

GROUP ACTIVE OWNERSHIP REPORT 2023



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PREFACE

Generali Group – Group Active Ownership Report 2023 issued pursuant to Italian regulation* implementing Shareholder Rights Directive II directive (SRD II), directive 2017/828 of the European Parliament and of the Council of 17 May 2017 amending Directive 2007/36/EC as regards to the encouragement of long-term shareholder engagement.

Disclaimer:

This report is issued for the benefit of all Generali Group insurance undertakings and Group pension funds indistinctively, although the reporting obligation foreseen by SRD II directive is intended to apply solely to “institutional investors” defined as: (i) undertaking carrying out activities of life assurance within the meaning of points (a), (b) and (c) of Article 2(3) of Directive 2009/138/EC of the European Parliament and of the Council, and of reinsurance as defined in point (7) of Article 13 of that Directive provided that those activities cover life-insurance obligations, and which is not excluded pursuant to that Directive; (ii) institutions for occupational retirement provision falling within the scope of Directive (EU) 2016/2341 of the European Parliament and of the Council in accordance with Article 2 thereof, unless a Member State has chosen not to apply that Directive in whole or in parts to that institution in accordance with Article 5 of that Directive.

Although the reporting obligation foreseen by SRD II directive is limited to investments in companies with shares admitted to trading on regulated markets of European Union Member States, the present report refers also to shares admitted to trading on non-European Union regulated markets, participation in private companies and investments in corporate bonds. This document does not report on other asset classes (e.g. real estate, sovereign instruments) and on engagement with / selection of asset managers.

Source of data: Generali Group own data and elaboration.

Any terms not defined in the text of the report shall have the meaning ascribed to them in the Glossary.

* For insurance / reinsurance companies: ex art. 4 comma 3 Regolamento Ivass n. 46 del 17 novembre 2020, recante disposizioni in materia di trasparenza della politica di impegno e degli elementi di strategia di investimento azionario delle imprese di assicurazione o di riassicurazione, ai sensi dell'art. 124 novies, comma 3 lett. a del Testo Unico delle disposizioni in materia di intermediazione finanziaria. For pension funds: ex art. 4 comma 3 Delibera Covip del 2 dicembre 2020 - Regolamento in materia di trasparenza della politica di impegno e degli elementi della strategia di investimento azionario dei fondi pensione.

FOREWORD

This report aims at providing full disclosure to the market and stakeholders about Generali Group's active ownership activities throughout 2023. The disclosed initiatives encompass corporate dialogues, the exercise of voting rights, and involvement in public initiatives.

As a long-term liability-driven institutional investor and asset owner with a fiduciary duty, the Group believes active ownership can contribute to long-term risk mitigation and value creation for clients and shareholders.

By engaging investee companies and exercising voting rights, the Group aims at influencing investee companies' good Governance practices and their accountability on Environmental and Social issue.

These efforts have played a pivotal role in advancing key aspects of the Group's strategic three-year plan, "Lifetime Partner 24: Driving Growth" (December 2021-2024), notably focusing on portfolio decarbonization and gender diversity.

Additionally, throughout our active ownership strategy, the Group aims at monitoring and manage potential adverse impacts generated by its investments by promoting good business practices, addressing in our stewardship activities fundamental principles e.g. on environment protection, human rights, labor standards, consumer protection, taxation.

Globally, the adoption of active ownership as a systemic tool for enhancing transparency, mitigating risks, and driving positive change has gained significant traction. In Europe, the SFDR Regulation 2019/2088 has been instrumental to address the adverse impacts of their investments, mandating financial institutions to disclose actions taken.

In addition, throughout 2023, two noteworthy trends have underscored the increasing relevance of active ownership.

Notably, the expansion by self-regulatory policymakers of stewardship activities beyond conventional asset classes like equity and bonds into diverse categories, including government securities and private equity.

Further, the year also witnessed the continuation of a trend urging asset owners to scrutinize and challenge delegated asset managers to ensure alignment with their sustainability goals.

