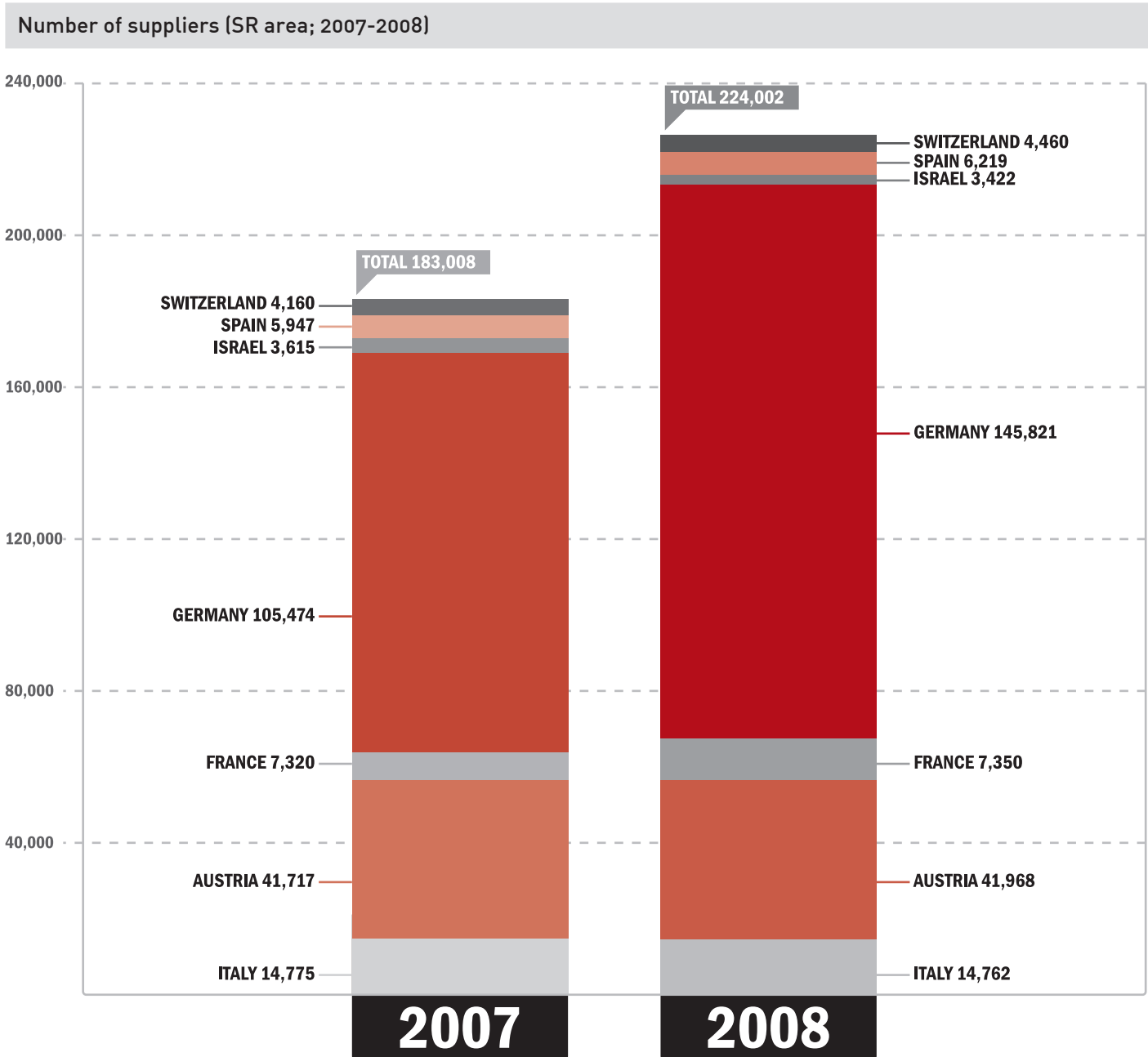
In the field of solidarity, the group has sponsored the “Educa” foundation for many years; the foundation provides support to children with disabilities and provides financial assistance to talented students from disadvantaged families to enable them to attend “Open Gate”, a private high school specialising in languages. PPF also supports “Pipan”, a school for the educational training and psychological development of deaf children.

Group also promotes cultural initiatives, particularly in the Czech Republic. It has sponsored several important projects for the restoration of buildings housing theatres and galleries. In particular, it has sponsored the restoration of the photography studio of the famous photographer Josef Sudek, now one of the most important galleries in the cultural life of Prague.

Suppliers

The creation of a network of lasting and mutually satisfactory relations with qualified suppliers is one of the Group's strategic objective and an opportunity for competitive success.

Description



- In countries within the Sustainability Report area, Generali Group has relations with about 224,000 suppliers. Compared to 2007, there has been a 22.4% increase in suppliers, primarily due to the 33,500 increase in Germany where Europ Assistance added a new network of body shops, mechanics and roadside assistance providers to its suppliers and expanded its insurance products in the motor and health segments.
- The presence of several Europ Assistance Group companies, whose suppliers increased to a total of 154,565 in 2008 (69% of total suppliers), is at the root of the large number of suppliers in the Sustainability Report area. This also depends on the type of activity, which envisages the provision of various types of service that require the availability of suppliers (car hire companies, roadside assistance providers, plumbers, smiths, electricians, carpenters, clinics, hospitals, diagnostic centres, analysis laboratories, ambulances, doctors, nurses, physiotherapists, etc.) throughout the country.

- It is partly for this reason that most Group suppliers offer services connected with Group business, while a much smaller number of suppliers provide various types of services supporting the company's business (cleaning, maintenance, transport, etc.) and supply goods.
- Group companies give preference to national suppliers, accounting for 80% to 100% of the total network. In line with Group policies, which require the centralisation of the Purchasing Department of almost all the countries in the Sustainability Report area, preference is generally given to companies that can provide goods/services on a national level. The exceptions are France, which uses local suppliers for 20% of its needs and for services for which it has been unable to find an international supplier, and Germany, which gives preference to local suppliers for ecological reasons.

Purchase policies

The Generali model, applied in almost all countries, sets out that all purchase processes (from supplier sourcing to stipulating contracts) be concentrated in one common services company. Highly specialised services (e.g. marketing, claims settlement, training and various advisory services) and urgent matters are an exception, and are managed by each individual company. In the IT sector, the Corporate Centre recently set up the "Group Ict Procurement" (GIP) department, to manage commercial relations with global suppliers of IT goods and services on a Group level, exploiting economies of scale.

Different frameworks are adopted:

- in Israel, where the management of insurance company purchases is part-centralised. It is dealt with by the purchase heads of the company departments, IT, operations, property management, support systems (communication, archives, etc.), agent training and events, marketing and advertising, human resources, employee training, professional services, who refer to a group purchase manager;
- in Switzerland, where all purchases are made by the individual companies.

Since 2005, the Italian Group has followed a specific **Ethical Code for Relations with Suppliers** based on the principles of the Generali Group Ethical Code with reference to the "Guidelines for a System based on Sustainability and Integrity in Relations with Suppliers" drawn up by the Procurement Executive Circle, a community founded by procurement executives of major companies operating in Italy.

The primary general criteria of the Code are set out below:

- relations are based on the **principles** of legality, transparency, fairness and loyalty at all stages of the procurement process;
- **loyal and sustainable competition** is encouraged, ensuring that anyone meeting the necessary objective requirements can take part in the selection process. As a general rule, for each order, estimates are requested from three different suppliers;
- to avoid any kind of **conflict of interest** in the awarding of contracts, one person requests the order and another stipulates the contract, i.e. the Group Purchasing Department;
- each reason for the final choice is recorded and all order-related **documentation** is then scanned so that it is available for subsequent review;
- in particular, great attention is paid to avoid creating or maintaining **dominant positions** or situations of **economic dependence** as relates to suppliers: to this end, Group companies do not generally accept orders exceeding 30% of the supplier's overall revenues;
- **exceptions** to the Ethical Code for Relations with Suppliers are allowed, where documented and justified, based on clear and transparent grounds, only in specific cases of exceptional and urgent nature.

To ensure the **integrity of the supplier chain**, the Group encourages its suppliers to adopt the principles laid down in the relevant Ethical Code and, where possible, takes operational measures to prevent supplier and supply chain violation of health and **safety** in the workplace, **environmental protection** and public health regulations as well as violation of the following **international standards**:

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

Tools and procedures are implemented to ensure the observance and compliance with the abovementioned standards and regulations. Austria has published its own Code, which reflects the principles of the Italian code and develops certain aspects in greater detail according to the country's own purchasing procedures. Israel has also made amendments to its Ethical Code for supplier relations.

Although other countries have not formally adopted the Ethical Code for Relations with Suppliers, they follow procedures that are essentially in line with the principles as set out in the Code: systems implemented include measures to guarantee the transparency of purchasing processes, the avoidance of conflicts of interest (the roles of parties involved in the decision-making process are kept strictly separate) and to ensure compliance with environmental regulations and regulations on human rights and workers rights.

In particular, in selecting contractual partners clear, firm and non-discriminating procedures are used based on objective criteria associated with competitiveness, and on the quality of products and services provided. Where contracts entail large orders and long-term relations, potential suppliers are invited to submit bids.

Throughout the Group, compliance with the agreed terms of payment is mandatory: suppliers are paid in accordance with contractual provisions with virtually 100% of contracts being paid on time, the only cases of late payment being those involving dispute.

Although suppliers are not currently required to be certified to environmental standards (ISO 14001) or social standards (SA 8000), which are not very widespread in some of the countries in question, all countries in the Sustainability Report area adopt practices and procedures to ensure suppliers adhere to the Group's ethical principles.

Country	Measures for ensuring the respect of human rights and the environment
Italy	<p>Preference is given to suppliers with suitable references or to those the company has had long-term dealings with. Service contracts, such as reception, cleaning and security contracts include clauses that allow, upon specific request, checks to be conducted to ensure employees have the correct type of contract and that safety standards have been adhered to. Subcontracting, which is generally prohibited, is permitted subject to pre-authorisation.</p> <p>Supply contracts contain special clauses to prevent supplier violation of workplace health and safety standards, environmental protection standards; public health standards, international standards and to prevent crimes against the public administration and environmental disasters. Europ Assistance gives preference to ISO 14001 certified suppliers.</p>
Austria	<p>Preference is given to companies that have provided a written statement of compliance with labour legislation and SA 8000 international certification desirable for suppliers of promotional material (gadgets, T-shirts, hats, pens, etc.).</p> <p>For environmental protection purposes, preference is given to ISO 14001 certified suppliers.</p> <p>Suppliers are also contractually required to notify Group companies of any recourse to subcontractors, on whom random checks are conducted to ensure they comply with human and labour rights legislation.</p>
France	<p>New suppliers undergo an entry procedure that involves filling out a questionnaire and the relevant declaration, confirming compliance with environmental and workers' rights regulations.</p> <p>All contracts contain clauses on protecting human rights, social certification (the supplier must provide evidence to attest that he/she/it is up-to-date as regards social security contributions), and reference is made to ISO 14001 for compliance with environmental legislation. The Group does not work with companies that are unable to prove that they meet these requirements and in the event of violation, all cancellation clauses are in place. Almost all major suppliers are 14001 certified.</p>
Germany	<p>Preference is given to suppliers with appropriate references or with whom the Group has had long-term dealings as certification is not yet widespread, particularly among small and medium enterprises. Contracts include special clauses which oblige suppliers to respect human rights.</p>
Israel	<p>Preference is given to experienced, reliable suppliers with good financial standing and a good reputation.</p>
Spain	<p>Preference is given to suppliers who are environmentally aware.</p> <p>Europ Assistance contracts contain no specific termination clause, however all suppliers are required to submit a declaration attesting respect for workers' rights: in the event of violation, the contract is immediately cancelled.</p>
Switzerland	<p>Contracts for the major management services of the various company locations are awarded on the basis of professional tender bids. Quality controls are carried out on supplies on a quarterly basis.</p> <p>Moreover, random checks are also carried out under the contract in order to check compliance with legislation, environmental laws and trade union agreements. Contracts also include withdrawal clauses to be used in the event of confirmed non-fulfilment.</p>

All companies in the countries not included in the Sustainability Report have adopted the Group Ethical Code, which requires suppliers to follow the Code's ethical parameters, including employee working conditions that respect individual dignity in safe and healthy work environments, the prohibition of any type of discrimination and environmental protection. Several companies also include additional measures.

In the **Americas**, companies based in Argentina undergo frequent checks, primarily government checks, to assess their compliance with work and employee rights laws. Generali takes responsibility for verifying that its suppliers operate in compliance with the law.

In Brazil, though there are no specific contractual provisions, Generali may suspend contracts in the event of infringement of the law or conduct that is damaging to the corporate image.

In the USA, Europ Assistance deals exclusively with environmentally certified suppliers that demonstrate proper practices for recycling products.

In **Asia**, in China only companies that have been set up in compliance with the law and that are at the top of their sector are selected as they provide firmer guarantees as regards compliance with current legislation. Potential suppliers are also subject to pre-emptive inspections and contracts are not signed if anomalies or illegalities should emerge.

In Thailand suppliers are monitored on both the quality of their services and the risk of human rights violation.

Evaluation and dialogue with suppliers

The Group is committed to service quality and has implemented various **supplier evaluation** and ongoing **monitoring** systems. Virtually all companies review supplier collaboration, especially when it comes to major suppliers, checking operations to ensure the quality of goods and services and price suitability.

In Austria, the supplier monitoring system process involves computer-based procedures. Performance is checked against benchmarks for the various sectors on a regular basis and measured against certain indicators identified by the local Purchase Department in order to optimize costs and nurture relations with top suppliers.

A similar procedure takes place in Israel, where each purchasing manager performs checks on suppliers and analyzes possible offers from the market so as to choose the best suppliers based on parameters supplied annually by the procurement Committee.

Due to the specific services provided, **dialogue** with suppliers is of particular importance to Europ Assistance.

In Germany, Europ Assistance carried out a survey on the company's major suppliers covering 80% of the various businesses. The results brought to light critical issues in the communication process between the operators of roadside assistance providers and car hire companies. In a bid to resolve such issues, car hire companies were then asked to submit resolution proposals, on the basis of which a decision was taken to increase the flow of information between Europ Assistance operators and car hire companies.

In France, Europ Assistance carries out monthly surveys to assess supplier interventions in terms of percentage of repairs performed, percentage of interventions not accepted by the supplier, etc.. Once again, on the basis of the survey results, measures were taken to improve the flow of information between clients, Europ Assistance operators and suppliers in order to ensure a more timely and effective service.

In Spain, Europ Assistance calls upon external companies to carry out checks on roadside service suppliers and body shops once or twice a year, covering: arrival time, type of repair, type of vehicle, etc.. If the quality of service is not satisfactory, a decision might be taken to replace the supplier, the jobs allocated to the supplier may be decreased or service improvements may be negotiated on the basis of critical issues brought to light. In addition, customer satisfaction surveys are carried out on a weekly basis to assess call centre services and the quality of services provided by suppliers.

In France, Generali involves those suppliers that have proposed concrete environmental innovations, inviting them to speak during the week dedicated to the environment that the company organizes each year in Saint-Denis. In 2008, cleaning service providers attended a workshop held to find of a supplier for ecological, biological and natural products to be used in cleaning the various company locations.



MAEGORZATA CHMIEL

Poland

UNTITLED



ISSUING COMPANIES

Investment policy

The Generali Group is aware of the significant role it can play, albeit indirectly, in its capacity as institutional investor, in the field of environmental protection, human rights and social promotion in general, by influencing the conduct of issuing companies.

Group investment policy adheres to the following principles:

- **safety and reliability:** the Group has always refuted speculative investment and avoids any type of high-risk investment, including environmental and social risk;
- **ethics:** sharing the same objectives and the sustainability concept applied to investments, in October 2006 the Group decided to apply the ethical guidelines adopted by Norwegian Government Pension Fund-Global. By doing so, it excluded any possibility of investing in financial instruments issued by companies presenting serious violations of human rights, harm to the environmental and episodes of corruption.

Norwegian Government Pension Fund-Global

The Norwegian Government Pension Fund-Global manages income from Norwegian petroleum and ranks among the top global funds in terms of its managed assets, valued in excess of 240 billion euro at the end of the third quarter of 2008.

Investment criteria

Objective: to generate long-term financial income, by promoting ethical development based on the principles of the Global Compact and the OECD Guidelines for Corporate Governance and multinational companies.

Ethical guidelines: investment in financial instruments issued by the following is prohibited:

- companies which, directly or indirectly through their subsidiaries, produce weapons that, in their normal use, may violate fundamental humanitarian principles;
- companies presenting an unacceptable risk of contributing to: serious or systematic violations of human rights; serious violations of individuals rights in situations of war or conflict; serious environmental damages; episodes of gross corruption; serious violations of basic ethical standards.

Evaluation procedures

The Ethical Committee, an advisory body to the Norwegian Minister of Finance (responsible for the Fund):

- continuously monitors the companies the Fund invests in;
- reports any violations to the companies, demanding justification;
- if no such justification is provided or is deemed insufficient, the Ethics Committee proposes that the Minister exclude said companies from the fund's investment scope.

The Norwegian Minister of Finance acts freely and makes any decision to exclude companies publicly available at press conferences.

If the situation that resulted in such exclusion should cease to be, the companies may be re-admitted to the investment scope by the same procedure.

For further information on the exclusion criteria and procedures or for a list of the companies currently excluded from the Fund, please visit www.regjeringen.no.en.

Generali Group ethical guidelines thus prevent any new investment in financial instruments of companies excluded from the Norwegian Government Pension Fund-Global investment scope. For those investments in portfolio that fall short of the above - mentioned criteria - especially following the exclusion of new companies - a period of time is established for liquidating the positions after a public announcement of the exclusion by Norway Minister of Finance. This period must grant sufficient time to leave any investments without causing negative repercussions on the relevant portfolios.

The guidelines apply to all direct investments in portfolios where the investment risk is borne by the Group.

With a view to **monitoring** the extent to which ethical investment guidelines are adhered to in the various countries, a quarterly report is submitted to the Financial Risk Control Department within the Corporate Centre. If a violation occurs, a verification and sharing process is implemented with regard to disinvestment plans to immediately restore compliance with guidelines. There were no violations in 2008. In addition, continuous centralised monitoring takes place to immediately identify violations and implement corrective action in regard to new exclusions from the fund's investment scope. A pre-emptive check prevents the purchase of shares from excluded issuing companies.

At the end of 2008, there were no non-ethical investments in the investment portfolio.







CHAPTER 5

SOCIAL-
ENVIRONMENTAL
STAKEHOLDERS

COMMUNITY

Relations with the community

The Group recognizes its moral responsibility to contribute towards improving the society in which it operates, providing cultural stimuli, promoting the practice of sports and, above all, offering assistance to those in difficulty or distress. The Group therefore:

- supports scientific research, especially that geared towards finding effective treatments for serious illnesses;
- supports initiatives for terminally ill patients, children, the elderly and those in situations of hardship;
- participates in the promotion of cultural and artistic events with the conviction that artistic expression can improve the quality of life;
- recognizes the high educational value of sports, especially for children’s healthy growth;
- places importance on educational initiatives in economic and technical-insurance fields;
- views the environment as a common heritage that must be protected.