Through the year, while cooperating with institutes of higher education and supporting their scientific publications, we have acknowledged the emergence of academic initiatives aimed at certifying stewardship managers. These initiatives are instrumental in establishing a professional body and hold promise for significantly advancing stewardship practices.

While within the European framework, Directive 2017/828 persists as the primary legislative foundation for active ownership, EU regulator is currently evaluating the impact of its effectiveness in the past 5 years, in anticipation of possible new regulatory interventions.

In conclusion, this report underscores the enduring and central role of active ownership in shaping responsible investment practices.

The Generali Group remains steadfast in leveraging its active ownership initiatives to drive positive impact, align investments with sustainability goals, and navigate the evolving landscape of regulatory and industry trends.

INTRODUCTION TO GENERALI GROUP ACTIVE OWNERSHIP



ENGAGEMENT

64

Corporate engagements

8

Positive results*



VOTING

1,101

Voted meetings

12

Positive results**

10

INSTITUTIONAL ACTIVITIES WITHIN OUR NETWORKS AND AFFILIATIONS

* Corporate engagements with investee companies that led to a tangible result.

** Resolutions voted by Generali, where the Group's vote has contributed to the passing of a shareholder resolution or to the blocking (not passing) of a management proposal.



OVERVIEW OF ACTIVE OWNERSHIP ACTIVITIES

As a long-term liability-driven institutional investor and asset owner with a fiduciary duty towards its stakeholders, Generali Group integrates active ownership into its investment framework, viewing it as crucial for long-term risk mitigation and value creation.

OBJECTIVE

By dialoguing with investee companies and exercising voting rights, the Group aims at **influencing** investee companies' business **behaviors** and **accountability** on Environmental, Governance and Social issue (further lever to manage Sustainability Risk and support Group target achievement).

PROXY VOTING

- Voting principles **incorporating** ESG factors & Group expectation and commitments.
- Voting Recommendations **centrally provided** to Group Insurance Companies.
- Voting Exercise: cross countries **coordinating** processes with Insurance Companies, Asset Managers, Custodians and Issuers.

DIALOGUE WITH ISSUERS

- **Approach:** individually / collaboratively with other investors.
- **Planning:** based on several factors, among which materiality, exposure to sustainability risk, Group strategy and commitments.
- **Activity:** portfolio management-related / voting related / in execution of Group strategy and commitments.
- **Execution** by Group Chief Investment Officer Functions directly or delegated to Asset Managers.

DISCLOSURE AND REPORTING



Generali Group
Annual Integrated
Report



Yearly Active
Ownership Report



Internal reporting
to Local Chief Investment
Officers, Group stakeholders
and Group asset managers

HOW WE INCORPORATE SUSTAINABILITY FACTORS INTO ACTIVE OWNERSHIP

The integration of sustainability factors into the Group’s investment strategy strikes a balance between responsible conduct and profitability, safeguarding the Group’s reputation and fulfilling its fiduciary duty. As an asset owner, Generali proactively integrates sustainability factors across diverse asset classes within insurance portfolios, aiming to achieve financial returns and generate social value. Through engagement and voting activities, the Group seeks to influence issuers’ behaviors, aligning its investments with sustainable and responsible practices.

The Generali Group active ownership framework, encompassing the exercise of voting rights and dialogue with investee companies, aligns with the strategic topics of the Generali Group, such as climate change, biodiversity, (gender) DE&I, promotion of good business practices. We provide an overview herein of how the Generali Group incorporates these ESG issues into our ownership policies and practices.


REFERENCE FRAMEWORK	VOTING PRINCIPLES / CRITERIA	DIALOGUE OBJECTIVES / PRIORITIZATION
GROUP CORPORATE GOVERNANCE PRINCIPLES	GOVERNANCE: aligned with AG governance model (e.g. BoD composition) and remuneration criteria (e.g. LTIP-STIP balance).	GOVERNANCE: Being one of the pillars of Group remuneration policy, we plan to dialogue with companies on alignment between company strategy and ESG targets of executive pay .
GROUP STRATEGY	SOCIAL: i) promoting 40% gender diversity at BoD level; ii) against the re-election of the responsible BoD Directors in situations of reiterated poor employment, work and pay practices.	SOCIAL: Coherently with Group commitments and targets on women empowerment and DE&I, we dialogue on BoD female ratio, women quota in management, gender pay gap .
VOLOUNTARY COMMITMENTS	ENVIRONMENT: We expect climate strategies of companies to be coherent with transitioning to net-zero GHG emissions by 2050.	ENVIRONMENT: We committed within NZAO to dialogue with top 20 carbon-intensive companies in our portfolios by 2025.
REGULATORY REQUIREMENTS	ENVIRONMENT / SOCIAL: We reserve to vote against re-election of individual Directors for severe breaches of UN Global Compact principles.	ENVIRONMENT / SOCIAL: We engage companies with poor sustainability / severe violations of environmental, social and governance principles (Group Negative screening approach).
	By reporting voting/dialogue insights to Group Asset Managers we contribute to incorporating ESG issues into investment analysis and possible decision-making processes (PRI Principle #1).	
	Voting and dialogue as “actions taken” to mitigate Principal Adverse Impacts (PAIs) of investments (SFDR Regulation 2019/2088 disclosure).	

STRATEGIC TOPICS

PORTFOLIO DECARBONIZATION

As a member of the UN-convened Net-Zero Asset Owner Alliance since 2020, we are committed to the decarbonization of our investments’ portfolio. As outlined in the three-year (2021-2024) strategy “Lifetime Partner 24: Driving Growth”, the goal is to transition our investment portfolios to net-zero greenhouse gas emissions by 2050, aligning with a maximum temperature rise of 1.5 °C above pre-industrial levels.

The Generali Group Strategy on Climate Change, approved by the Board of Directors on February 21, 2018, and updated in July 2023, serves as a key reference for the Group ([link](#)). It outlines the decisions made to facilitate a fair and socially just transition to a net-zero emission economy. To mitigate the environmental and climate impact of our investment portfolio, Generali has developed a strategy based on three key approaches: integrate (increasing the weight of thematic investments), avoid (reducing exposure to carbon-intensive issuers through exclusion criteria), and influence (engaging with issuers in the portfolio). Influencing investee companies on climate change involves dialogue with the most carbon-intensive entities in our investment portfolio, exercising voting rights, and participating in public initiatives to drive positive change.

Materiality Matrix Climate change	SDGs 	SFDR PAIs #1-6
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In 2023 our active ownership activities have continued to focus on encouraging investee companies to align with the Group’s decarbonization objectives and closely monitoring their progress. The resulting initiatives supported the advancement of the Generali Group Strategy on Climate Change, contributing to the achievement of the “Asset Owner Net Zero Strategy of the Year” award from the ESG Investment Leader network in November 2023 ([link](#)).

ENGAGEMENT

No. of engagements	Objective	Timeframe	Target	Execution	Positive results
27 inquiries / 22 dialogues (13 collective, 9 individual)	Influencing target companies to transitioning to net-zero GHG emissions by 2050 - consistent with a maximum temperature rise of 1.5 °C.	2021-2025	To comply with our commitment towards NZ AOA to engage at least 20 investee companies with the higher apportioned emissions in our portfolios.	Generali Group asset owner, partial delegation to asset manager.	3 (2 disclosures, 1 commitment)