Group funds are awarded following assessment of the social value of the initiative and the reliability of the promoters. Checks are made at a later date to ensure that the funds arrive at the correct destination and long-term funding may be available for those who demonstrate good use of the financial resources allocated.

Within the framework of this common approach, individual Group companies make autonomous decisions: some choose to channel community resources into just one or a handful of far-reaching initiatives, while others share the funds among several different projects. Some companies involve their own members of staff in the decision-making process for allocating resources, while in others, initiatives receive direct contributions from employees, including monetary contributions, payments in kind or different forms of volunteer work. In 2008, the following initiatives are worthy of note:

Country	Description of the initiative
Italy	On the occasion of the “Children’s Festival”, Group employees decided to donate a portion of the funds set aside by the company for their own children to non-profit organisations committed to helping children (see the “Employees” chapter).
Austria	Each Regional Management office adopts an “SOS-Kinderdorf” (SOS children’s villages), providing direct aid to children, sometimes with the direct, personal involvement of staff members.
France	Two employees were offered a trip to Mali, at the company’s expense, where they spent 2 weeks volunteering with the “Planète Urgence” association.
Argentina	Employees donated clothing, shoes, toys and books to the “Sol naciente” association, which provides assistance to children at risk.
Brazil	Generali raises awareness among its employees through volunteering visits to the “Casa do Menor São Miguel Arcano”, which provides assistance to children and young people who have been abandoned or are socially at risk. Group employees are involved in a variety of activities: forming multitask teams to organize courses, training and conferences; participating in and offering assistance during festivals such as “Children’s Day”; collecting educational materials, books, clothing, layettes for newborns, toys, personal hygiene and cleaning materials and food; fund raising.
China	Following the violent earthquake that hit Sichuan in southwest China on May 12, 2008, Group companies organized several initiatives for the victims; part of the funds raised were collected from company employees. A similar fund-raiser was organized to help the people hit by the extreme snowstorms in the southeast in mid-January.
USA	For years, the employees of Generali USA Life Reassurance Company have been raising funds for the “United Way”, an organisation that takes care of poor children and their families, helping them to develop to their full potential in a healthy, warm and stimulating environment. In addition to the funds raised by employees, the company also contributes to the organization. Many of the employees of Generali USA participate with other athletes in all the categories of the “Kansas City Corporate Challenge”, a sports competition that involves staff from both large and small companies in the area. The proceeds of the competition are donated to assistance organizations that receive additional funds from the individual companies throughout the year.

As was the case last year, the model created by the London Benchmarking Group (LBG) was applied to resources allocated to the community to measure and communicate programmes benefiting the community, a model currently used worldwide by hundreds of companies of all sizes in all sectors.

The LBG model

The starting point for the LBG model is the company's motivation for deciding to support an initiative benefiting the community. Three main reasons have been identified:

- a sense of moral and social responsibility;
- the belief that companies have a long-term interest in promoting the development of a healthy society;
- the knowledge that being involved in the community may result in direct benefits for company business.

Community initiatives are divided into three categories based on these reasons:

- **donations:** sporadic donations (not given on a regular basis) to support a wide variety of "good causes" in response to the needs and requests of voluntary organizations or local institutions, which increasingly establish partnerships between the company, its staff, clients and suppliers;
- **investments** in the community: long-term sponsorships aimed at a limited number of strategic goals, chosen by the company to protect its long-term interests and build on its reputation;
- **commercial initiatives:** activities benefiting the community and aimed directly at the company's success (e.g. to promote the brand or a particular product), promoted generally by the Commercial Department in collaboration with non-profit organizations or local institutions.

The **donations** category includes all the initiatives to which Group companies have offered one-off contributions, such as the funds raised for the victims of natural catastrophes. Donations also include contributions, often in small sums, to various types of associations and organizations to support events or projects that are primarily local.

Group companies' continuous support of initiatives that benefit the communities in which they operate has allowed them to build relations with many organizations and institutions, which have strengthened over time, creating strong links with these areas. Since they enhance the Group's corporate image, these initiatives are considered **investments**, on a par with the funds allocated to road safety education, risk prevention, promoting healthy lifestyles, safety and the environment, which are of strategic value to the Group as moral conduct can influence company management performance.

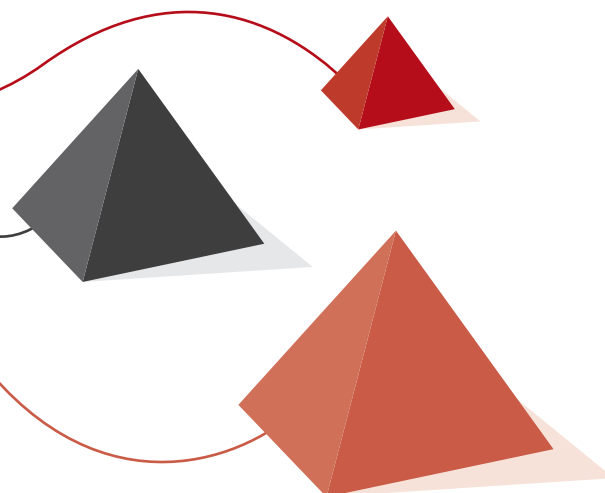
In order to classify certain cultural and sporting activities as investments rather than advertising initiatives, the brand's role in the sponsored event is taken into account. This aspect is indeed fundamentally related to expectations for increasing business and/or improving the corporate image in the short-medium term. As an example, explicit sponsorships of professional or high profile sports events are considered advertising initiatives. Here, the connection with the Generali brand is clear and evident. On the other hand, sponsoring young teams and children and young people's sports and leisure events is mainly considered an investment, even when, as is often the case, this consists of supplying promotional material (caps, bags, uniforms, etc.). Similarly, the sponsoring of cultural events such as high profile concerts, exhibitions and theatre shows is considered a commercial initiative, whereas the sponsoring of theatres, museums and cultural associations is considered an investment for the cultural growth of the territory and the population.

The **commercial initiatives** aimed at improving the company image and strengthening the brand consists almost exclusively of high profile sporting and cultural events.

Allocation to the community by type (Consolidation area; 2007-2008)

	2007	2008	
DONATIONS	1,147.9	1,922.9	5.0%
INVESTMENTS	6,293.9	12,278.4	32.2%
COMMERCIAL INITIATIVES	19,158.4	23,933.4	62.8%
TOTAL	26,600.2	38,134.7	

VALUES IN THOUSANDS OF EUROS



- In 2008, overall fund allocations to the community increased by 43.4%, primarily due to the numerous important initiatives of Banca del Gottardo and PPF insurance group companies, which joined the Generali Group in 2008. For two consecutive years, in 2006 and in 2007, Česká Pojišťovna was recognized as one of the top benefactors in the Czech Republic.
- The largest increase involved donations and investments, which saw an overall increase of 90% with investments almost doubling since 2007. A significant though less marked increase was seen in the growth of funds to be allocated to commercial initiatives (+24.9%).
- This trend resulted in a reduction of over 9 percentage points (from 72% in 2007 to 62.8%) in the share of funds to be used for promotional purposes, aimed in particular at improving the corporate image and strengthening Group company brands, a share that nevertheless remains large due to the high cost of this type of initiative. The level of Company involvement in this type community initiative, closely connected to specific business development needs (the launch of new products for example) and opportunities for reinforcing corporate image through high profile cultural or sporting events (such as the Olympics), shows a downward trend for the second year running.
- Conversely, the overall share of donations and investments increased significantly. Investments rose in particular, as a result of numerous collaborations with organizations and associations passing from the “donation” category to the “investment” category. Driving this development, in addition to the entrance into the group of companies with a particular focus on the community, is an increase in the number of existing Group companies that are now developing stronger policies regarding social involvement.

2008 initiatives

The main initiatives supported by Generali Group in 2008 are outlined below.

Only a limited number of initiatives have been described in detail. The initiatives were chosen not only on the basis of their economic relevance but also on the level of Group company commitment and on the basis of new introductions, not available in previous years. Nevertheless, it must be emphasized that the initiatives described herein are limited by editorial demands, and it is not our intention to underscore or diminish the importance of any initiative.

The descriptions focus specifically on non-commercial interventions, distinguishing them according to the following four areas that best represent their specific features and objectives:

- **“Roots”**: initiatives aimed at enhancing and preserving the artistic and cultural heritage of the countries in which Generali operates and at involving the community to a greater extent. This category also includes educational initiatives and collaborations with schools and universities.
- **Raising social awareness**: initiatives aimed at raising awareness in the community of issues such as road safety, health, poverty, human rights and social responsibility. This category also includes sports initiatives aimed at children and young people as sports are considered an educational tool, synonymous with a healthy life.

- **Integration:** activities that, through rehabilitation and education, aim to integrate people in difficult or disadvantaged situations into both the social fabric and the work environment.
- **Environment and climate change:** initiatives focused on environmental protection and raising awareness of issues such as climate change, energy saving, selective waste collection and pollution.

Roots

Music, dance, theatre, cinema and literature - The Group has always placed special focus on cultural and artistic affairs. The Group supports numerous events and plays an important role on a national scale. Events include a wide range of activities, supporting both major cultural institutions, first and foremost leading theatres, which are increasingly in need of private funding in order to continue their activities, and initiatives promoted by local associations and organizations specially developed to support young artists.

Generali is also involved in the art world, with its own collections such as the BSI collections, the works of the Generali Foundation in Vienna and a collection at the Česká Pojišťovna Gallery in Prague, and in its support of museums, theatres, schools and cultural foundations and associations.

Country	Description of the initiative
Italy	<p>Verdi Theatre (Trieste); La Fenice Theatre (Venice); La Scala Theatre (Milan).</p> <p>De Sono Associazione per la Musica (De Sono Music Association): Turin-based association which awards grants to young instrumentalists, Piedmontese composers and musicologists.</p> <p>Consulta per la valorizzazione dei beni artistici e culturali di Torino (Council for enhancing the value of the artistic and cultural heritage of Turin): association dedicated to the restoration and preservation of the artistic, cultural and architectural heritage of Turin and the surrounding area.</p> <p>Fondazione Cini: Generali participates in the “Amici di San Giorgio” (St. George’s Friends) initiative, promoted by the acclaimed Foundation, which aims to allow private financiers to support its numerous cultural, scientific and artistic activities with a view to a profitable, long-term collaboration.</p> <p>Fondazione Studium Generale Marcianum: the Generali Group decided to participate, as a founding partner, in the new Foundation, which is committed to promoting study and research that contributes to the diffusion of international cultural heritage and to supporting the work of educational institutions and centres in accordance with the institutional guidelines defined by the Patriarchate of Venice.</p> <p>Fondazione Valla: publication of precious volumes of classical Greek and Latin works. Funding from Generali and other institutions has contributed to keeping the price of the volumes low so as to encourage distribution of the books among young people and the less affluent.</p> <p>Torino 2000 anni (Turin, 2000 years): series of 18 conferences using the numerous documentary resources available today to trace the history of Turin over two millennia.</p> <p>Banca della memoria (Memory bank): non-profit project dedicated to collecting the experiences and life stories of people born prior to 1940.</p> <p>Medioevo a Trieste. Istituzioni, arte, società nel ‘300 (The Middle Ages in Trieste. The institutions, art and society of the XIV century): educational exhibition on the history of the city at the San Giusto Castle in Trieste.</p> <p>Etruschi. Le antiche metropoli del Lazio (The Etruscans. The ancient metropolises of Latium): Palazzo delle Esposizioni in Rome, an archaeological exhibition that traces and illustrates the Etruscan civilizations of Latium through the extraordinary development of its major urban centres (Veio, Cerveteri, Vulci and Tarquinia) and their relations with Rome.</p> <p>Il racconto dell’angelo (The angel’s story): an art exhibit in the historic centre of Varese on the theme of angels in the pre-alps region.</p>
Austria	Burgtheater and Theater an der Wien in Vienna.
Germany	<p>Hamburg Thalia Theatre: a theatre in Hamburg specialising in children’s productions; in 2008 the Group sponsored the production of the famous German fairy-tale, “Momo”.</p> <p>Kuratorium KölnMusik: association that supports the Philharmonic Orchestra of Cologne, enabling it to provide concerts at reasonable prices and to support young musicians.</p>



Country	Description of the initiative
Switzerland	<p>BSI Monaco Music Masters: event organized in collaboration with the Académie de Musique Fondation Prince Rainier III of Monte Carlo that is committed to promoting both young talent from the Principality of Monaco and those awarded scholarships with major international conservatories, enabling them to take private lessons from some of the greatest Masters.</p> <p>BSI Scholars: financial backing for the education and artistic development of gifted young musicians. Scholarship holders are given the possibility of participating in musical events organized and supported by BSI such as the Martha Argerich Project, the BSI Winter Festival and the BSI Monaco Music Master. A committee of top international musicians is appointed by BSI to select the candidates.</p> <p>Orpheum Foundation: offers young solo instrumentalists the opportunity to perform concerts.</p> <p>BSI Album: displays of rare and original collections in the windows of BSI banks, visible day and night, like albums of times gone by. Each display included a catalogue that was available free of charge at the BSI branches hosting the exhibits.</p> <p>Centenario Foundation: promotes relations between Italy and Switzerland by recognizing organizations and people who have contributed to improving understanding between Switzerland and Italy or to enhancing their common cultural heritage. The 2008 Prize was awarded to Giorgio Orelli, an Italian-speaking, Swiss poet and literary critic, for his marked contribution to intercultural exchange between Switzerland and Italy.</p>
Brazil	Publication of the book The Italian Embassy in Brazil - Options in Italian diplomacy.
Bulgaria	<p>Publication of the book The symbol of the lion in Bulgarian history which discusses the parallelism between the winged lion of San Marco and the symbol of the lion commonly seen in Bulgarian history and tradition.</p> <p>Days of the city of Pazardjik: cultural events organized in the city of Pazardjik, located along the River Marita, an area inhabited since Neolithic times by the Thracians, Romans, Slavs, Byzantines, Turks and Bulgarians, populations whose histories are recorded in the historic archives of the Regional Museum of History.</p>
Hong Kong	Hong Kong Arts Festival Society: association promoting and supporting cultural activities in the local community.
Hungary	Arcus Temporum Festival: organization of a music festival in the Benedictine monastery of Pannonhalma, a world heritage site.
Portugal	Italian cinema festival: new cultural project which aims to promote Italian cinema in Portugal.

Educational initiatives - Group companies maintain gainful relations with universities and post-university education centres, taking part in numerous exchange projects: internships, talks by Group employees, grants, etc. The companies thus, on the one hand, demonstrate their interest in the training of highly specialized potential employees while on the other hand contribute directly to such training. In particular, collaboration and financial backing was provided for:

Country	Description of the initiative
Italy	<p>Master's Degree in Insurance & Risk Management (MIRM) organised by the Trieste School of Management (MIB Consortium), whose cooperation with the Generali Group dates back to the Group's inception.</p> <p>Master's Degree in Real Estate Finance at the Luiss Business School.</p> <p>United World College of the Adriatic (Trieste): funding of several grants to support this international institute, which offers students from around the world the chance to study and interact with their host communities.</p>
Germany	<p>Stifterverband für die Deutsche Wissenschaft: foundation dedicated to improving the quality of the German scientific system.</p> <p>University of Aachen (RWTH), the largest German university, collaborating with the Group since its inception.</p> <p>IREBS - International Real Estate Business School of the University of Regensburg.</p> <p>EGEE (Association des Etats Généraux des Etudiants de l'Europe): organization of the student congress held at Aachen in autumn 2008.</p>
Israel	<p>Arison School of Business in Herzliya: sponsoring the organization of a postgraduate specialization programme in insurance and finance aimed at creating the Migdal academic centre.</p>
Spain	<p>Universidad Complutense in Madrid: funding for the provision of summer courses.</p>
Switzerland	<p>BSI Gamma Foundation: has the goal of promoting the development of theoretical and empirical skills in the financial sector.</p> <p>Swiss Financial Institute: institute dedicated to the expansion and promotion of research and education in financial matters in Switzerland.</p>
Czech Republic	<p>Generali Top Talent 2008: contest for university students organized by Generali on the topic of health insurance in the Czech Republic.</p>
Portugal	<p>Lusiada University: to stimulate the cultural commitment of students, Generali offered the top students at the university an award including a trip to Rome for two.</p>
The Netherlands	<p>ISI-Project: an important project launched in 2004 by a consortium of 15 operators, including brokerage associations, insurers, technological partners and scientific institutions, to identify trends influencing the distribution of insurance products through the various channels. Its goal is to develop and stimulate innovation among insurance brokers in the Netherlands. The organization has been managed exclusively by Generali since 2007.</p>

Raising social awareness

Road traffic - The Group places special emphasis on road traffic initiatives and collaborates with state institutions and associations, in organizing programmes to prevent accidents resulting from failure to adhere to the Highway Code. The majority of these initiatives target children and young people so as to promote the development of prudent drivers of the future.

Country	Description of the initiative
France	<p>Le permis piéton pour les enfants (pedestrian safety scheme for children): an initiative held in collaboration with the National Police force and Sécurité routière, a company specialising in road safety. The purpose of the educational campaign in 2008 was to raise awareness among 750,000 8-9 year-old school children about the risks they are exposed to on their walk to school. At the end of the course children receive a "pedestrian license".</p> <p>Fédération française de motocyclisme (French motorcycle federation): collaboration in a programme aimed at raising awareness in children between the ages of 12 and 16 on the risks of driving two-wheeled vehicles. It involved both courses in theory and hands-on practice on the roadway.</p>
Argentina	<p>Alerta Vial: educational programme aiming at reducing road accidents. In 2008, 500 students aged between 15 and 17 from the state school in Buenos Aires attended road safety courses.</p>
Czech Republic	<p>Gentleman of the road: the project, in collaboration with the State Police, is aimed at encouraging both drivers and pedestrians to take action in the event of a road accident. Every year, a prize and a certificate of merit are awarded to those who intervened following a road accident and offered assistance to the persons involved.</p> <p>Driving with a smile: project developed in collaboration with the police and held during the period from May to October, involving 3,000 children wearing special reflective jackets, accompanying police officers on their road supervision duties. Drivers are stopped and, depending on whether or not they were obeying the law or had committed a breach of the Highway Code, the children would give them stickers with a car that is either smiling or frowning. In 2008 a special version of this initiative was organized: in the city of Pilsen the children were joined on the streets by not only police officers but also by Lukáš Pešek, the famous Czech motorcyclist who has participated in the 250 cc. category of the World GP.</p> <p>Safe city: project carried out in collaboration with the Ministry of transport that places at the entrance of each city a sign reading, "Welcome to our city". This sign is part of the campaign to raise awareness of the speed limit.</p> <p>Accident simulator: Generali is the only insurance company in Eastern Europe to own an accident simulator. The device enables people to experience, virtually and in complete safety, the effects of an accident, understand the danger of certain driving practices, and in particular, the importance of following speed limits.</p>
Hungary	<p>Hungarian drivers association: supporting a programme for the prevention of traffic accidents and for road education for children.</p> <p>Szimba: this is an initiative named after the famous little cartoon lion and is aimed at 6 - 18 year-old children and young people in primary and secondary school. It involves a competition on issues such as health, healthy living, sports and traffic safety with the goal of preventing accidents.</p> <p>The car hunt: an event aimed at preventing street crime; three days every year, civil volunteers and police collaborate to search for stolen cars.</p>
Romania	<p>Car Safety Association: supporting the association in an initiative that involves the distribution of stop signs and reflective jackets to children for a campaign to raise awareness and provide road education.</p>
Serbia Hungary	<p>Apple and lemon: annual road safety educational campaign for children aged 10 to 14 and adults, organised in collaboration with the national police force. During the event, children award drivers who maintain safe driving with an apple and punish those who break the rules with a lemon.</p>
Slovenia	<p>Safe path: sponsoring the association in a campaign that promotes the correct use of children's car seats and seatbelts.</p>

Health - The Group also provides support to associations and initiatives aimed at the prevention and treatment of diseases, in particular those that are the primary causes of death and that strongly affect people's quality of life and independence.