Overview

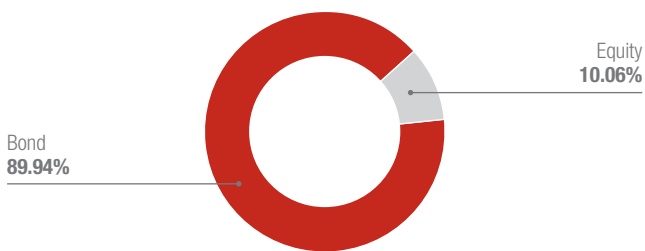
In line with the ambitions of the UN-convened Net-Zero Asset Owner Alliance, in its three-year (2021-2024) strategy “Lifetime Partner 24: Driving Growth”, Generali Group has committed to engage with at least 20 carbon-intensive investees whose net greenhouse gas emissions significantly influence its investment portfolio by 2025, to ease portfolio decarbonization while influencing issuers’ climate change strategy. Our aim is to ask these companies to take substantial steps to reduce greenhouse gas emissions in their organizations’ operations, supply chain and products in line with what the latest scientific recommendations ask (e.g. the 2018 IPCC Special Report on Global Warming of 1.5 °C). Our intention is to cover with investee companies the topics highlighted by the Climate Action 100+ initiative, with a particular focus on climate policy, climate-related risks, climate lobbying and just transition. Pursuant to the net-zero commitment, we have been periodically reviewing our investment portfolio with the purpose of identifying issuers with the greatest carbon footprint. Companies to engage are selected among issuers of intensive sectors (utilities, energy, steel, cement, transportation) and prioritized according to their carbon footprint impact in our investments portfolio (highest to lowest, by apportioned emissions) and their level of commitment to decarbonization targets.

Materiality

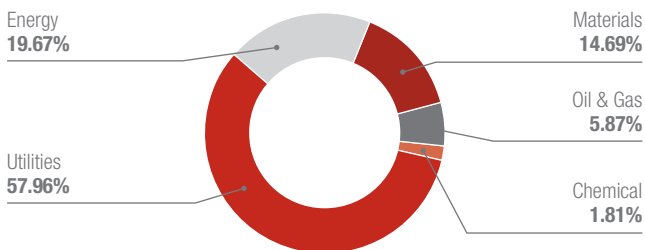
Generali Group investments in listed corporate issuers (both equity and fixed income) subject to decarbonization engagement in 2023: EUR 6.99 billion, covering 61.10% of portfolio carbon footprint (in 2022: EUR 8.9 billion, covering 66.82%; in 2021: EUR 2 billion, covering 18.14%)*.

*Source: Generali Group data as of 31.12.2022, MSCI data as of 31.12.2022

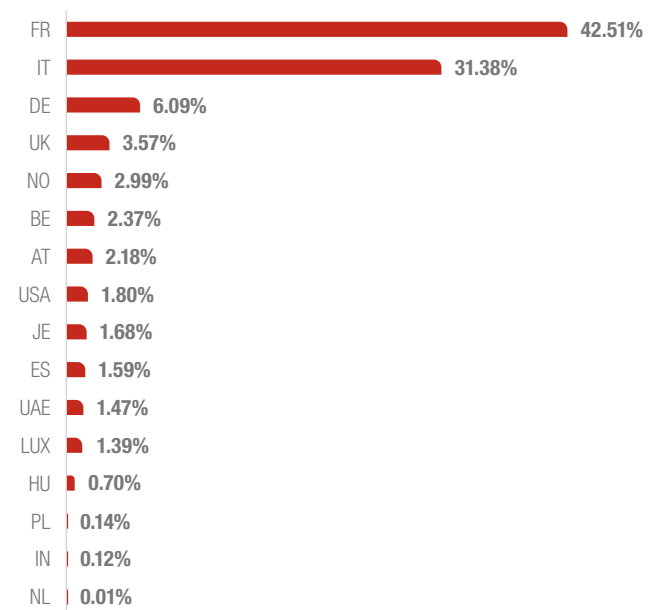
Engagements, by relevance of financial instrument



Engaged sectors, breakdown by investment size



Investments subject to engagement, by Country of incorporation



Status

So far, we have reached 27 investee companies with formal communications. We are dialoguing with 22 of them directly or through our delegated asset manager (9 individually and 13 collectively with other institutional investors and asset managers) and we are monitoring companies that have not responded to us. For those that did not respond and of which we own equity, as part of our escalation strategy outlined in our voting principles, in 2024 Generali will send formal letters to the investee companies, reserving the right to express disappointment through voting on ordinary agenda topics for the lack of dialogue. According to our voting principles, amended in January 2023, this could be done, e.g. by voting against the discharge of responsibility of the Directors in markets where that is an option, by withholding support for the re-election of responsible members of the Board of Directors, or by opposing to executive remuneration.

Monitoring

We actively track the progress of our dialogue with companies within our investment portfolio toward decarbonization, using a comprehensive set of indicators and sub-indicators derived from the [Climate Action 100+ Net-Zero Company Benchmark](#). This benchmark assesses the world's largest corporate greenhouse gas emitters on their progress in the transition to the net-zero future. It is composed of distinct sets of assessments, which draw on unique analytical methodologies and datasets designed to evaluate focus company performance on addressing climate change risks and provide greater insight for investors and companies. We illustrate herein the progress in decarbonization achieved by the oil & gas sector companies we engage with in dialogue, on the basis of public data sourced from the Climate Action 100+ Net-Zero Company Benchmark. For two companies not included in the Climate Action 100+ coverage, we conducted our own assessment.

(See "Decarbonization engagement monitoring" graph on the next page).

We have conducted a company benchmark on the companies we engage with (either individually or collectively). The results reveal that most companies in our engagement scope have made progress in at least one area of the benchmark. Particularly noteworthy is the progress that most of the companies (with one exception) have made in capital allocation. The enforcement of the EU Taxonomy Reporting, alongside its significance to investors, likely played a significant role in driving this positive change.

DECARBONIZATION ENGAGEMENT MONITORING

*Source: ClimateAction 100+ Net-Zero Company Benchmark website, January 2024.