Country	Description of the initiative
Italy	<p>ONDA (National Observatory on Women's Health): an association for raising awareness among the public and particularly among women of the importance of prevention and treatments for the major illnesses afflicting women. In 2008 the collaboration resulted in the publication of an insert in several high circulation women's magazines. Information material was also distributed to 120 Italian hospitals during the "Bollino Rosa" (Pink Stamp) campaign, that awards one or two pink stamps to the organizations that were committed to the prevention of women's diseases and last year awarded stamps to 96 Italian hospitals.</p> <p>Comunità di Sant'Egidio: participation in the DREAM programme (Drug Resource Enhancement against AIDS and Malnutrition) for the prevention and treatment of AIDS in the Democratic Republic of the Congo, which creates, supports and develops a network of health centres. It involved providing equipment for buildings, supplying and administering antiretroviral drugs and other items needed by the sick.</p>
Germany	<p>DGFF (Lipid League): supporting the association for metabolic disturbances, in particular during the organisation of the 5th annual cholesterol day in Cologne.</p>
Belgium	<p>Multiple Sclerosis League: supporting the multiple sclerosis association in the organization of its annual Gala Concert.</p>
Portugal	<p>APFADA (Portuguese association of families and friends of Alzheimer patients): offers assistance to people afflicted with Alzheimer's disease and at the same time works toward developing effective treatments.</p>
Romania	<p>Overland for Smile - Smile of child: supporting a far-reaching programme of free dental care for all children living in social assistance centres. Additional project goals are to educate people who are in contact with children on the prevention of dental problems and to promote exchanges between Romanian and Italian dental associations and universities.</p>

Human rights and social responsibility - Group commitment extends to activities dedicated to raising public awareness of social problems such as war and violence, especially concerning children. It also supports initiatives that promote social commitment in both the general public and in companies.

Country	Description of the initiative
Italy	<p>Fondazione Luchetta Ota D'Angelo Hrovatin: assists children in war-torn countries who need medical care that is not available to them in their own country. In particular, it provides accommodation in homes managed by volunteers. Funding has also been provided for the organisation of journalistic prize for journalists who have made a significant contribution to raising awareness of the importance of solidarity, peace and brotherhood in protecting children from any form of violence.</p> <p>Progetto Uganda: project that supports the diocese of Arua in northern Uganda; it assists in the reintegration of former fighters, aged between 13 and 30, into the country's social fabric through agricultural activities that help their peoples and villages to produce food independently. In 2008 the book-document "Uganda contro" was published with the goal of raising public awareness of the tragedy of this country that has been martyred by civil war. It included photos taken by two photographers selected by Generali.</p>
France	<p>The www.generation-responsable.com website was launched in May 2009 with the goal of encouraging, promoting and proposing initiatives and projects that encourage social responsibility and bring people together. The site is organised into three sections where users can: request information on associations, initiatives, programmes, etc.; subscribe and offer their availability for volunteer activities; present ideas and projects and search for participants and sponsors. The website covers: social solidarity, the integration or reintegration of disadvantaged persons, economic strength, the environment, biodiversity and the preservation of artistic and cultural heritage.</p>
Germany	<p>Generali-Deutschland launched a project called Generali Zukunftsfonds (Generali Funds for the future), which concentrated its social and insurance services on the demographic changes in the population. The principal focus of the project is the promotion of social commitment among the elderly through greater collaboration between organizations and the development of a volunteer culture.</p> <p>The first step for "Generali Zukunftsfonds" involved a study titled "Volunteering in Germany in 2009", for which 44,000 people in over 400 rural and large urban areas were interviewed regarding their degree of social commitment. The complete study is available in German on the www.generali-zukunftsfonds.de website.</p> <p>All social responsibility initiatives are channelled into the "Bürger unternehmen Zukunft" (Citizens for the future) programme, which sponsors numerous local and regional projects providing support for numerous associations and institutions dedicated to involving the over 50s in activities that benefit civil society.</p>
Guatemala	<p>Generali supports CENTRARSE (Centre for Corporate Social Responsibility), an association that works to raise awareness in companies on topics of social responsibility.</p>
Panama	<p>Casa esperanza: non-governmental organization that promotes the abolition of child labour. Generali supported the "Give us a hand to grow" awareness campaign, offering educational programmes to children that live in conditions of extreme poverty.</p>

Youth and amateur sports - Generali views sports as an educational and training tool that promotes healthy principles and values. It is for this reason that youth and amateur sports are supported by numerous projects, which often provide uniforms or sports equipment. This helps young people and many groups continue their highly educational work in a wide range of disciplines, such as: tennis, golf, football, swimming, volleyball, basketball, rugby, sailing, motorbike racing, triathlons, cycling, marathons, etc..

The Group's countless initiatives include a collaboration with the "Sport Più Association" in Italy, that promotes sports for the disabled, sponsorship of the special Olympics and a bowling tournament for 8-year-old children with intellectual disabilities in Panama and the involvement of the "Hapoel Migdal Jerusalem" basketball team and the judoka Arik Ze'evi (discussed in greater detail later in this chapter) in social activities and the promotion of youth sports in Israel.

Integration

The Group is deeply committed to supporting associations that provide rehabilitation for people in difficulty and assist them in their reintegration into society and the employment world. Similarly, it supports numerous programmes offering equal advancement and enhancement opportunities in society for disadvantaged people, particularly through education.

Country	Description of the initiative
Italy	<p>Associazione Mus-e: support for the programme that uses collective disciplines such as music, song, theatre, dance, plastic arts, figurative arts and mime to facilitate communication and the sharing of experiences, without any need for verbal communication, to promote the integration of immigrant children in schools.</p> <p>Asphi (Introduction and Development of Projects to reduce handicaps through IT): a non-profit organization that promotes the integration of people with disabilities in schools, at work and in companies through the use of technology.</p> <p>Comunità di San Patignano: sponsorship for the “Squisito! Cuochi, prodotti, ricette, vini. Itinerario nel Buonpaese” (Delicious! Cooks, products, recipes, wines. Italian food itinerary) food and wine event, now in its fifth edition, entirely organised by young people from a drugs rehabilitation centre.</p> <p>Fondazione aiutare i bambini (Help the Children): support for the “Cuore di bimbi” (Children’s heart), which helps children in poor or war-torn countries that are afflicted with heart problems, receive operations and treatment in Italian hospitals. In 2008 the project helped 2 African children from Zimbabwe and 7 children from Albania and Bosnia to come to Italy with a relative.</p> <p>Un nido per ogni bambino (a nursery for every child): project organized by the “Aiutare i Bambini” (Help the Children) foundation which, in light of the lack of facilities for pre-school children in Italy, aims to build new nurseries, giving priority to children from low-income and single-parent families and single mothers.</p>
Austria	<p>SOS-Kinderdörfer (SOS children’s villages): international non-governmental organisation which helps orphans and the children of disadvantaged families. In addition to its normal collaboration, Generali Austria sponsored the publication of the book, “Kindsein zwischen Leben und Überleben” (“To be a child, from life to survival”), presented in February 2009 for the 60th anniversary of the organization.</p> <p>Humana People to People: donation of 50 laptop computers to the association for the creation of educational centres in Angola.</p>
France	<p>Garches foundation: association that assists disabled people attain independence.</p>
Israel	<p>Atidim: programme aiming to reduce the differences in Israeli society offering talented teenagers from needy families access to education and the chance to attain a university degree.</p> <p>Tlalim: multiple award-winning initiative providing educational support to sick children who are absent from school for over three weeks, drawing on different types of assistance (home schooling, e-learning courses, call centres and closed circuit television broadcasts) to help them keep in touch with teachers and classes.</p> <p>Elem, Gag Ve Gam and Muzot: organisations that provide help to teenagers at risk, giving special support to programmes targeted at young immigrants from Ethiopia and the former Soviet Union. The Gag Ve Gam programme, in particular, assists children who have left their homes (either voluntarily or forcefully), often abandoning the conventional school system, allowing them to join the Tlalim virtual school.</p> <p>Wheel House: association that supports children and young people with serious psychiatric and physical disabilities with the aim of integrating them in the community as active members of their society. The association supports about 300 children and young adults aged between 9 and 30, as well as approximately 300 volunteers.</p>
Spain	<p>Anouk Fondation: association that works to improve hospital conditions both for children and adults. In particular, Generali sponsored a project for decorating the hospital walls in the children’s unit with fun, cheerful scenes.</p>
Belgium	<p>Buitenbeenpop: musical festival organized and dedicated to people with disabilities. The concert, open to all, is aimed at integration with a special focus on the disabled.</p>



Country	Description of the initiative
Brazil	Casa do Menor São Miguel Arcanjo: organisation that works to assist and encourage the recovery of abandoned children with drug addictions or those afflicted by social traumas, offering a home, nourishment, education or professional employment with the goal of integrating these people into society. Generali specifically focuses on the education and employment of young people: in November 2008 the “Young apprentice” project was launched, offering young people who had taken special insurance courses a company internship and a contract with a maximum duration of two years, as required by the Brazilian law.
Czech Republic	Psí oci: association dedicated to training guide dogs for blind or visually impaired children.
Guatemala	Nuestros Ahijados: association providing assistance to poor and orphaned children.
Panama	Casita de Mausí: a non-profit association that offers and sponsors cancer treatment for those living in poverty and without health cover. Generali’s contribution was used to enlarge the facilities.
Romania	Rudolph Walter Foundation: association that provides accommodation for orphaned children. Generali worked on the “House of my heart” project, building a house for 20 children.
Slovakia	Children’s Fund of the Slovak Republic: donations to the “Konto bariéry” project that works to provide assistance and to encourage the integration of disabled children.
Slovenia	Red Noses: donations to the association of volunteers who visit hospitals to entertain and cheer up children with long-term illnesses.

Environment and climate change

The Group financed a series of activities, of varying type and scope, for the safeguarding and protection of animals and the environment as well as initiatives for the development and distribution of alternative energy sources.

Country	Description of the initiative
Italy	<p>FAI (the Italian Environmental Fund): a private, non-profit foundation committed to safeguarding, preserving and promoting Italy’s historical, artistic and environmental heritage.</p> <p>SOS Cetacei: a programme promoted by the Milan Natural History Museum to protect cetaceans in the Mediterranean Sea. Europ Assistance activated a dedicated 24-hour telephone line for Italy to report sightings of cetaceans that are stranded or in difficulty and coordinate the ensuing rescue efforts.</p> <p>TARTANET: this project results from collaboration between the European Commission and the Ministry of the Environment and is run by the Department of Wildlife Conservation of the CTS (Student Tourism Centre). Its long-term objective is to safeguard the loggerhead sea turtle (also known as <i>Caretta caretta</i>). To this end, a network of centres located along Italy’s coastline was created to provide a timely and effective response system. Again in this case, Europ Assistance activated a 24-hour emergency response number for the reporting of turtles that are stranded or in difficulty, which in turn notifies the nearest recovery centre; In 2007 alone, almost 400 reports regarding cetaceans and turtles in difficulty were received and coordinated by the Europ Assistance call centre.</p> <p>Convegno Emergenza Alimentare: OGM sì o no (Congress on the Food Emergency: GMO yes or no): debate on GMOs as a solution to the food emergency, including the participation of doctors, economists, journalists, scientists and teachers.</p> <p>Progetto Pinna nobilis 2008: since summer 2008, the Generali Circolo and Aquafun Diving in Trieste have collaborated on a WWF project involving the entire Mediterranean area in the study and preservation of the <i>Pinna nobilis</i> (mollusc with a cuneiform shell) in the upper Adriatic. The project, focusing on the sea near Trieste, monitors the growth of this protected species outside the Miramare Natural Marine Reserve.</p>
Austria	Energy Globe Award: a competition attracting about 700 projects every year from all over the world, that make moderate, careful use of resources and draw on alternative energy sources. The initiative aims to raise awareness in the general public about repeatable and sustainable projects: all projects receiving awards were presented during the awards ceremony, broadcast on international television circuits.



Country	Description of the initiative
France	ADEME (Environment and Energy Management Agency): collaboration agreement to raise client awareness of environmental protection (see chapter on the environment). Newzy : sponsorship of the magazine on sustainable development. Ligue ROC : national association, recognized as a public utility by the Ministry of ecology, which works to protect nature and biodiversity in particular.
Germany	RWTH University in Aachen: Generali contributed a large donation towards the construction of the "SuperC" building, which uses cutting edge technology including geothermal energy for heating and cooling systems. For the first time, 80% of the energy needs for a building of considerable size (4,600 m ²) were met by this type of renewable energy, with a reduction in CO ₂ emissions. The project was awarded the "Best life environment project 2007-2008" prize by the European Union.
Switzerland	BSI Architectural Award : The biennial architecture award, presented in 2008 to the Paraguayan Solano Benitez, was established by the BSI Architectural Foundation in 2006 with the goal of promoting knowledge, training and research in the field of architecture. The objective of the prize is to recognize and bring architects who have made a significant contribution to contemporary culture through their work and who demonstrate particular sensitivity to the landscape and environmental context, to the attention of the public and the media. VEL : an initiative promoted by the Sustainable Mobility Association, whose objective is to encourage the use of alternative energy vehicles, especially electric cars.
Bulgaria	The day of the rose : sponsorship of an event organized by the Rose Museum in the city of Kazanlak.
China	Zhanjiang City : contribution for planting mangroves on the city seafront.
Hong Kong	Green Power : an independent organization focusing on environmental issues, especially those linked to renewable energy. Each year it organises a walking race to raise money, and donates the entire proceeds to environmental education programmes for nursery, primary and middle schools.
Poland	Warsaw Zoo : Generali supports and finances a project for the protection, health and support of lions.
Portugal	Amigos do Jardim Zoologico : Generali is a member of the Association that supports zoo activities: research, animal protection, education, etc.. Luso Expedição : scientific expedition involving Lusófona University to study marine wildlife, specifically marine invertebrates.

Commercial initiatives

High profile cultural events - Generali also promotes its brand through sponsoring events, that by their very characteristics, attract a large public turnout and/or extensive media visibility.

It offers support to exhibitions, musical and theatrical events with famous artists, composers and musicians; it sponsors festivals and national and international musical, literary and artistic awards.

Along with primarily cultural events, Generali also provides support for conventions that include the participation of renowned figures in the field of economics: in Trieste, "Nobels Colloquia 2008" included five Nobel Prize winners in Economics discussing the topic of "The financial crisis and the USA post-election"; in Poland, a lecture by the famous economist Leszek Balcerowicz on poverty in Polish society; in Serbia, a lecture by the Nobel Prize winning economist, Joseph Stiglitz, entitled "Global economic crises and forecasts for the repercussions in the Balkans".

Activities aimed at enhancing the visibility of the Generali name, in Germany, in Hamburg the Group entered a partnership with the navigation company Alster, which organizes tourist boat tours of the river.

Exhibitions

Country	Description of the initiative
Italy	<p>Magritte il mistero della Natura (Magritte, the mystery of Nature) important exhibition organized by the Palazzo Reale in Milan (22 November 2008 - 29 March 2009), the last stop of a tour organized by the Magritte Foundation prior to the opening of the Magritte Museum in Brussels in May 2009.</p> <p>Travelling exhibition and convention dedicated to Luigi Einaudi of the Einaudi Foundation.</p> <p>Seurat, Signac e i Neoimpressionisti (Seurat, Signac and the Neo-impressionists): exhibition at the Palazzo Reale in Milan. The event was designed to have a low environmental impact in accordance with the eco-sustainability policies of the City of Milan and Assicurazioni Generali, the exhibition sponsors.</p> <p>L'ultimo Tiziano e la sensualità della pittura (The Last Tiziano and the sensuality of painting): exhibition at the Gallerie dell'Accademia in Venice with twenty-eight works from some of the most important museums in the world, dating from the mid 1500's to the artist's death in 1576.</p> <p>Bill Viola: sponsorship of an exhibition of one of the top contemporary artists and a pioneer of video-art, presented in Rome including a wide selection of his works, the most complete exhibition of his work in Europe.</p> <p>Giacomo Balla la modernità futurista (Giacomo Balla, futuristic modernity): exhibition held at the Palazzo Reale in Milan on the fiftieth anniversary of the artist's death.</p> <p>Pintoricchio: exhibition at The National Gallery of Umbria in Perugia and Cappella Bella della Collegiata di Santa Maria Maggiore in Spello, to celebrate the 550th anniversary of the birth of one of the most fascinating protagonists of the Italian Renaissance.</p> <p>Torino World Design Capital: large international event involving all the creative areas linked to the theme of design and architecture with over 180 initiatives including exhibitions, conventions, congresses, competitions, public events and educational tours.</p> <p>50 lune di Saturno (50 moons of Saturn): triennial international art exhibition in Turin.</p>
Austria	<p>Generali Foundation: a non-profit organisation whose objectives include promoting contemporary art and the creation of a photography, film and video collection. Funds are allocated to the purchase of works, which are displayed every year in international exhibitions.</p>
France	<p>Sonia Rykiel: sponsorship of an exhibition of the famous designer's works at the Musée des Arts Décoratifs.</p> <p>Milène Guermont: sponsorship of the young French artist who participated in the Art Basel exhibition in Miami in 2008.</p>
Germany	<p>Opernball Augsburg: sponsorship of the opera dance that was held at the Augusta theatre on 26 December, as an evening of music, art and poetry.</p>
Switzerland	<p>Gianadda Foundation: sponsorship of various initiatives including a concert by violinist Gidon Kremer and the Baltic Camerata in 2008.</p> <p>BSI art collection: in 2008, an important exhibition of contemporary Chinese art was organized in Lugano to highlight the growing expansion of the banking institution on the Asian market. The "Free Zone: China" exhibition exhibited a preview for the general public of works from twenty of the most internationally renowned Chinese artists. The exhibition later transferred to the Hong Kong and Singapore branches.</p> <p>Kunsthaus Zurich: sponsorship of an exhibition by the celebrated photographer Edward Steichen.</p>
Czech Republic	<p>Letní shakespeareovské slavnosti: outdoor theatre festival dedicated to Shakespeare, held during the summer throughout various cities in the Czech Republic.</p>
Poland	<p>Fly: sponsorship of Yoko Ono exhibition at the Centre for Modern Art in Warsaw as well as a visit by the artist to the city.</p> <p>Ex Collectione Dzikoviana: exhibition held in the national library of Warsaw, including objects and collections (paintings, sculptures, precious manuscripts, prints and photographs) belonging to the noble Tarnowski family. The exhibition included multimedia presentations and video installations.</p>
Slovenia	<p>Ljubljana Museum: sponsorship of an exhibition of works by the sculptor, Roberto Capucci.</p>