**Source: Our own elaboration (company not within Climate Action 100+ coverage).

	Company 1 (IT)* Dialogue since 2021				Company 2 (AT)* Dialogue since 2022				Company 3 (HU)** Dialogue since 2022				Company 4 (PL)** Dialogue since 2021				Company 5 (FR)* Dialogue since 2023				Company 6 (UK)* Dialogue since 2023				Company 7 (FR)* Dialogue since 2023				Company 8 (UK)* Dialogue since 2023			
	May 2023	Oct 2022	Mar 2022	Mar 2021	May 2023	Oct 2022	Mar 2022	Mar 2021	May 2023	Oct 2022	Mar 2022	Mar 2021	May 2023	Oct 2022	Mar 2022	Mar 2021	May 2023	Oct 2022	Mar 2022	Mar 2021	May 2023	Oct 2022	Mar 2022	Mar 2021	May 2023	Oct 2022	Mar 2022	Mar 2021	May 2023	Oct 2022	Mar 2022	Mar 2021
Disclosure Framework																																
Net zero GHG Emissions by 2050 (or sooner) ambition	Green	Green	Green	Grey	Green	Green	Yellow	Grey	Red	Grey	Grey	Grey	Yellow	Yellow	Red	Grey	Green	Green	Green	Grey	Green	Green	Green	Grey	Yellow	Yellow	Yellow	Grey	Green	Green	Green	Grey
Long-term (2036-2050) GHG reduction target(s)	Green	Green	Green	Yellow	Green	Green	Yellow	Yellow	Red	Grey	Grey	Grey	Yellow	Yellow	Yellow	Grey	Yellow	Green	Green	Yellow	Yellow	Green	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Green	Green	Green	Yellow
Medium-term (2027 to 2035) GHG reduction target(s)	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Red	Red	Yellow	Grey	Grey	Grey	Yellow	Yellow	Yellow	Grey	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow
Short-term (up to 2026) GHG reduction target(s)	Yellow	Yellow	Yellow	Yellow	Yellow	Green	Yellow	Yellow	Red	Grey	Grey	Grey	Red	Red	Red	Grey	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow
Decarbonisation Strategy (Target Delivery)	Yellow	Yellow	Yellow	Green	Yellow	Red	Red	Red	Yellow	Grey	Grey	Grey	Yellow	Red	Red	Grey	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Green	Green	Red
Capital Allocation	Green	Yellow	Yellow	Red	Yellow	Red	Red	Red	Yellow	Grey	Grey	Grey	Yellow	Red	Red	Grey	Yellow	Red	Red	Yellow	Yellow	Red	Red	Red	Yellow	Red	Red	Yellow	Red	Red	Red	Yellow
Climate Policy Engagement	Yellow	Yellow	Yellow	Green	Yellow	Yellow	Yellow	Yellow	Red	Grey	Grey	Grey	Red	Red	Red	Grey	Yellow	Yellow	Yellow	Yellow	Yellow	Green	Green	Green	Yellow	Green	Green	Green	Yellow	Green	Green	Green
Climate Governance	Yellow	Green	Green	Green	Yellow	Yellow	Yellow	Yellow	Yellow	Grey	Grey	Grey	Yellow	Red	Red	Grey	Green	Green	Green	Green	Yellow	Green	Green	Green	Yellow	Green	Green	Green	Green	Yellow	Yellow	Yellow
Just Transition	Yellow	Grey	Grey	Grey	Yellow	Grey	Grey	Grey	Red	Grey	Grey	Grey	Red	Red	Red	Grey	Yellow	Grey	Grey	Grey	Red	Grey	Grey	Grey	Yellow	Grey	Grey	Grey	Yellow	Grey	Grey	Grey
TCFD Disclosure	Yellow	Yellow	Yellow	Yellow	Green	Green	Green	Grey	Red	Grey	Grey	Grey	Red	Red	Red	Grey	Green	Green	Yellow	Yellow	Green	Green	Yellow	Yellow	Green	Green	Green	Green	Green	Yellow	Yellow	Yellow
Climate Accounting and Audit Assessments																																
The audited financial statements (including the notes thereto) incorporate material climate-related matters	Yellow	Red	Red	Grey	Yellow	Red	Red	Grey	Yellow	Grey	Grey	Grey	Yellow	Grey	Grey	Grey	Yellow	Red	Red	Grey	Yellow	Red	Red	Grey	Yellow	Red	Red	Grey	Yellow	Yellow	Yellow	Grey
The audit report demonstrates that the auditor considered the effects of material climate-related matters in its audit	Yellow	Red	Red	Grey	Yellow	Red	Red	Grey	Yellow	Grey	Grey	Grey	Red	Grey	Grey	Grey	Yellow	Red	Red	Grey	Yellow	Yellow	Green	Grey	Yellow	Red	Red	Grey	Green	Green	Yellow	Grey
The audited financial statements include the key impacts of the global drive for net zero emissions by 2050 (or sooner), aligning with the Paris Agreement goal of limiting global warming to 1.5 °C	Yellow	Green	Red	Grey	Yellow	Red	Red	Grey	Red	Grey	Grey	Grey	Red	Grey	Grey	Grey	Yellow	Red	Red	Grey	Yellow	Red	Red	Grey	Yellow	Red	Red	Grey	Yellow	Red	Red	Grey
Capital Allocation Alignment (Carbon Tracker Initiative)																																
Recent Investments: Compatibility of the company's recent upstream oil and gas investment with a Paris-aligned pathway	Red	Red	Red	Grey	Green	Green	Red	Grey	Red	Grey	Grey	Grey	Yellow	Grey	Grey	Grey	Red	Red	Red	Grey	Red	Red	Red	Grey	Yellow	Red	Green	Grey	Yellow	Red	Red	Grey
Future Investments: Compatibility of the company's potential future investment in new upstream oil and gas projects with a Paris-aligned pathway	Red	Red	Red	Red	Red	Red	Red	Red	Red	Grey	Grey	Grey	Red	Grey	Grey	Grey	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Yellow	Red	Red	Red
Future Production Sensitivity: Compatibility of the company's potential future upstream oil and gas production with a Paris-aligned pathway	Yellow	Red	Red	Grey	Yellow	Red	Red	Grey	Red	Grey	Grey	Grey	Red	Grey	Grey	Grey	Yellow	Red	Red	Grey	Yellow	Red	Red	Grey	Yellow	Red	Red	Grey	Yellow	Red	Red	Grey
Commodity (Oil) Prices: Compatibility of the company's oil price forecasts with a Paris-aligned pathway	Yellow	Yellow	Yellow	Red	Yellow	Green	Yellow	Red	Green	Grey	Grey	Grey	Red	Grey	Grey	Grey	Yellow	Yellow	Yellow	Red	Yellow	Yellow	Yellow	Red	Yellow	Yellow	Yellow	Red	Yellow	Green	Yellow	Green