Music and literature

Country	Description of the initiative
Italy	<p>Sponsorship of a concert by the pianist, Sokolov and the Festival dell'Operetta in Trieste.</p> <p>Folkest 2008: festival that takes place in several locations throughout Friuli Venezia Giulia, dedicated to world culture and the music of diverse ethnic groups, aimed at building a peaceful future.</p> <p>Associazione Lingotto musica (Turin): promotes classical music by organising concerts with musicians, directors and orchestras of international stature, including the Mariinsky Theatre Orchestra of Saint Petersburg and the Royal Philharmonic Orchestra in 2008.</p> <p>Premio Campiello (Venice): literary prize dedicated to contemporary Italian fiction.</p> <p>Premio Ischia Internazionale di Giornalismo (Ischia International Prize for Journalism): a prize for journalists whose have distinguished themselves for their outstanding professional and ethical behaviour.</p>
Austria	<p>Musikverein (musical association of Vienna): sponsorship of 3 concerts.</p> <p>Salzburger Jazz-Herbst: famous jazz music festival including the participation of international artists.</p> <p>Linzer Klangwolke: an important music festival held every autumn in Linz.</p>
France	<p>Saint-Denis Music Festival: music event held every year in Saint-Denis for the entire month of June.</p> <p>Pablo Casals Chamber Music Festival, held in the city of Prades.</p>
Germany	<p>Aachener Kultursommer: an annual event organized every summer: 10 days of music, theatre and dance performances in the squares, museums and churches of Aachen.</p> <p>Max Ophüls Preis: cinema festival dedicated to new talent in Germany, Austria and Switzerland.</p> <p>Medienpreis der AachenMünchener: journalism award for articles on insurance-related topics.</p> <p>LitKöln: international literature festival held each year in Cologne, where readings, presentations and meetings with authors take place over 10 days and 10 nights.</p>
Switzerland	<p>Martha Argerich Project: a musical event involving a series of concerts featuring numerous established or young instrumentalists playing alongside the famous Argentinean pianist, including the winners of grants offered by BSI to students at the Lugano Conservatory.</p> <p>2008 Montebello Festival: international chamber music festival at the Montebello castle in Bellinzona.</p> <p>FOSI - Orchestra of Italian Switzerland Foundation: sponsorship of the 2008 Gala Concert.</p>
Belgium	<p>Tour of Sites: support for a number of major musical events and light installations aimed at highlighting the architectural heritage of the city.</p>
Bulgaria	<p>Veselin Marinov: sponsorship of a concert by one of the most popular pop singers in Bulgaria.</p>
Croatia	<p>Tereza Kesovija: sponsorship of a concert by the famous Croatian singer held in Split.</p>
Hungary	<p>Columbus Jazz Club: sponsorship of the most popular jazz club in Budapest with performances by numerous jazz artists.</p>
Romania	<p>George Enescu Philharmonique: sponsorship of a concert.</p>

Professional sport and large audience events - Group companies are very active in this type of sponsorship and play a key role in their countries. The Group assists communities to hold events on a national and international scale, with positive repercussions on both the local economy and the city's image and on the Group's own corporate image and business. In developing markets, this can provide an opportunity for greater economic growth, with implications on a number of levels. Sponsoring famous teams and athletes can also encourage young people to take up sports and follow in the footsteps of great champions. In many cases, companies welcome the chance to hold large sporting and cultural events, as a means of promoting loyalty among their customers, employees and sales networks.

Major initiatives of 2008

Country	Professional international events	Large scale events	Team, federation and athlete sponsorship
Italy	<ul style="list-style-type: none"> • 2008 Paralympics • European Artistic Gymnastics Championships 	<ul style="list-style-type: none"> • Barcolana (sailing regatta) • Rome Marathon • Trieste Marathon (Bavisela) 	<ul style="list-style-type: none"> • Italian national football team • Trieste handball club • Generali Aquile Fvg (ice hockey team) • Italian Fencing Federation
Austria	<ul style="list-style-type: none"> • Alpine Skiing World Cup 	<ul style="list-style-type: none"> • Ladies Linz: important tennis tournament 	<ul style="list-style-type: none"> • Austrian national football team • National judo association • Austrian national rugby team
France	<ul style="list-style-type: none"> • Volleyball World Cup 	<ul style="list-style-type: none"> • Generali Open de France: horse riding championship • National golf championship 	<ul style="list-style-type: none"> • French Horse Riding Federation • French Golf Federation • French Volleyball Federation • Yann Eliès (sailor who participated in the Vendée Globe) • Stéphane Rouyer (disabled athlete, national triathlon champion)
Germany	<ul style="list-style-type: none"> • CHIO Aachen (World Equestrian Festival) 	<ul style="list-style-type: none"> • Blankeneser Volksfürsorge Heldenlauf: race, 3,400 participants from all of Germany 	<ul style="list-style-type: none"> • Alemannia Aachen (football, volleyball) • FCC Frankfurt: women's football • Unterhaching Fußball (football, volleyball)
Israel			<ul style="list-style-type: none"> • Hapoel Migdal Jerusalem: basketball team • Arik Ze'evi (Judoka)
Switzerland	<ul style="list-style-type: none"> • CSIO: International Olympic Showjumping Championship (equestrian competition) • Spengler Cup: Hockey (international tournament) • International BSI Golf Trophy 	<ul style="list-style-type: none"> • Mendrisio d'oro (cycling) • BSI Challenger (tennis) • Suisse Cup: football 	<ul style="list-style-type: none"> • National Tennis Federation

Below are several of the major sports sponsorships by Group companies in countries located outside the Sustainability Report area.

Events: marathons in Belgrade and Warsaw; "Generali city running" in Hungary; Cross Internationale de Hannut and Cross de Bruxelles (athletics) in Belgium; "Triathlon European Championship" in Portugal; the "Future Cup" (cricket tournament) in India; car and motorcycle races including the "Skoda Octavia cup" in the Czech Republic, the "Gabor Talmashi" in Hungary, the "Bucharest City Challenge" in Romania and the "International Rally Buenos Aires-Cordoba" in Argentina.

Top athletes: in Poland, Adam Malysz, winner of four World Cups in ski jumping; in the Czech Republic, the Formula 1 driver Tomáš Enge and Karel Loprais, six-time winner of the Paris Dakar Rally; in Hungary Balazs Szalaya, also a participant in the Paris Dakar Rally.

Finally, sponsorship was provided for first and second division **teams** in various sports (especially football) in almost all countries.



MARCIA CICCARELLI MARIANO | Brazil

CASA DE JOAO DE BARRO INVADINDO A CIDADE

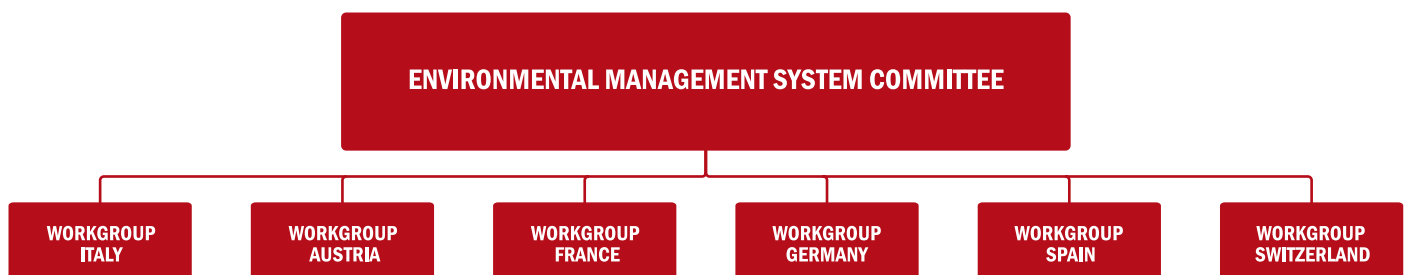


ENVIRONMENT

Environmental policies and organisational structure

Protecting the environment as a primary asset is one of the Generali Group’s guide values. As defined in its Ethical Code, the Group has made a commitment to direct its own decisions towards ensuring compatibility between economic and environmental factors.

As detailed in the “Group” chapter, April 2009 saw the launch of an important project for the implementation of an in-house **Environmental Management System (EMS)** that meets the requirements set by the ethical/environmental rating agencies. The definition and standardisation of Group environmental policy is one of the first steps towards implementation of the system. The most noteworthy results will be published in the “Sustainability” section of the www.generali.com website as and when these become available. The **Eco-Committee** was re-organised in early 2009, following the decision to launch this international project, and is now known as the **EMS Committee**. Full details can be found in the “Group” chapter.



National workgroups (as at the beginning of 2009)

Country	Type of organization and/or departments involved	Objectives
Italy	Workgroup consisting of Italian EMS Committee employees	Objectives aligned with those of the EMS project
Austria	Workgroup <ul style="list-style-type: none"> made up of Facility Management and Safety Management representatives reports to the Executive Committee 	<ul style="list-style-type: none"> stabilize energy consumption reduce energy costs. Since the 2008 target (-10%) has not been met, the workgroup has been integrated with the real estate management company that it currently works with, building by building, in order that it may attain plausible reductions
France	15 study groups, which <ul style="list-style-type: none"> work on 5 issues: social, business, products, management of buildings and consumption and asset management report to the General Manager and Human Resources Manager 	<ul style="list-style-type: none"> study and implement all sustainable development initiatives, including the environmental ones develop sustainable products
Germany	<ul style="list-style-type: none"> Group Environmental Committee reporting to the General Manager of the Holding workgroups for the management of all environmental issues 	<ul style="list-style-type: none"> promote the principles of environmental protection and sustainability in general throughout the Group with improved communication, both internal and external collect data, define environmental guidelines, develop and promote new environmental protection initiatives



Country	Type of organization and/or departments involved	Objectives
Israel	Environmental protection management committee <ul style="list-style-type: none"> • comprising of the managers throughout the corporate structure • chaired by the manager of the Migdal operating divisions who reports to the company's Managing Director 	<ul style="list-style-type: none"> • discuss, approve and promote the Migdal environmental protection plan, relating in particular to: <ul style="list-style-type: none"> - implementation of a policy to increase energy efficiency and reduce energy consumption - create and maintain a healthy and safe work environment for employees and suppliers - separation and recycling of waste materials - development of an "ecological office" culture and the relative procedures; the opportunity to influence the supplier behaviour with regard to environmental protection
Spain	Health and safety committee <ul style="list-style-type: none"> • also comprising of trade union representatives • reports directly to Top Management 	<ul style="list-style-type: none"> • manage environmental initiatives, as well as being responsible for compliance with health and safety regulations

Education and raising awareness

In acknowledging that education is fundamental element for the promotion of eco-compatible behaviour, the Group encourages various actions aimed at educating and raising awareness of environmental issues. These actions target staff members, through a variety of programmes and initiatives, as well as clients and the general public, through awareness initiatives, dedicated conferences and guides and leaflets containing useful advice and recommendations.

Major education and awareness initiatives

Country	Type of initiative and targets	Diffusion methods	Main objectives and/or contents
Italy	"Sustainable Office" project <ul style="list-style-type: none"> • staff members 	<ul style="list-style-type: none"> • posters with simple reminder messages in the Group's main branches in Italy • communication of the initiative to each employee by personal e-mail • presentation of the initiative on the Human Resources Portal and on company Intranets • Group-wide diffusion on the www.general.com website 	<ul style="list-style-type: none"> • diffusion of basic environmentally-friendly behaviour • energy saving • reduction of paper and water consumption • diffusion of selective waste collection
	Participation in the "M'illumino di meno" (I will use less light) initiative promoted by Radio 2 and backed by the Italian Ministry of the Environment and by the Presidency of the Council <ul style="list-style-type: none"> • staff members 	<ul style="list-style-type: none"> • presentation of the initiative in the Human Resources Portal 	<ul style="list-style-type: none"> • energy saving and efficient use of energy resources



Country	Type of initiative and targets	Diffusion methods	Main objectives and/or contents
	Adhesion of the company Toro to the XI edition of the "In town without my car", International Day, an initiative of the European Commission for the Environment • employees; agents	• issue of an ad hoc communication to all agents and employees	• raising awareness of environmental protection and of a healthier lifestyle
Austria	"in:site" company newsletter • staff members	• paper version and online version	• information and raising awareness of environmental issues in general • focus on energy saving
France	Information campaign • staff members; clients; the public	• www.generali-avenir.com website	• suggestions for environmental protection in everyday life • tests for calculating CO ₂ emissions and energy consumption • tools for reducing consumption
	"Generation responsable" • general public	• television campaign and www.generation-responsible.com website	• encourage the development of a "responsible generation" that adopts sustainable behaviour aimed at improving society and the environment for a better future • encourage firms to adopt responsible behaviour by offering significant economic benefits and additional services to those firms opting to combine economic profit and sustainable development
	"Sustainable development week" organised by Generali every year in April • staff members	• conferences, exhibitions and plays focusing on environmental issues	• information and raising awareness of environmental issues in general
	Continuation of the advertising campaign in collaboration with "Newzy" magazine • the public	• monthly publication of articles on sustainable development	• promotion of the sustainability culture
	Sponsoring of the student contest as part of a three-year collaboration agreement in place with the Environmental and Energy Management Agency (ADEME) and with the scientific publication, "La recherche" • students	• the annual contest presents solution proposals and tools to limit man's impact on the environment	• raise young people's awareness of the need for sustainable development



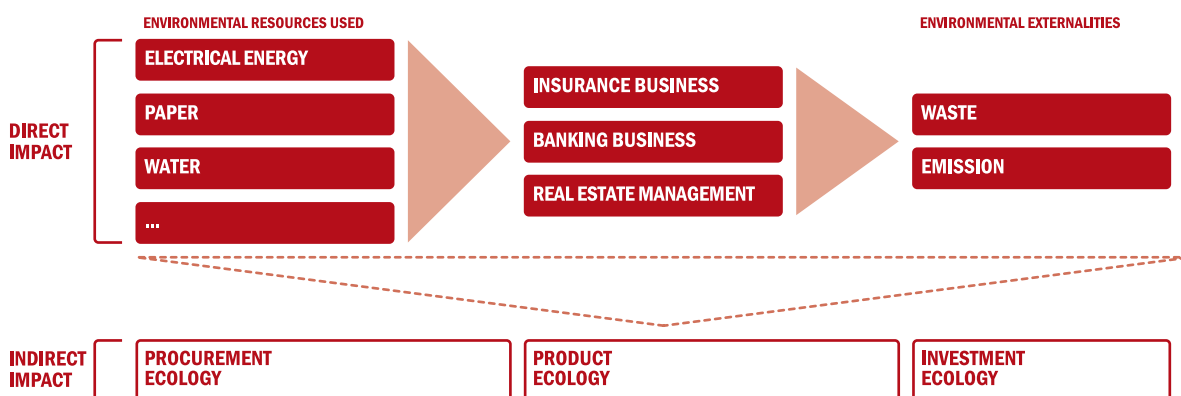
Country	Type of initiative and targets	Diffusion methods	Main objectives and/or contents
France	Sponsoring of the "Generali on Ice" ice-skating show • the public		• the 2008 theme was "Let's conserve the planet"
Germany	"Energy Management" project (as detailed below) • staff members; clients; the public		• training and raising awareness on more efficient and correct energy consumption
	E-shop • staff members	• online	• sells only eco-compatible products
	Publication of environmental studies • staff members; sales force; public	• company Intranet sites • distribution at special events	• information on environmental issues
Israel	Training • environmental protection staff		• the environmental protection plan envisages adequate training for environmental protection staff to be appointed from existing Migdal employees
	"Think Green in Migdal" • staff; the public	• distribution of paper copies in 2009 • published on the Migdal website	• promoting environmental protection through the preparation of a guide containing environmental protection information and advice, both at home and in the workplace
	Information campaigns • staff members	• Migdal portal	• promotion of environmental protection via the publication of articles, advertising information and news in general
	"Green Office" • staff members		• slogan and logo to be used in 2009
Spain	Training • staff members		• promoting eco-compatible behaviour
	Training/information • staff members; external maintenance service, security and cleaning staff		• training and information for the correct use of systems with a view to saving energy
Switzerland	Internal magazine • staff members		• raising awareness of environmental issues with particular attention to paper and energy consumption



Country	Type of initiative and targets	Diffusion methods	Main objectives and/or contents
Belgium	Suggestions for the adoption of eco-compatible behaviour <ul style="list-style-type: none"> • staff members 	<ul style="list-style-type: none"> • internal newsletter printed on certified FSC-label paper 	<ul style="list-style-type: none"> • promoting environmental issues
China	Awareness initiative <ul style="list-style-type: none"> • staff members 	<ul style="list-style-type: none"> • employee communications 	<ul style="list-style-type: none"> • raising awareness of used battery recycling and of saving energy, water, light and paper
Japan	Awareness/information campaign <ul style="list-style-type: none"> • staff members 	<ul style="list-style-type: none"> • circular sent to all staff 	<ul style="list-style-type: none"> • guidelines on eco-sustainable behaviour to be adopted, with particular regard to heating/air-conditioning temperature settings and the saving water, light and paper
Thailand	Awareness/information campaign <ul style="list-style-type: none"> • staff members; clients 	<ul style="list-style-type: none"> • newsletter • Green T-shirt distribution • free cloth bags to customers changing their payment method to bank transfer 	<ul style="list-style-type: none"> • raising awareness of environmental issues

In France, Generali also organised, in collaboration with other partners, the “**Entrepreneurs of the future: pioneers of a more humane economy**” observatory, which includes those companies that are able, through their products and services, to generate a new growth model that is based on efficiency and responsibility and equity and sustainability. The observatory aims to promote a new global performance model that combines competitiveness with respect for the individual and his/her well-being at work and for ethical, company and environmental principles. Representatives of each company, selected on criteria of best practice, will meet at the first “Parliament of the entrepreneurs of the future” in June 2009 to discuss sustainable development issues. The www.entrepreneursdavenir.com website is entirely dedicated to this initiative.

Direct environmental impact



Group companies are all committed in one way or another to adopting sustainable practices and behaviours that are more suited to reducing the direct environmental impact that their line of work has on the environment.

The Group maintained its commitment in 2008, continuing to collect data relating to electrical energy, water and paper consumption throughout the Sustainability Report area and gathering information on waste collection and disposal methods.

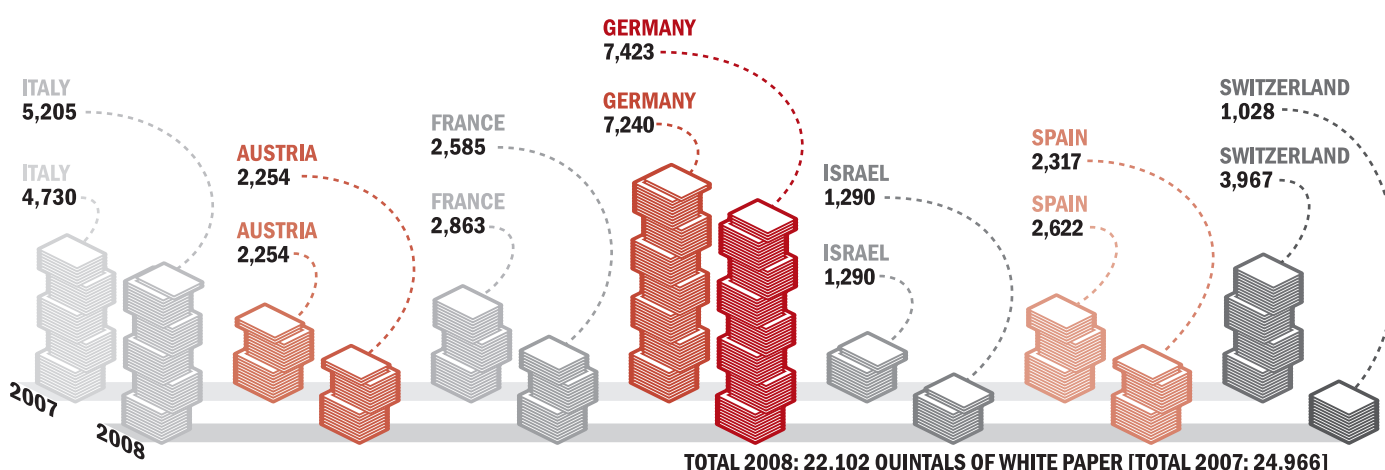
Use of environmental resources

Consumption of electrical energy (SR area; 2007-2008)

	CONSUMPTION KWH	CONSUMPTION KWH	CHANGE
	2007	2008	2008/07
ITALY	74,380,000	78,380,120	+5.4%
AUSTRIA	11,589,720	11,590,454	+0.0%
FRANCE	20,699,209	20,501,884	-1.0%
GERMANY	67,917,792	67,013,388	-1.3%
ISRAEL	12,319,861	9,633,072	-21.8%
SPAIN	13,772,245	12,447,124	-9.6%
SWITZERLAND	11,969,545	14,850,237	+24.1%
TOTAL	212,648,372	214,416,279	+0.8%

- Energy is not currently being produced within the Group; there is therefore only indirect energy consumption.
- Italy and Germany are the countries with the highest electrical energy consumption, accounting for 67.9% of total consumption. This high level of consumption is partly due the presence of data processing centres (DPC), in some bases, which also carry out activities on behalf of Group companies from other countries, within some of their bases. In Italy in 2008, the DPC (which carries out activities for all companies in Italy, France, Portugal and Dubai) recorded consumption of 17 MWh compared to the 12 MWh recorded in 2007, while DPC consumption in Germany (which also carries out activities for Belgian and partial activities for Austria and some Central European countries), recorded consumption of 13.7 MWh.
- Nearly all countries in the Sustainability Report utilise electrical energy from renewable sources. It should be noted that, for those countries for which data is available, approximately 83.2% of Austria's total consumption, 29.5% of Germany's total consumption and 19.3% of Spain's total consumption comes from renewable sources such as hydroelectric, solar, wind and biomass energy.
- The increase in consumption recorded in Switzerland is attributable to the measurement of consumption (in particular the inclusion of the Nyon base) and to the increase recorded by the BSI Group, which strengthened its computer system following its merger with Banca del Gottardo.

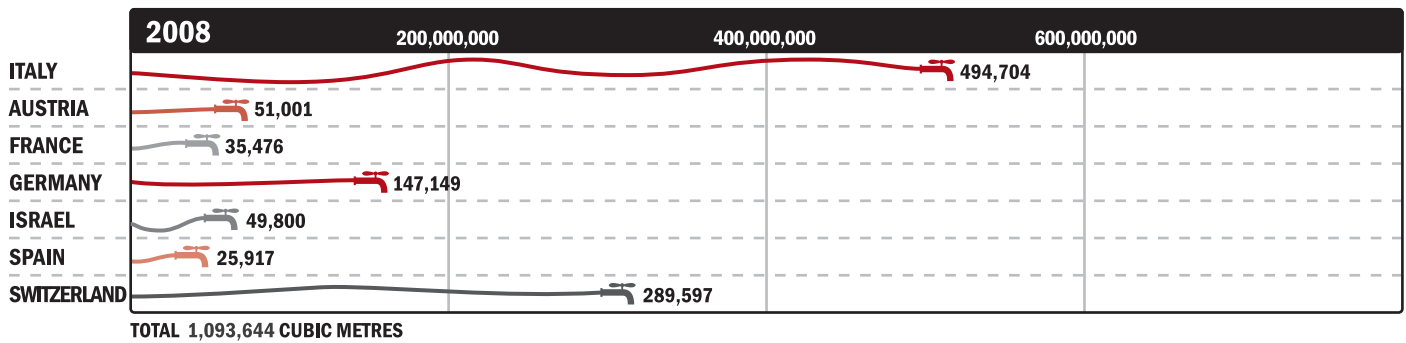
Consumption of white paper (SR area; 2007-2008)



- In 2008, an attempt was made to perfect the systems used to collect white paper consumption data also through estimates; it is for this reason that Austria and Israel estimated the same levels of consumption for 2007 and 2008. Consumption increased in Italy (+10%) and Germany (+2.5%, in the absence of the Europ Assistance Deutschland data), while France and Spain (in the absence of Europ Assistance España) recorded net reductions of 9.7% and 11.6% respectively.
- Switzerland (in the absence of BSI Group and Europ Assistance Suisse data), saw a reduction, on a comparable basis (that is considering both white paper and printed paper), of 5.5% as in 2007 the companies only purchased white paper, while in 2008, both white paper and printed paper was used.

- 100% of white paper used by France and by Europ Assistance Österreich is recycled, while 100% of paper used in Austria, Spain and Switzerland is ecological, where ecological refers to these types of paper: chlorine-free paper, certified FSC-label (Forest Stewardship Council) or Ecolabel paper and other types of eco-compatible paper.
- Full consumption data for printed paper, which the companies are in the process of ordering, is not yet available. Partial consumption data is available for the following countries: Italy (18,000 quintals), Austria (1,940 q), France (6,704 q), Germany (17,061 q), Israel (730 q), Spain (596 q) and Switzerland (2,719 q) for a total of 47,750 quintals. Of Europ Assistance companies only France has provided data, which is included in the consumption of printed paper for France.

Consumption of water (SR area; 2008)



- As regards water consumption, Italy is the country with the greatest water consumption, accounting for 45.2% of total consumption, followed by Switzerland which has recorded an increase of 13.7% compared to 2007 due to a leak in the water conduit of the BSI base in Lugano.
- Spain (in the absence of Europ Assistance España data) recorded a 41% decrease in consumption as the direct result of employee awareness initiatives.
- With regard to water sources, it should be noted that approximately 95% comes from the municipal/state conduit while the remaining 5% relates to consumption of subsoil water used in Austria (200 m³) and in Germany (787 m³).

Reduction in resource consumption

All Group companies have adopted various measures to reduce electrical energy, paper and water consumption. Energy and paper saving in particular, has seen all Group companies unite in 2008 in a truly commitment. This chapter provides details of major initiatives that have been in place for several years as well as details of recently launched initiatives.

Major initiatives for reducing **paper consumption**:

- default Duplex printing for printers, where available, in Italy and The Netherlands;
- replacement of individual printers with central office/floor printers in Switzerland and Austria;
- replacement of individual printers, photocopiers and fax machines with multi-functional machines in Germany; feasibility studies have been completed in Italy and the next step will be to implement the acquisition process;
- introduction of measures to reduce the paper used for the policies: in Italy, following migration onto the Group non-life platform, all FATA agencies will print policies at the time of issue and eliminate pre-printed forms; in Austria, policy conditions can be viewed online and are only provided in paper format on the customer's specific request (especially motor and household insurance); in France, printed materials were rationalised and 12 payment advice models are now used instead of 345; in Greece, programmes memorise the information and only the final version of the contract is generally printed;
- communications between companies/agencies/customers are sent by means other than paper format: in Italy, Genertel sends notification of policy execution via SMS; in Austria both SMS and e-mail are used to inform clients of the status and settlement of claims; agents use electronic system to log claims and these can be reported online; in the USA, faxes are connected to computers and can be viewed in e-mail format;
- electronic document archiving: in Italy and gradually in France, where a project for the dematerialisation of paper documents is underway;
- other initiatives: in France, a large publicity poster currently displayed on a Group building under renovation will be recycled and reutilised; in Germany, cloth towels are used instead of paper towels.

Most of the above measures have a positive impact not only on paper, but also on toner and energy consumption. In order to reduce consumption of the last ones, numerous Group real estate measures have been implemented or are in the process of being implemented.

Management of buildings and company structures

The management of buildings, company structures and Group real estate is increasingly conducted with a view to minimising negative environmental impact and to continuously improving the operating comfort of staff members. This is normally entrusted to representatives from the company's main technical offices, dealing with the management of buildings and systems, safety, health and purchases. In this regard, it should be noted that in Austria, two staff members in charge of internal maintenance have recently received special buildings management training that combines both energy saving and workplace comfort.

Eco-compatible criteria are used insofar as possible in the renovation/restructure of buildings, as well as in new constructions, with a focus on energy saving, on limiting carbon dioxide emissions and the materials used.

Energy certification for all Group buildings is currently underway in **Italy**.

In **Austria**, all buildings, including those used by the company and third parties, have been energy efficiency certified and awarded building passports or energy performance certificates.

In **France**, high quality environmental certification (HQE) is underway for both new buildings and buildings of less recent construction; the management of all existing buildings, and the planning of new buildings is compliant with these criteria. An energy survey of 14 buildings, covering an area of 400,000 m², examines the cost of energy in detail to identify suitable cost-containment solutions. In 2008, Generali received the "Pierre d'or" award for the project regarding the EOS Generali building in Issy Les Moulineaux (www.eos-general.com), which is the first large building meeting all high environmental quality criteria in Ile-de-France.

In **Israel**, all group buildings are compliant to Standard Institute regulations.

In **Spain**, an agreement with the energy company GESTIONNA has been entered into so that the building's electrical systems can be checked and any necessary modifications and changes can be made to improve energy efficiency.

In 2008, heating and district heating energy consumption data was collected for the first time. In the Sustainability Report area (Europ Assistance Deutschland and Europ Assistance Suisse data is not available) energy consumption of 32,940,025 m³ was recorded, 32% of which was from natural gas. For everything else, district heating is used. This type of heating is only to be found in Germany, which recorded consumption of 22,326,520 m³ and in Austria (approximately 51,000 m³). Most companies in France and Israel use electrical energy rather than fuel for heating purposes.

Some initiatives for reducing energy and water consumption

Country	Type of intervention
Italy	<p>Energy</p> <ul style="list-style-type: none"> • GGI has launched an "energy efficiency project" to define Group energy policies to be followed during real-estate valorisations, to examine the application of technology to improve the energy efficiency of the buildings and to provide energy guidelines in the planning stage. The workgroup consists of internal staff and of one external company while third parties provide specific engineering services • following the study at the Mogliano Veneto headquarters, carried out in collaboration with the Milan Polytechnic, the below technological adjustments were made: <ul style="list-style-type: none"> - replacement of fuel oil boilers with new methane condensing boilers - introduction of central temperature management for different zones or, where this was not possible, setting of local timers between a preset minimum and maximum - lighting reduction in common areas and introduction of an automatic control system for switching office lights and air-conditioning systems on and off using a motion sensor (this system will be gradually extended to all Group offices) • a LED lamp was tested at one GGI office and will replace all lamps at end-of-life to light common parts at the Group's various offices • the process of installing methane boilers in all Group buildings continues - this is not limited to company premises - where installation is technically feasible • Intesa Vita has planned a feasibility study, to take place in 2009, on the use of alternative energy in-house and/or choice of energy providers offering eco-compatible solutions



Country	Type of intervention
Austria	Energy <ul style="list-style-type: none"> the management systems of all main buildings are centralised, remotely operated and can only be part-adjusted by internal maintenance staff the energy supply contract providing approximately 80% energy from renewable sources (approximately 75% from hydroelectric energy and approximately 3.5% from wind energy), has been extended central heating has been eliminated from offices in the centre of Vienna and replaced with district heating; district heating represents more than 65% of the energy used for heating purposes Generali Austria is involved in the Vienna District Heating Company ("Fernwärme Wien AG") project promoting the use of this type of energy in air-conditioning. A building of average size used by the Group and a whole building owned by Generali and leased to third parties have been structured in this way the windows, facades and thermal insulation of the offices of Generali and its subsidiaries have been upgraded the possibility of installing average-sized solar panels on the roofs of buildings has been examined, however, for the moment, this type of installation has not been deemed sufficiently energy efficient movement monitors control the switching on and off of lights the automatic switching off of lights after one overtime hour is being piloted in one building energy-saving bulbs are used where possible
	Water <ul style="list-style-type: none"> devices that block the flow of water in toilets are now in use waterless toilets are being piloted in the men's room of one building the use of subsoil water is being piloted in the offices in Vienna city centre
France	Energy <ul style="list-style-type: none"> the Group's main offices do not use their own boilers for heating and rely on electrical energy to power the heating/air-conditioning system. The only direct CO₂ emitted comes from small office boilers, which are located in the province an "Environmental Plan" that contains details of the environmental and sanitation criteria to be adhered to when renovating Group real estate has been drafted only LED lighting has been used in the renovation of a 1,800 m² building in Avenue des Champs Elysées. This is the first building in the world in the service sector to use this type of lighting in the Holding's property, lights and computers are switched off every night; movement sensors have been installed; lights are being replaced with economic LEDs
Germany	Energy <ul style="list-style-type: none"> "Energy Management" project (as detailed later in the chapter) district heating is widely used energy saving connection circuits are used energy saving and eco-compatible technology is used for air-conditioning systems
	Water <ul style="list-style-type: none"> rain water is collected and used to water green areas
Israel	Energy <ul style="list-style-type: none"> since the heating system does not use fuel there are no direct CO₂ emissions movement sensors have been installed to improve air-conditioning and sensors that switch office lights off automatically are currently being tested between 17:00 hours and 20:00 hours, the air-conditioning system automatically switches itself off every hour fluorescent, energy-saving bulbs are used in both new building and buildings of less recent construction
	Water <ul style="list-style-type: none"> in bathrooms, flushing tanks have been replaced with smaller tanks and flow-control devices have been fitted to taps



Country	Type of intervention
Spain	Energy Significant changes have been made to the building complex that houses the major Group companies in Madrid. Some of these changes have also been made to the sales network offices and to other buildings owned by the Group: <ul style="list-style-type: none"> • one or two refrigeration compressors have been replaced by multisplit, which allow the temperature to be adjusted as required • area temperature control thermostats have been installed to make the air-conditioning system more energy efficiency • central air-conditioning and heating systems have been installed, which can be set to cover working hours • older lifts have been replaced with more efficient new generation systems • automatic on/off area light switches have been installed • illuminated signs have been fitted with timers so that they self-adjust to different light conditions
	Water <ul style="list-style-type: none"> • implementation of the four-year "Water Sustainable Management" plan for sustainable management of water use
Switzerland	Energy <ul style="list-style-type: none"> • the new offices in Nyon were designed using comprehensive energy saving criteria, as was renovation of the office in Adliswil • energy recovery apparatus is installed in BSI buildings • continuation of the plan to reduce electrical energy consumption as provided by a current contract with the canton of Zurich for the offices in Adliswil (-2% per year)
Belgium	Energy <ul style="list-style-type: none"> • special aluminium foil that keeps the heat out in summer and keeps the heat in winter has been applied to the windows of all the buildings, thus contributing to saving energy • in many buildings lifts have been replaced with new systems that are more energy efficient, saving approximately 66% energy per year • LED lamps have been installed in some buildings
Portugal	Energy <ul style="list-style-type: none"> • special aluminium foil has been applied to windows to increase comfort levels within the buildings and to reduce heating/air-conditioning energy costs • old electricity meters and water meters have been replaced and condensing coils have been installed
The Netherlands	Energy <ul style="list-style-type: none"> • special air recirculation systems are used • high efficiency central boilers are used for heating

In Germany, the "Energy management" project, affecting all Group companies since 2008, is worthy of mention. The project has the following objectives:

- unitary organisation of energy management;
- business optimisation with a consequent reduction in costs;
- "sustainable" reduction of energy consumption and harmful emissions;
- choice of energy supply with advantageous terms based on the medium/long term;
- provision of required data for the implementation of the Group Environmental Management System.

The project consists of four sub-projects that respectively deal with:

- technical aspects, for optimisation of building management and company structures, ranging from technical inspections to recording of all significant energy data for each building;
- energy supply, with the aim of reducing energy supply costs;
- human resources to increasingly raise awareness in employees, clients and the general public for more efficient and correct energy consumption;
- collection, management and analysis of data and its use, even in relation to other sub-projects; definitive creation of a final prototype designed according to the project's primary objectives and transfer of all data onto an appropriate system.

Environmental externalities

Waste

A large proportion of the waste produced by Group companies is recycled, especially paper, which is the material of greatest importance. Selective waste collection systems are generally used for plastic, glass and aluminium. IT waste, toners and 'hazardous' waste (such as sanitary waste, neon tubes, batteries, etc.) on the other hand, are collected and disposed of separately by specialist companies in accordance with the legislation in force in the various countries.

In **Italy**, loading and unloading logs are kept for hazardous waste and an annual administrative declaration (MUD) is submitted to the relevant Chamber of Commerce. All electronic equipment is destined for reuse. At the end of its useful life, it is sent to authorised electric and electronic treatment plants.

In **Austria**, service contracts entered into with suppliers of IT materials stipulate that used toners and hardware be collected by the suppliers for selective waste disposal.

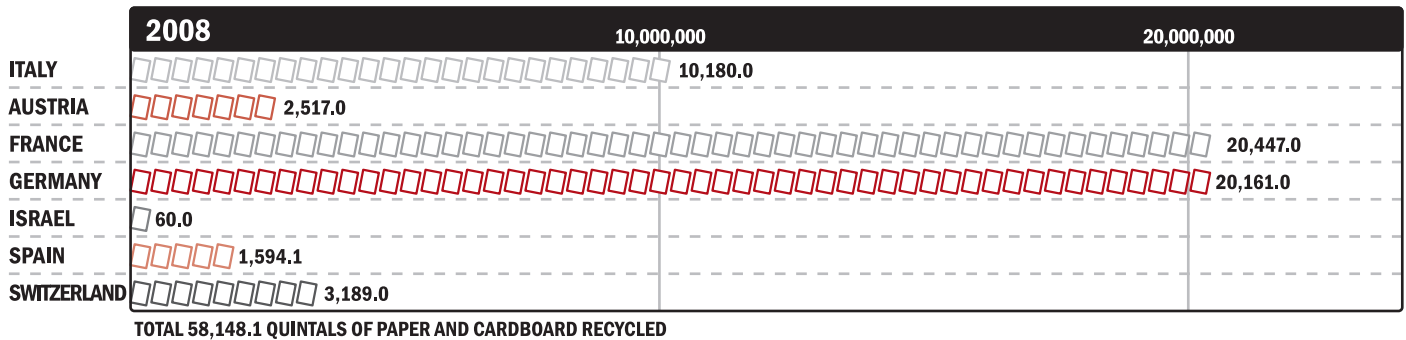
In **France**, where a special study for the recycling of paper and glass is underway, even computers are disassembled and then recycled or reutilised, after the necessary repairs.

In **Germany**, IT tools that are no longer required or have become obsolete and are no longer suitable for use within Group structures are sold to the certified disposal brokers making the highest offer. Utilisable parts of equipment that can no longer be used by the Group are recovered by brokers as spare parts, while the remaining parts are recycled according to certified procedures.

In **Israel**, only recycled toners are used. Currently, some of the IT equipment that is no longer in use is donated; disposal procedures for such materials will be implemented in 2009.

In **Switzerland**, refillable products (e.g. printer cartridges) are the products of choice as they limit the quantity of IT waste. Once finished, such products are returned to the suppliers.

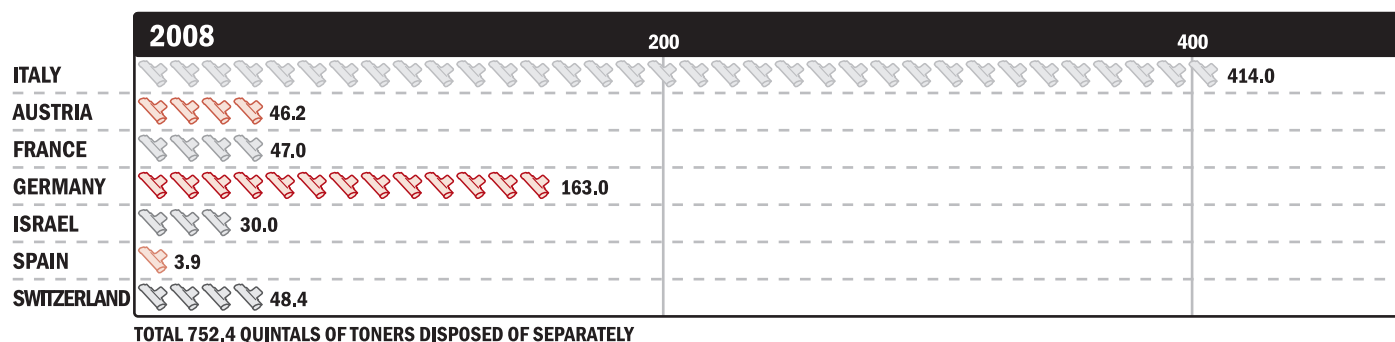
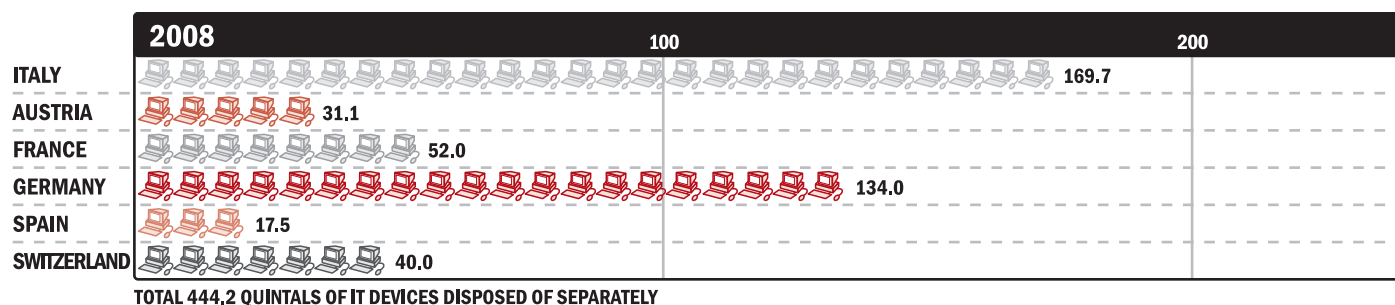
Quintals of recycled paper-cardboard (SR area; 2008)



- For the first year, albeit partially (Europ Assistance Deutschland and Europ Assistance Suisse data is unavailable, while Israel has only provided data relating to paper and cardboard), data relating to the quantity of waste has been measured. Approximately **86,805 quintals of recycled waste** has been measured, consisting of paper, plastic, glass, aluminium and wet waste and **3,793 quintals of waste that is disposed of by selective waste disposal** (sanitary waste, waste taken to the landfill site, IT equipment, hazardous waste and toners). The collection and measurement of data relating to incinerated waste has also begun.
- As regards selective waste collection, paper and cardboard are the most common type of recycled waste, accounting for 67% of all recycled waste. Austria and Germany alone account for almost 70% of all recycled paper; the high level of recycling observed in these countries is the direct result of very specific legislation that aims to optimise resources by ensuring that waste disposal methods are ecologically correct and, where possible, simple.

As regards selective waste disposal, data relating to the disposal of IT materials, including machines (computers, fax machines, printers, etc.) and toners are highlighted.

Quintals of IT equipment and toners disposed of (SR area; 2008)



- Almost all countries return electronic equipment that is no longer in use to suppliers or to plants specialising in disposal/reuse in accordance with current legislation and whose aim is to minimise IT waste, promote reuse, recycling and other forms of recovery and to reduce the use of hazardous substances.
- Italy is the country with the highest level of toner disposal (approximately 55% of the overall figure); however, as opposed to the situation in other countries, such as Austria, Israel and Switzerland, refillable toners are not used in Italy, nor are cartridges returned to suppliers.

Greenhouse gas emissions

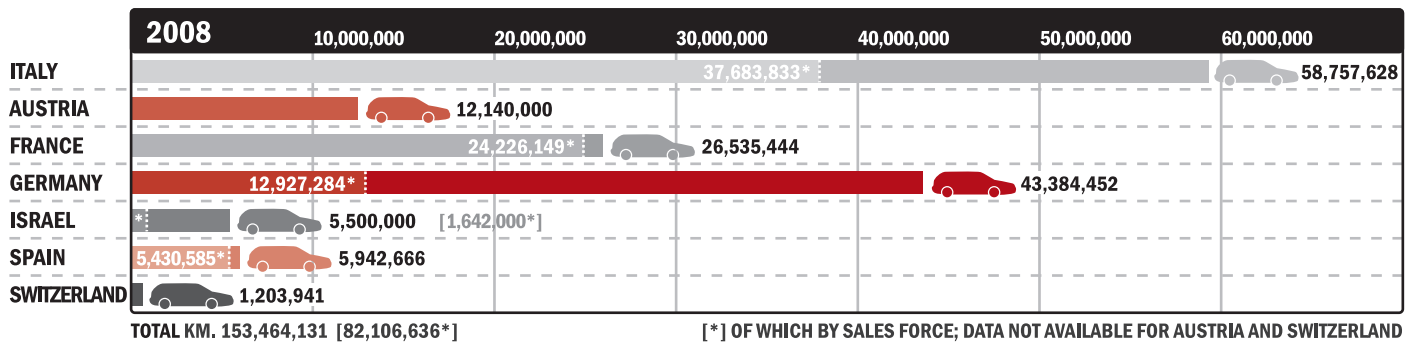
For banking and insurance companies, greenhouse gases emitted into the atmosphere during business operations can mainly be attributed to the consumption of electrical energy and energy used by heating/air-conditioning systems and for the purposes of mobility.

This year, direct and indirect greenhouse gas emissions have been estimated for the first time. In 2008, emissions arising from total consumption of 214,416,279 kWh of electrical energy purchased by Group companies have been estimated to be equal to **72,300 tonnes of CO₂**. Carbon dioxide emissions have been estimated using the tools and methodical approaches as set out in the Greenhouse Gas Protocol issued by the World Business Council on Sustainable Development (WBCSD) and the World Resources Institute (WRI).

Total emissions of **19,940.425 tonnes of CO₂** have also been estimated against energy consumption of 10,553,116 m³ deriving from natural gas. Due to a lack of available information, it has not been possible to estimate emissions deriving from district heating consumption.

Mobility

Kilometres travelled by car for work purposes by staff members (SR area; 2008)



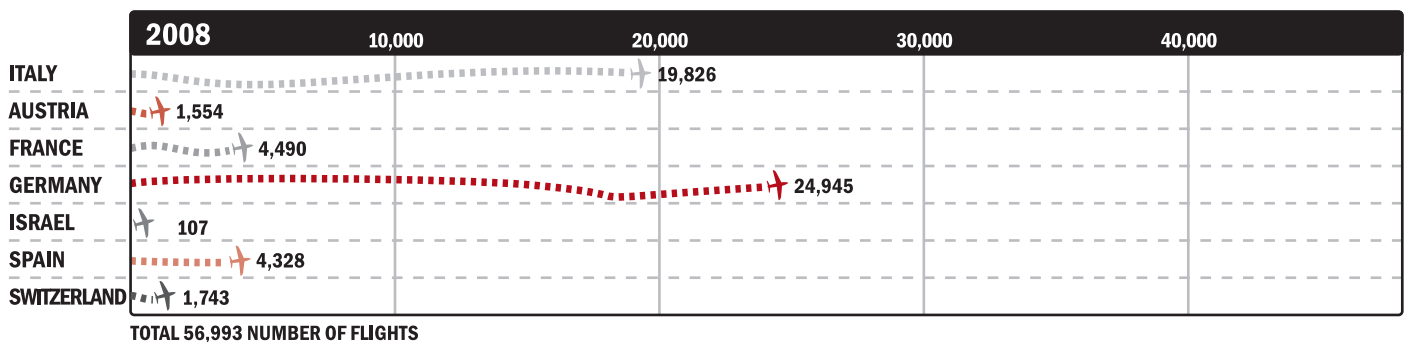
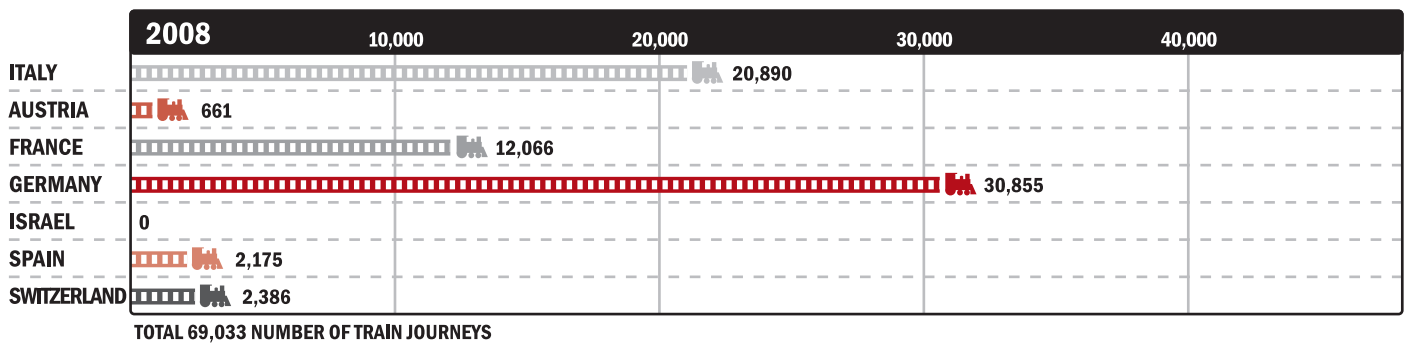
- For the first time, data for Germany and for the entire Toro Group in Italy is available (only partial data was included in 2007); Europ Assistance Suisse and Europ Assistance France data is as yet unavailable.
- For Austria and insurance companies in Switzerland only data relating to the use of company cars is available, while for the BSI Group, only BSI Istituto data is available (312,941 kilometres, 56% of which relates to sales force).
- For those countries for which sales force travel data is available, such travel almost always represents a very high percentage of the total kilometres travelled (in excess of 90%, particularly in France and Spain).

In adopting the distance-based methodology, estimates for the first year, **emissions deriving from the use of cars** by Group staff members for work-related purposes, have been made:

- 29,925.5 tonnes of carbon dioxide (CO₂)
- 2.96 tonnes of methane (CH₄)
- 3.05 tonnes of nitrous oxide (N₂O).

Data relating to staff members work-related train and air travel has also been collected. Some details are provided below, however, due to insufficient information, estimation of the relative emissions has not been possible.

Number of journeys made by staff members for work purposes (SR area; 2008)



- The data shown relates to all companies within the Sustainability Report area, with the sole exception of Europ Assistance Deutschland.

- Almost every country included in the Sustainability Report reports a preference for travel by rail over air travel. The only exceptions are Austria, where the number of air journeys in 2008 was nevertheless reduced by almost 20% due to a reduction in the number of staff travelling to the Czech Republic following the creation of Generali PPF Holding, and Spain. Estimates for Spain point to an increase in rail travel as a result of the recent launch of the high-speed rail link between Madrid and Barcelona, which had already increased rail travel by 50% in 2008. Similarly, a decrease in air travel is expected in Italy following the launch of the Rome-Milan high-speed rail link.
- Notwithstanding Group policies, it should be noted that, a preference for the various means of transport in terms of work-related travel is linked to the location of Group offices throughout the country and to the quality of available rail and air links. This explains why trains are not used in Israel for work-related travel.

Initiatives for reducing greenhouse gas emissions

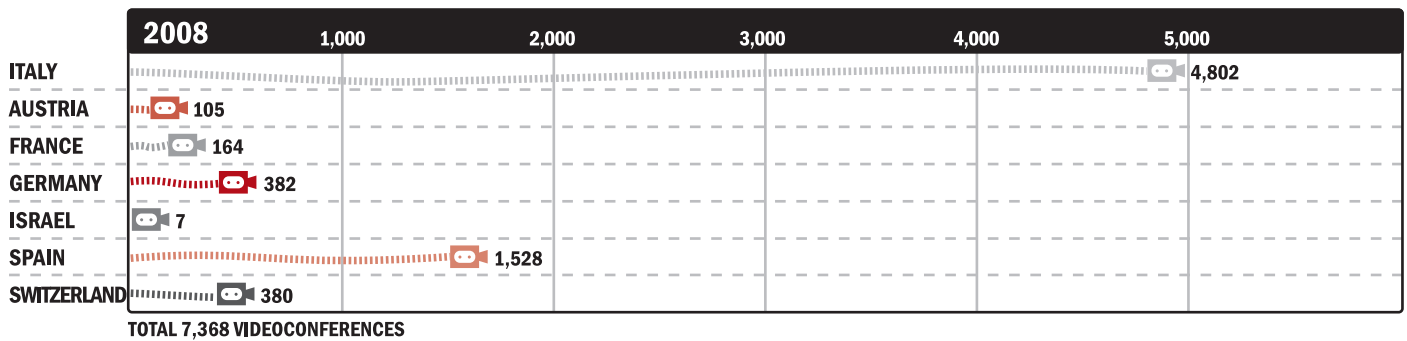
In addition to the measures described in the “Management of buildings and company structures” paragraph, aimed at limiting energy consumption and therefore emissions from heating/air-conditioning and lighting, Group companies have also adopted various measures to reduce the emission of greenhouse gases due to mobility. Reference is made to mobility management, increased videoconferences, ecological car pools and other targeted initiatives.

Major **mobility management** initiatives:

- definition of a travel policy promoting the use of the least pollutant means of public transport (Italy and Austria);
- car policy for managers setting maximum limits for carbon dioxide emissions in France (also for sales networks) and in Italy (in the process of being defined);
- acquisition of electric or hybrid corporate vehicles in Austria (corporate Europ Assistance fleet), in France (two electric vehicles for transporting post and packages between the two buildings in Saint-Denis) and in Switzerland by BSI;
- provision of fuel saving advice during the mandatory driving course taken by employees using company cars in Israel;
- reduced public transport costs for employees: in Italy, Europ Assistance bears the full cost of a 10% discount to employees for annual travel cards in Milan, on top of the existing 10% discount previously borne by the Municipality of Milan. In France, Generali France bears 60% of the cost of annual travel cards valid for all means of public transport in Paris and its suburbs; in Switzerland, a new agreement has been entered into with the national rail network for reduced ticket prices; in Belgium, an agreement with the public transport agency refunds workers the full cost of travel tickets;
- provision of shuttle services to link awkwardly located branches located in various parts of the same city or to link branches with the railway station or the nearest bus or tram stop: in Rome and in Mogliano Veneto in Italy and also in Israel;
- promoting car pooling: the Group company Intranet in Germany has a dedicated car pooling section;
- promoting the use of bicycles: in France, Generali France has doubled the space allocated to its bicycle parking facilities;
- implementation of a tele-expertise system for motor claims, to limit the number of car journeys an expert makes from one workshop to another in Austria.

Virtual meeting rooms are increasingly used by all countries.

Number of videoconferences (SR area; 2008)



- 2008 saw the continuation of the processes of data collection (only Europ Assistance France data is missing) and development of videoconferencing systems, which aim to reduce travel, and, at the same time, to provide a visual link between the correspondents of the various countries.

Of the initiatives which aim to reduce emissions from corporate mobility, Europ Assistance Italia's involvement in the 10x10 Project promoted by the monthly "Quattroruote" magazine, is worthy of notice. More than twenty large companies are involved in the project and are united in the objective of reducing the CO₂ emissions of their corporate fleets by 10%. In this regard, Europ Assistance has undertaken to:

- make sure that all vehicles in its corporate fleet (60 cars) and in the Rent Vai 24h fleet (approximately 1,600 cars) comply with EURO-4 standards and purchase 10 hybrid vehicles;
- reduce the kilometres covered by breakdown service vehicles by using geo-localisation and tracking systems and by increasing the number of on-site maintenance interventions to resolve any minor faults without having to take the car to the garage;
- have 200 new mobile garages with quick-opening trailer and 400 mobile diagnostic systems by 2009;
- utilise energy saving tyres;
- continuously monitor tyre pressure and wear;
- raise employee awareness of eco-sustainable mobility.

We would also like to highlight the decision of the German group to adhere to the **Carbon Disclosure Project**, an international initiative supported by nearly 400 institutional investors. The objective of the project is to collect information from major companies throughout the world on their greenhouse gas emissions, on the strategies adopted to hedge the risks and on the opportunities deriving from climate change.

Fines and penalties

Available records confirm that the Group received no fines or non-monetary penalties in 2008 for failing to adhere to environmental regulations or legislation.

Countries in the Latin America area

Countries in the Latin America area have shown a great interest in the “Sustainable Office Project” launched in Italy in 2007 and merit separate discussion.

In June 2008, the Sustainability Committee member to whom this area reports, invited all Managing Directors in the area to implement the project in their respective companies.

Some accepted the proposal, created ad hoc committees, and formalised new or existing environmental policies.

In **Argentina**, Generali Corporate has set up an environmental committee consisting of five company employees. The committee deals with the “Sustainable Development” programme and its objective is to establish annual targets for reducing consumption of paper, water and electrical energy, etc. and to follow the development of all action taken towards meeting such targets. The committee also welcomes staff suggestions. In the La Caja company, a group of staff, reporting directly to the Company Director, and representing the corporate, administration, human resources and sales departments, have been following the “Naturaleza Caja” project since 2008. The project is an ecological and environmental information campaign. The project also provides for the allocation of funds raised from the recycling of paper and bottle tops to the largest public children’s hospital in the country.

In **Brazil**, the local sustainability committee was set up in March, its members representing the IT, purchasing, marketing, human resources and legal departments. The committee will have decision-making powers on both a social and environmental level: an initiative launched some time ago and that unites the two fields is the purchase of food hampers for the needy with funds raised from the sale of wastepaper.

In **Guatemala**, the Human Resources Service deals with social responsibility initiatives.

In **Panama**, the sustainability committee consists of one coordinator and 10 employees. The committee reports to the Managing Director and to the Manager of the Finance and Control department. Its task is to organise social responsibility action via the implementation of the “Sustainable Office” project.

Company Intranet and/or information leaflets were used in training and raising employee awareness of corporate issues. After making the relevant amendments, some countries introduced reminder messages to optimise resources taken from the “Sustainable Office” poster developed in Italy. These messages were used for the creation of a similar poster (Brazil) and stickers (Panama); in Guatemala, they were e-mailed to the employees.

Major initiatives launched to reduce resource consumption

Country	Resource	Type of intervention
Brazil	energy	<ul style="list-style-type: none"> • “Green IT” project promoting computerised data collection and reducing energy consumption (one structure manages IT material for all the companies)
	paper	<ul style="list-style-type: none"> • checks on the number of pages printed by each employee/sector • replacement of individual printers with central printers • equipping offices with recycled stationery
Guatemala	electrical energy	<ul style="list-style-type: none"> • lighting policy sets out that all employees must switch off electronic equipment; at 19:00 hours, security must check that lights, computers, printers etc. are switched off • timers have been fitted so that the air-conditioning system switches itself off at 18:00 hours
	water	<ul style="list-style-type: none"> • every day at 19:00 hours security guards check that taps are properly turned off to minimise waste • building renovation or construction adhere to ecological criteria, for instance the new car-park has been covered with special tiles that allow rainwater collection and the reuse of such water for domestic purposes



Panama	energy	<ul style="list-style-type: none"> timers have been fitted so that the air-conditioning system switches itself on and off automatically bulbs have been replaced with energy-saving bulbs
	paper	<ul style="list-style-type: none"> replacement of individual printers and fax machines with multi-functional machines the IT department checks the number of pages printed by each employee Duplex printing is encouraged envelopes and packaging are reused for internal mail

Indirect environmental impact

Group activity can also have an indirect effect on the environment, especially through the processes of purchasing, planning and providing insurance products and through institutional investment activity.

Procurement ecology

The Group can exercise influence over its suppliers in purchase processes with a view to raising their environmental awareness. Group companies apply specific regulations in this regard, which are described in greater detail in the “Competitive Stakeholders - Suppliers” chapter. The Group implements suitable operating mechanisms to prevent suppliers and supply chain violation of applicable regulations on health and safety in the workplace, environmental protection and public health as well as on the Group’s ethical principles. To this end, most supply contracts contain clauses establishing sanction mechanisms that can lead to cancellation of contract if the supplier fails to comply with current regulations. As regards the choice of suppliers, in the main countries of Group operation, preference is given to suppliers committed to protecting the environment although environmental certification is not a contractual requirement.

Product ecology

Eco-compatible behaviour can also be encouraged in clients through planning and the provision of products and services, in both the corporate and individual segments. Until now, Generali Group product ecology initiatives related exclusively to non-life business.

In the **corporate sector**, the Company aims to involve insured companies in its effort to comply with existing legislation on environmental protection and in the prevention of risks, making these conditions fundamental for insurance coverage. To this end, Group policy for the assumption of property and third party liability risk requires that companies presenting a high risk under the socio-environmental profile be carefully assessed while at the same time, provides preventive advice with the aim of assisting clients to implement safety measures to reduce risk exposure, leading to more favourable premium levels for that risk. Premiums may be increased when formal and/or substantial shortfalls are detected in preventive measures. The absence or insufficiency of such measures may result in the Company refusing to provide insurance cover. Conversely, companies, which pose lesser risks to the environment, are generally granted discounted premiums.

Insurance conditions sometimes include specific regulations on incentives to prevent or limit environmental damage during the term of contract. For example, in Italy, Assicurazioni Generali’s pollution TPL policy provides compensation for emergency or temporary measures to prevent or contain claimable damage, and excludes damage caused by wilful non-compliance with legal provisions or non-prevention of damage.

In France, Generali offers small and medium enterprises a free assessment of performance and risk control standards based on various analysis criteria, some of which pertain to sustainable development. Following the assessment, the company is allocated a score. A score of 15/20 or higher earns the company the “Agir pour notre avenir” (“Take action for our future”) label specially created by Generali. This quality mark provides many benefits, including discounts of up to 30% on insurance premiums, advantageous three-year terms even in the event of a claim and additional services. A similar offer, which will include an online self-assessment at www.generali.fr will soon be available to professional clients. With regard to Contractor’s all risk policies, Generali France envisages reduced tariffs for HQE-certified buildings and payment of full replacement costs in the event that rebuilding should become necessary within 30 years

and for renewable energy power plants. The underwriting policy for the building sector is in the process of change; specific cover is currently available for solar and photovoltaic panels, geothermal and aerothermal power plants. In Spain, Vitalicio Seguros applies special conditions to its environmental TPL policies for large and medium enterprises with environmental certification, while policies covering risks in the construction stage (CAR, EAR, ALOP), property and TPL, provide specific coverage for solar panels, photovoltaic systems and wind engines. In Austria special cover is available for small hydroelectric power plants.

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

The Parent Company also promoted a 2004 **agreement between ANIA and Confindustria** that effectively sums up the Company's (and, more generally, ANIA's) cooperation strategy with businesses in the field of environmental protection. In accordance with this agreement, ANIA undertakes to raise awareness among insurance companies so that favourable rates may be applied when drawing up pollution TPL insurance policies to companies belonging to Confindustria and eco-certified under ISO 14001 and EMAS standards. Confindustria, on the other hand, undertakes to inform member companies of ANIA's activities in the environmental issue sector and to encourage companies to utilise certified environmental management systems for pollution prevention.

Where **individual clients** are concerned, Group coverage associated with environmental protection in the various countries merits special mention.

Motor policies

There are discounts for:

- ecological vehicles: in Italy (tariff reductions for LPG or methane powered vehicles and a special 10% discount for hybrid vehicles compared to standard tariffs for petrol cars), in Austria (for electric cars), in France (15% discount for electric or hybrid vehicles and 5% discount for vehicles with CO₂ emissions of less than 130g/km; interest-free loans for the purchase of green vehicles are also available to customers) and in Switzerland (25% discount for cars that use alternative energy);
- cars with low annual mileage: in Italy (discounts are on a sliding scale depending on distance covered over the year), in Austria (20% discount for distances of less 7,500 km/year) and in Switzerland.

Household policies

Special cover is available for renewable energy systems in Austria, France and Germany. In Austria, clients who have taken out a household policy are eligible for a free advice from an expert, who identifies potential methods to optimise energy consumption in their homes and reduce emissions that are harmful to the environment.

Banking and investment products

In **France**, Generali continues to offer various funds linked to the environmental protection and sustainable development (renewable energy, water treatment, recycling of waste, etc.) sectors; a new fund was launched in 2008, with environmental, health, demographic evolution and research and development investment focus and which aims to combine sustainable development with company involvement and financial performance. A new retirement product has also been launched that allows client with unit-linked investments to select two to four sustainable development funds. Deutsche Bausparkasse Badenia in **Germany** offers special loans for use in ecological buildings and to cover energy systems in general, especially where these systems require upgrading or energy-saving alterations.

An investment plan consisting of unit-linked and mixed policies is available in **Switzerland**. The plan's investment scope is on funds that highlight sustainable development without compromising returns.













Investment ecology





The Group manages a broad range of resources, comprising of its own capital and of assets covering commitments towards its policyholders. This allows the Group to encourage issuing companies to adopt eco-compatible behaviour. The Group's investment policies are outlined in greater detail in the "Competitive Stakeholders - Issuing companies" chapter where its decision to adhere to the ethical criteria adopted by the Norwegian Government Pension Fund-Global is also described. This excludes any possibility of investing in financial instruments issued by companies presenting unacceptable risk of contributing to serious environmental damage.





TABLE OF OBJECTIVES

stakeholder	2008 objectives	degree of achievement	objectives for 2009 and beyond
MEMBERS OF STAFF			
Salary policies:	Continue to promote the total reward concept to managers and middle managers.		Develop and implement a Long Term incentive Plan (LTIP) commencing at Group Top Management level.
Training:	Improve the Group's positioning against the ASTD benchmark, particularly as regards the "number of learning hours per employee" and the "average cost per learning hour".		Improve the Group's positioning against the ASTD benchmark. Continue to offer training programmes, essentially leveraging Group staff, and focus particularly on technical and professional material.
Dialogue:	Develop and standardize Group-wide employee satisfaction surveys for improved comparability of results from the various countries.		Continue to develop and standardize Group-wide employee satisfaction surveys and implement methods and tools for discussing the results (infra-group benchmarking) and finding common solutions within the scope of the Group's International Human Resources Committee.
	Implement methods and tools for discussing results and finding common solutions within the scope of the Group's International Human Resources Committee.		
Focus on staff members:	Introduce new instruments, such as new in-house nurseries, to help staff members combine work and family life. Develop a feasibility study for Italy.		Introduce new instruments, such as new in-house nurseries at the sites where there is greater demand, to help staff members combine work and family life.
SHAREHOLDERS			
Relations with investors:	Intensify communication between the Company and ethical funds.		Intensify communication between the Company and ethical funds and schedule an annual meeting.
	Be entered in an ethical index such as FTSE4Good.		Continue to implement an environmental management system to meet FTSE4Good admission requirements.
CLIENTS			
Products and services:	Extend the use of surveys to clients and the sales force to identify client needs and expectations with the purpose of improving/ designing products and services tailored to the client.		
Relations with clients:	Monitor the level of client satisfaction for services rendered with the objective of continuous improvement.		Continue to monitor the level of client satisfaction for services rendered and implement appropriate solutions to improve any critical aspects identified.
SUPPLIERS			
Purchase policies:	Standardize supplier relation policies throughout major countries in the Sustainability Report area, aligning them with the Code adopted in Italy.		Complete the standardization of supplier relation policies adopted in the major countries in the Sustainability Report area.
ISSUING COMPANIES			
Investment policies:	Introduce instruments for identifying and monitoring Group investments not included in those of the Norwegian Government Pension Fund-Global for the purpose of guaranteeing ethics (in the medium term).		Introduce instruments for identifying and monitoring Group investments not included in those of the Norwegian Government Pension Fund-Global for the purpose of guaranteeing ethics (in the medium term).
COMMUNITY			
	Introduce a budget for donations and investments.		Extend the introduction of a budget for donations and investments throughout the Group.

stakeholder	2008 objectives	degree of achievement	objectives for 2009 and beyond
ENVIRONMENT			
Consumption:	Complete the collection of data relating to energy, paper and toner consumption, as well as waste collection, and calculate greenhouse gas emissions.		Design and implement a Group environmental management system: <ul style="list-style-type: none"> • complete the identification of KPIs; • set up a more efficient accounting system in order to complete the collection of data; • create qualified workgroups in the various countries included in the project; • set quantitative objectives and targets; • monitor results by collecting data twice a year.
	Develop additional initiatives aiming to reduce energy and paper consumption and lower emissions.		Continue initiatives aimed at reducing energy, paper and water consumption and reducing emissions.
	Promote new initiatives to raise staff awareness of environmental issues.		Continue initiatives to raise staff awareness of environmental issues.
Mobility:	Further develop the use of virtual meeting rooms, monitoring the number of videoconferences.		Improve the management of work-related mobility, particularly with regards to staff members travelling between the various corporate sites.

key

-  Achieved
-  Almost entirely achieved
-  Partially achieved
-  In progress
-  Not achieved

GLOBAL COMPACT COMMUNICATION ON PROGRESS 2008

	Global Compact Principles	Brief description of the actions undertaken	page
HUMAN RIGHTS	1. Businesses should support and respect the protection of internationally proclaimed human rights.	The Generali Group Ethical Code and European Social Charter guarantee the rights sanctioned in the United Nations Declaration of Human Rights and the Rules of the International Labour Organization.	17-22; 54; 58; 65; 111
	2. Businesses should make sure that they are not complicit in human rights abuses.	The Group encourages its suppliers to adopt the principles laid down in the Ethical Code and puts into effect operational systems to prevent violation, by their suppliers or the supply chain, of applicable regulations concerning health and safety in the workplace, environmental protection and public health, as well as international principles that include: <ul style="list-style-type: none"> • the United Nations Universal Declaration of Human Rights • the International Labour Organization Conventions • the United Nations Convention on the Rights of the Child. 	17; 65; 111; 116
WORK	3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	The company recognises the right of all employees to join trade unions, appoint workers' representatives and perform related activities, in respect of the freedom of association. A European Works Council (EWC), an organization representing the European employees of the group, was set up to encourage cross-border social dialogue.	17; 65; 111; 116
	4. Businesses should uphold the elimination of all forms of forced and compulsory labour.	The Generali Group Ethical Code and European Social Charter guarantee the rights sanctioned in the United Nations Declaration of Human Rights and in the International Labour Organization Conventions.	17; 65; 111; 116
	5. Businesses should uphold the effective abolition of child labour.	In Panama, Generali supported the "Help Us to Grow" awareness campaign promoted by Casa Esperanza, a non-government organization for the abolition of child labour.	17; 65; 111; 116
	6. Businesses should uphold the elimination of discrimination in respect of employment and occupation.	The Group supports the development of its human resources, recognizing the contribution of diversity on the organization, without using any form of discrimination. The equal opportunity policies developed in individual countries are described in the relative table.	17; 51; 54; 61; 66; 111; 116
ENVIRONMENT	7. Businesses should support a precautionary approach to environmental challenges.	Recognising that environmental education is a fundamental factor in the diffusion of eco-compatible behaviour, the Group promotes and supports numerous education and awareness programmes on environmental topics directed towards its own employees, its clients and the general public. The numerous initiatives implemented in Italy and abroad are described in the relative tables.	17; 27; 137; 147; 153
	8. Businesses should undertake initiatives to promote greater environmental responsibility.	Implementation of the Environmental Management System. Feasibility studies for improving usage of environmental resources and reducing the corresponding consumption.	17; 94; 137; 141; 147; 153
	9. Businesses should encourage the development and diffusion of environmentally friendly technologies.	The management of the Group's buildings, corporate facilities and real estate assets is increasingly oriented towards minimizing negative environmental impact. In the upgrading/renovation of buildings and in new construction, eco-compatible materials and technologies are used whenever possible, focusing particular attention on saving energy and limiting carbon dioxide emissions. The Group's companies have adopted various measures to limit emissions resulting from the use of vehicles and travel connected with Group activities. The numerous interventions carried out in Italy and abroad and the measures adopted are described in the table. In their insurance and banking offerings, the Group's companies have introduced products specifically directed towards clients concerned about the environment.	17; 94; 137; 141; 147; 153

CORRUPTION

10. Businesses should work against corruption in all its forms, including extortion and bribery.

The main operating divisions whose functions expose them to the risk of money laundering (units handling cash flows) and fraud (units in charge of claim settlement, purchase management and contracts) were analyzed in Italy and other countries. Staff members working in these divisions receive training and education on anti-corruption policies and procedures adopted. The numerous anti-corruption, fraud and money laundering initiatives implemented in Italy and abroad are described in the relative table.

17



SILVANA SEPAROVIC

Croatia

HUMAN TOUCH



GRI IDENTIFICATION TABLE

GUIDELINES 2006		coverage	page	area[*]
PROFILE				
Strategy and analysis				
1.01	Statement from the most senior decisionmaker of the organization about the relevance of sustainability to the organization and its strategy.	YES	5	G
1.02	Description of key impacts, risks, and opportunities.	YES	5; 18	G
Organizational profile				
2.01	Name of the organization.	YES	36; 172	G
2.02	Primary brands, products, and/or services.	YES	7; 94	G
2.03	Operational structure of the organization.	YES	14	G
2.04	Location of organization's headquarters.	YES	172	G
2.05	Number of countries where the organization operates.	YES	36	G
2.06	Nature of ownership and legal form.	YES	83	G
2.07	Markets served.	YES	36; 91	G
2.08	Scale of the reporting organization.	YES	37; 41; 49	G
2.09	Significant changes during the reporting period regarding size, structure, or ownership.	YES	35; 83	G
2.10	Awards received in the reporting period.	YES	5; 29; 56; 144	G
REPORT PARAMETERS				
Report profile				
3.01	Reporting period for information provided.	YES	6	SR
3.02	Date of most recent previous report.	YES	172	SR
3.03	Reporting cycle.	YES	6	SR
3.04	Contact point for questions regarding the report or its contents.	YES	172	G
Report scope and boundary				
3.05	Process for defining report content.	YES	6	SR
3.06	Boundary of the report.	YES	6-7	SR
3.07	State any specific limitations on the scope or boundary of the report.	YES	6	SR
3.08	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.	YES	6; 8; 35; 40	SR
3.09	Data measurement techniques and the bases of calculations.	YES	6	SR
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement.	YES	6	SR
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	YES	6	SR
GRI Content Index				
3.12	Table identifying the location of the Standard Disclosures in the report.	YES	163	G
Assurance				
3.13	Policy and current practice with regard to seeking external assurance for the report.	NO		
GOVERNANCE, COMMITMENTS, ENGAGEMENT				
Governance				
4.01	Governance structure of the organization.	YES	14; 16	G
4.02	Chairman's executive functions.	YES	15-16	G
4.03	State the number of members of the highest governance body that are independent and/or non-executive members.	YES	16	G
4.04	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	YES	27; 85	G
4.05	Linkage between compensation for members of the highest governance body, senior managers, and executives, and the organization's performance.	YES	63	G
4.06	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	YES	17	G
4.07	Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organization's strategy on economic, environmental, and social topics.	NO		
4.08	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	YES	13; 18; 112	G
4.09	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.	YES	18; 25	G
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	YES, partially	63	G

Commitments to external initiatives

4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	NO		
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	YES	25; 116	G
4.13	Memberships in associations and/or national/international advocacy organizations.	YES	107	G
Stakeholder engagement				
4.14	List of stakeholder groups engaged by the organization.	YES	6; 28	G
4.15	Basis for identification and selection of stakeholders with whom to engage.	YES	6; 28	G
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	YES	28; 31; 78; 85; 103; 114	G
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.	YES	31; 78; 85; 103; 114	G

ECONOMIC PERFORMANCE INDICATORS**ASPECT: Economic performance**

EC1. Core	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	YES	44	G
EC2. Core	Financial implications and other risks and opportunities for the organization's activities due to climate change.	YES	20; 151	G
EC3. Core	Coverage of the organization's defined benefit plan obligations.	YES	63	SR
EC4. Core	Significant financial assistance received from government.	YES	45	G

Aspect: Market presence

EC5. Additional	Range of ratios of standard entry level wage compared to local minimum wage at significant locations of operation.	YES	66	G
EC6. Core	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	YES	111	SR
EC7. Core	Procedures for local hiring and proportion of senior management hired from the local community at locations of significant operation.	YES	55; 61; 66	G

ASPECT: Indirect economic impacts

EC8. Core	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	YES	121; 123	G
EC9. Additional	Understanding and describing significant indirect economic impacts, including the extent of impacts.	YES, partially	54; 111; 134	G

ENVIRONMENTAL PERFORMANCE INDICATORS**ASPECT: Materials**

EN1. Core	Materials used by weight or volume.	YES	142; 147	SR
EN2. Core	Percentage of materials used that are recycled input materials.	YES	142; 147	SR

ASPECT: Energy

EN3. Core	Direct energy consumption by primary energy source.	YES	142	SR
EN4. Core	Indirect energy consumption by primary source.	YES	142	SR
EN5. Additional	Energy saved due to conservation and efficiency improvements.	YES	142	SR
EN6. Additional	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	YES	94; 153	SR
EN7. Additional	Initiatives to reduce indirect energy consumption and reductions achieved.	YES	142; 143	G

ASPECT: Water

EN8. Core	Total water withdrawal by source.	YES	143	SR
EN9. Additional	Water sources significantly affected by withdrawal of water.	not relevant		
EN10. Additional	Percentage and total volume of water recycled and reused.	not relevant		

ASPECT: Biodiversity

EN11. Core	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	not relevant		
EN12. Core	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	not relevant		
EN13. Additional	Habitats protected or restored.	not relevant		
EN14. Additional	Strategies, current actions, and future plans for managing impacts on biodiversity.	not relevant		
EN15. Additional	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	not relevant		

ASPECT: Emissions, effluents, waste

EN16. Core	Total direct and indirect greenhouse gas emissions by weight.	YES	149	SR
EN17. Core	Other relevant indirect greenhouse gas emissions by weight.	YES	149	SR
EN18. Additional	Initiatives to reduce greenhouse gas emissions and reductions achieved.	YES	150	G
EN19. Core	Emissions of ozone-depleting substances by weight.	NO		
EN20. Core	NO _x , SO _x , and other significant air emissions by type and weight.	YES	149	SR
EN21. Core	Total water discharge by quality and destination.	not relevant		
EN22. Core	Total weight of waste by type and disposal method.	YES	147	SR
EN23. Core	Total number and volume of significant spills.	not relevant		
EN24. Additional	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.	YES	147	SR
EN25. Additional	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff.	not relevant		

ASPECT: Products and services

EN26. Core	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	YES	153	SR
EN27. Core	Percentage of products sold and their packaging materials that are reclaimed by category.	not relevant		

ASPECT: Compliance

EN28. Core	Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with environmental laws and regulations.	YES	151	G
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ASPECT: Transport

EN29. Additional	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.	YES	149	SR
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ASPECT: Overall

EN30. Additional	Total environmental protection expenditures and investments by type.	YES, partially	138	G
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SOCIAL PERFORMANCE INDICATORS**ASPECT: Employment**

LA1. Core	Total workforce by employment type, employment contract, and region.	YES	49; 51	G; SR
LA2. Core	Total number and rate of employee turnover by age group, gender, and region.	YES	51	SR
LA3. Additional	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	YES	63	SR

ASPECT: Labor/management relations

LA4. Core	Percentage of employees covered by collective bargaining agreements.	YES	65	SR
LA5. Core	Minimum notice period(s) regarding operational changes, including whether it is specified in collective agreements.	YES	65	SR

ASPECT: Occupational health and safety

LA6. Additional	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.	NO		
LA7. Core	Rates of injury, occupational diseases, lost days, and absenteeism, and number of workrelated fatalities by region.	YES	58; 60	SR
LA8. Core	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	YES	58-60; 128	SR
LA9. Additional	Health and safety topics covered in formal agreements with trade unions.	YES	58	SR

ASPECT: Training and education

LA10. Core	Average hours of training per year per employee by employee category.	YES	77	SR
LA11. Additional	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	YES	57; 74	SR
LA12. Additional	Percentage of employees receiving regular performance and career development reviews.	YES	62	SR

ASPECT: Diversity and equal opportunity

LA13. Core	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity.	YES	16; 54	SR
LA14. Core	Ratio of basic salary of men to women by employee category.	YES, partially	54; 66	SR

SOCIETY

ASPECT: Community

SO1. Core Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting.

YES 121 SR

ASPECT: Corruption

SO2. Core Percentage and total number of business units analyzed for risks related to corruption.

YES, partially 18-21 SR

SO3. Core Percentage of employees trained in organization's anti-corruption policies and procedures.

YES, partially 18-21 SR

SO4. Core Actions taken in response to incidents of corruption.

YES 20-21 SR

ASPECT: Public policy

SO5. Core Public policy positions and participation in public policy development and lobbying.

YES 17 G

SO6. Additional Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.

YES 17; 124; 126 G

ASPECT: Anti-competitive behavior

SO7. Additional Total number of legal actions for anticompetitive behavior, anti-trust, and monopoly practices and their outcomes.

YES 102 SR

ASPECT: Compliance

SO8. Core Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with laws and regulations.

YES 102 SR

HUMAN RIGHTS

ASPECT: Investment and procurement practices

HR1. Core Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening.

YES 116 G

HR2. Core Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken.

YES 111-114 G

HR3. Additional Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.

NO

ASPECT: Non discrimination

HR4. Core Total number of incidents of discrimination and actions taken.

YES 17 G

ASPECT: Freedom of association and collective bargaining

HR5. Core Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights.

YES 65; 66 G

ASPECT: Child labor

HR6. Core Operations identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination of child labor.

YES 65; 66 G

ASPECT: Forced and compulsory labor

HR7. Core Operations identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of forced or compulsory labor.

YES 65; 66 G

ASPECT: Security practices

HR8. Additional Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.

not relevant

ASPECT: Indigenous rights

HR9. Additional Total number of incidents of violations involving rights of indigenous people and actions taken.

NO

PRODUCT RESPONSIBILITY

ASPECT: Customer health and safety

PR1. Core Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.

not relevant

PR2. Additional Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.

not relevant

ASPECT: Product and service labeling

PR3. Core	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.	not relevant		
PR4. Additional	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.	not relevant		
PR5. Additional	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	YES	104	SR

ASPECT: Marketing communications

PR6. Core	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	YES	31	SR
PR7. Additional	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes.	YES	31	SR

ASPECT: Customer privacy

PR8. Additional	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	YES	22	SR
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ASPECT: Compliance

PR9. Core	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	YES	102	SR
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PRODUCT AND SERVICE IMPACT SECTION

ASPECT: Product portfolio

FS1.	Policies with specific environmental and social components applied to business lines.	YES	26; 94; 153	SR
FS2.	Procedures for assessing and screening environmental and social risks in business lines.	YES	18	G
FS3.	Processes for monitoring clients' implementation of and compliance with environmental and social requirements included in agreements or transactions.	NO		
FS4.	Process(es) for improving staff competency to implement the environmental and social policies and procedures as applied to business lines.	NO		
FS5.	Interactions with clients/investees/business partners regarding environmental and social risks and opportunities.	YES	95; 107; 154	SR
FS6.	Percentage of the portfolio for business lines by specific region, size (e.g. micro/SME/large) and by sector.	YES	39	SR
FS7.	Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose.	NO		
FS8.	Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose.	NO		

ASPECT: Audit

FS9.	Coverage and frequency of audits to assess implementation of environmental and social policies and risk assessment procedures.	SI	18	G
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ASPECT: Active ownership

FS10.	Percentage and number of companies held in the institution's portfolio with which the reporting organization has interacted on environmental or social issues.	NO		
FS11.	Percentage of assets subject to positive and negative environmental or social screening.	YES	116	G
FS12.	Voting policies) applied to environmental or social issues for shares over which the reporting organization holds the right to vote shares or advises on voting.	NO		

SOCIETY

ASPECT: Community

FS13.	Access points in low-populated or economically disadvantaged areas by type.	NO		
FS14.	Initiatives to improve access to financial services for disadvantaged people.	YES	96-97	SR

ASPECT: Product and service labelling

FS15.	Policies for the fair design and sale of financial products and services.	YES, partially	72; 81	SR
FS16.	Initiatives to enhance financial literacy by type of beneficiary.	YES	97	SR

[*]

SR = Sustainability Report area

G = Group

GLOSSARY

AA1000 (AccountAbility1000): a standard developed by the Institute of Social and Ethical Accountability (ISEA) to promote the adoption of CSR principles, thus providing stakeholders with quality assurance in accounting, auditing and social and ethical reporting.

ANIA: Italian Association of Insurance Companies (Associazione Nazionale fra le Imprese Assicuratrici).

Asset: any item of economic value owned by an individual or company, especially that which could be converted to cash, such as: properties, cash, receivables, etc..

Asset Management: the business of managing third party (and other) financial investments.

Benchmark: an objective reference parameter used to evaluate company performance in relation to analogous companies.

Best practice: the most significant experiences or those achieving the best results which are adopted in similar contexts.

Broker: an insurance or reinsurance intermediary whose profession entails creating direct contacts between an insurance or reinsurance company, with whom he has no binding commitments, and people who intend to draw on his services to obtain risk coverage. He helps determine the content of contracts and where necessary participate in their management and execution.

Captive company: company which provides its products and services to companies in its group.

Claim: an event insured against in the contract.

Collision damage waiver: policy that covers accidental damage to the insured vehicle.

Combined ratio: overall costs for claims and expenses expressed as a percentage of the value of earned premiums for the financial year. The combined ratio is equal to the sum of the expense ratio and loss ratio.

CONFINDUSTRIA: Confederation of Italian Industry representing Italian companies.

Consolidated Financial Statements: a document that shows the financial and asset status, economic results and variations in the shareholders' equity of a group of companies considered as a single economic body. It derives from combining the financial statements of the companies belonging to a group, net of amounts relating to internal group operations.

Consolidation area: a group of companies brought together by means of the "integral consolidation" method and included in the Consolidated Financial Statements.

Core business: the main area of business for a company operating in many fields.

Core competence: competence critical to the development and success of a company.

Corporate Centre: the body of the Group that is responsible for managing, coordinating and controlling activities within the scope of the general guidelines defined by the Parent Company Board of Directors.

Corporate Governance: a governance system encompassing various bodies (levels, composition, competence, etc.) and the rules that govern the relations between them (right to vote, delegation of powers, etc.).

Credit rating: credit evaluation by quantifying the likelihood of a person's/company's insolvency.

Cross-selling: the offer and sale of company products in addition to those already provided to the client.

CSR (Corporate Social Responsibility): "Companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis. [...] Being socially responsible means not only fulfilling legal expectations, but also going beyond compliance and investing 'more' into human capital, the environment and the relations with stakeholders". [Source: "Promoting a European framework for Corporate Social Responsibility" - the European Commission's Green Paper].

Customer satisfaction: a process of knowing clients' perceptions and expectations concerning a service or product. It is used to compare in relative terms the value of a particular service offered to the public.

Customer service: a group of services provided to the client.

Direct business: premiums from insurance contracts.

Disputes: disputes pending before the judicial authorities.

District heating: district or central heating is a centralised heat boiler, which distributes space heating and domestic hot water to the users in a way that utilise large-scale advantages. This way the use of heat is effectively monitored and controlled providing consumers a maximum comfort level while ensuring the lowest possible energy consumption. District heating is a flexible technology that can be run on any fuel, including utilisation of waste energy, renewable and, most significantly, application of combined heat and power (CHP). Systems can vary considerably in size and capacity, ranging from as little as one building, up to entire cities (<http://www.europeangreencities.com>).

Dividend: part of the net profits of a joint-stock company distributed to shareholders annually.

Dow Jones EuroStoxx 50: this euro-area index represents 50 leading European companies in their fields, listed on the Dow Jones EuroStoxx Index.

Dow Jones EuroStoxx Insurance: a weighted index based on capitalization measuring the performance of the insurance sector in European Monetary Union member countries.

Eco-Committee: a decision-making body that considers issues relating to environmental policies.

Ecology of supply: attention to environmental issues in the supply chain.

E-learning: activities that exploit the potential of the Internet to provide users with education and training.

EMAS (Eco Management and Audit Scheme): a management and environmental control system compliant with European Community Regulation no. 761/01, which establishes the rules governing the voluntary adoption of environmental management systems and the drawing up of Environmental Statements.

Embedded value: represents the intrinsic value of an insurance company and equals the sum of adjusted shareholders' equity and portfolio value.

Employed sellers: the sales force on payroll.

Engagement: the process of involving stakeholders.

Environmental policies: statements by an organisation regarding its intentions and the principles it adheres to in the field of environmental issues.

Ergonomics: a scientific study of the relationship between man, machine and workplace with a view to meeting the worker's psychological and physical needs and increasing efficiency.

Ethical Code: the ethical code expresses the commitments the company has assumed towards its internal stakeholders. This document is voluntarily drawn up and is used by companies to decide which approach to adopt with regard to significant environmental, social and economic issues. This proves particularly important in countries that have no national protection of human and labour rights or the environment.

Expense ratio: supply and administration expenses expressed as a percentage of the value of earned premiums for the financial year.

Fair value: evaluation of what could be defined as equitable "market" value in compliance with international accounting principles IAS/IFRS.

Financial advisers: professionals who provide financial intermediation.

Focus group: type of quality survey where a group of people is questioned on the personal attitudes to a particular subject.

GRI (Global Reporting Initiative): an institution created in 1997 by UNEP (see paragraph) and CERES (Coalition for Environmentally Responsible Economies) whose objective is to develop and disseminate the guidelines for drawing up a voluntary report on economic, environmental and business performance of company activities.

Guidelines for Corporate Governance and Multinational Enterprises in the OECD: recommendations addressed by governments to multinational enterprises, basically concerning voluntary principles and standards for responsible business conduct.

"Hay" Method: an analytical quantitative method for evaluating the positions of managers and middle managers assigning each one a score, which is then used as the basis for calculating salary.

IAS/IFRS principles: international accounting principles.

Index-linked (contracts, products): Stock Market index-linked policies.

Indirect business: premiums from reinsurance contracts.

Information technology: technology used to gather, preserve, update and convey information needed by any operating body.

Institutional investors: bodies whose purpose is to carry out and manage investments for themselves or third parties (banks, insurance companies, trustees, pension funds, etc.).

Intranet: Internet network accessible only to company staff.

Investor relations: relations between the company and its investors.

ISO (International Organization for Standardization): international network of technical standard-setting bodies. The major standards include ISO 14001 (referring to environmental management systems) and ISO 9001 (relative to quality systems).

ISO 14001: a standard relating to environmental management systems issued by the ISO international standards body. The standard outlines the requirements for environmental management systems, thus enabling companies to plan a policy and establish objectives, with consideration to legislation and information regarding major environmental issues.

ISVAP: Istituto per la Vigilanza sulle Assicurazioni Private e di interesse collettivo (Italian Supervisory Authority for the Private Insurance Sector).

Joint venture: association of two or more companies, sometimes of different nationalities, working together on a single project.

Life insurance policies: insurance contracts that award payment of a lump sum or an annuity if a life-related event occurs.

Loss ratio: the cost of paid and outstanding claims during the financial year as a percentage of the value of earned premiums for the financial year.

Media relations: relations between the company and the media.

MIB30: a weighted index of the 30 top Italian companies traded on the Milan Stock Exchange.

Mibtel: a capitalization-weighted index of all stocks traded on the Milan Stock Exchange computerized trading system.

Mission: the corporate mission and basic objectives pursued.

Mobility manager: person responsible for optimising the mobility of employees in their commuting to work and during work-related trips.

Multi-brand: a commercial approach based on the use of multiple brands.

Multi-channel: a range of products and services provided through multiple sales channels. The definition considers the type of distribution channel used to provide the products and services, as well as the methods by which clients can access them.

Multi-client (survey): a survey carried out for more than one client which is therefore more in-depth and takes into account a wider sample.

Multi-local: marketing approach that aims to act as a local operator on all the markets in which the company is active.

Multisplit: a heating and/or cooling system consisting of a single external unit connected to several interior units (split).

Nanotechnology: branch of science studying individual atoms and molecules to create electronic components thousands of times smaller than existing ones.

Newsletter: information bulletin.

Non-life insurance policies: insurance contracts that cover damage to people and things caused by external and uncertain events (injury, sickness, fire, theft, etc.).

OECD: Organisation for Economic Co-operation and Development, grouping 30 countries that share a commitment to democratic government and market economy.

Outside the Sustainability Report area: all the companies not included in the Sustainability Report area.

Performance indicators: specific indicators selected to meet corporate information needs and used to monitor the company. They can be of a financial, productive, commercial, environmental and social nature, or concern more than one aspect.

Policy: insurance contract.

Preda Code: a self-enforced code of conduct for listed companies.

Premium: the sum the policyholder must pay the insurer; it is effectively the "price" of the insurance policy.

Product ecology: a policy aimed at minimizing the environmental impact of a product's life cycle.

Property risks: they include: fire, technological risks, theft, misconduct, suspension of business, hail, etc..

Reinsurance ceded: flow of risks ceded by a company to one or more insurers, in order to share the risk.

Renewable energy: energy from natural resources with endless potential, the production of which is not associated with pollutant emissions. Renewable sources include hydroelectric, solar, wind, geothermal and biomass energy.

Retail: segment of the market which primarily includes individuals, professionals, shopkeepers and craftsmen.

Retirement products: life insurance products that cater for supplementary retirement needs.

Risk Management: systematic application of management policies, procedures and practices aiming to identify, analyse and monitor risks.

Road show: a series of meetings between companies and institutional investors (or agents, etc.) which take place in different locations.

Shareholders' agreement: agreements among shareholders concerning the company management, i.e. the existence over time of the same shareholders as a "group".

Speed of claims settlement: the percentage of claims reported in a financial year and settled in the same year.

Stakeholders: individuals and groups who can influence the success of a company, or who have an interest in the decisions made by the company: shareholders, employees, clients, suppliers, public institutions, competitors, local communities, lobbies, mass media, etc..

Stock Exchange capitalization: when referring to a company, it is the value obtained by multiplying the market price of a share by the number of shares outstanding.

Stock option: option contracts for purchasing the shares of a company - issued with an increase of capital for this express purpose - which grant the right to purchase the shares at a set price within an established period of time. They are used as a means to supplement salaries and as a loyalty tool for individual employees, special categories, or all staff members.

Structured products: investment instruments combining standardised financial instruments (bonds and shares) with one or more derivatives (generally options). Their structure enables investors to have a share in the performance of one or more assets while, at the same time, adjusting their risk profile to their own specific needs.

Subsidiary agency: an agency depending directly on the Company and managed by a salaried member of staff (agent), employing internal members of staff, who are also company employees.

Supplementary retirement scheme: a form of retirement savings, designed to create income to supplement pensions paid by the public pension system during retirement.

Sustainability Report area: all the companies included in the Sustainability Report (SR). These companies are from: Austria, France, Germany, Israel, Italy, Spain and Switzerland.

Sustainable development: "Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs" [Source: Brundtland Report, World Commission on Environment and Development, 1987].

Trade Union density: the percentage of workers who are members of the Trade Union.

Turnover: an index indicating staff turnover due to resignations, retirement, death or other reasons which make it necessary to hire a new employee to replace a person who is no longer employed.

UN Global Compact: a voluntary initiative launched and sponsored by the United Nations, promoting and disseminating the principles of sustainable development.

UNEP: the United Nations Environmental Programme that promotes sustainable development among companies and the general public.

Unit-linked (contracts, products): policies that require paid up premiums and benefits to be expressed as units of an investment fund they are linked to.

Value Proposition: contents and statement of a company's core values. Often corresponds to the corporate slogan.

Webconferencing: company meetings held via Internet.

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Report Application Levels

		C	C+	B	B+	A	A+
Mandatory	Self Declared		Report Externally Assured		Report Externally Assured		Report Externally Assured
	Third Party Checked						
Optional	GRI Checked		Report Externally Assured		Report Externally Assured		Report Externally Assured

The assurance of the “GRI application level” has been conducted by Mario Molteni, professor of Business Economics and Corporate Strategy at Università Cattolica del Sacro Cuore. He has confirmed the B level declared by the Group.