YES, meets criteria. At the overall assessment level, the company receives a 'Yes' on all Sub-indicators and Metrics that make up the Indicator. At the Sub-indicator level, the company receives a 'Yes' on all Metrics that make up the Sub-indicator.

PARTIAL, meets some criteria. At the overall assessment level, the company receives a 'Yes' on at least one Metric that makes up the Indicator. At the Sub-indicator level, the company receives a 'Yes' on at least one Metric that makes up the Sub-indicator.

NO, does not meet criteria. At the overall assessment level, the company receives a 'No' on all Sub-indicators or Metrics that make up the Indicator. At the Sub-indicator level, the company receives a 'No' for all Metrics that make up the Sub-indicator.

Not applicable / Insufficient data

Additionally, we observe a gradual increase in capital expenditure dedicated to low or CO₂-free fuels, which is encouraging. However, we are concerned about the slow pace of change and the continued predominance of traditional capital expenditure allocated to fossil fuels. Despite these notable advancements, the performance in 2023 is characterized by a status quo in many benchmark areas, particularly those requiring a gradual phasing-down of fossil extraction and a transition towards clean energies. Despite ambitious commitments made by industry leaders in previous years, we observe a ‘wait-and-see’ attitude, possibly influenced by a context of high prices, record profits, and growing energy demand projected for the coming years. Further we notice an overall decline in climate policy engagement aimed at ensuring that climate-related lobbying activities are coherent with their own climate commitments and align with the Paris Agreement goals.

In conclusion, overall, despite some advancements, oil & gas sector still falls short of aligning the sector with a 1.5-degree trajectory.

Positive outcomes from the decarbonization engagements in 2023

In response to the energy crisis exacerbated by the military conflict in Ukraine, several energy utilities companies reliant on gas imports have been compelled to increase electricity production from coal-fired power stations to offset the decline in gas supply.

Considering this disruptive geopolitical event affecting the execution of energy utilities companies’ climate strategies, in 2023 we initiated a collective engagement with one of Italy’s major energy utility companies upon observing a significant rise in coal-derived electricity within its energy mix. The objective of this engagement was to understand the new energy landscape and the primary constraints faced by the company, while also encouraging enhanced coal-related disclosures to the market to improve transparency and enable investors to better assess the implications of the current situation on carbon footprints and the energy market. The constructive dialogue led to tangible results, including more detailed reporting from the company with greater granularity and forward-looking elements specifically regarding coal. Building on these advancements, at the end of 2023 we have been launching a similar initiative with a French multi-utility company on coal-related issues, with expectations of comparable positive outcomes. These engagements underscore the value that investors can bring when requests for greater transparency on matters deemed significant by investors (though not necessarily by investee companies) help bridge gaps and drive positive outcomes, particularly as the lack of disclosure on climate-related material information remains a significant concern for investors.

Another collective engagement under CA100+’s auspices, with a French energy utility we joined in November 2022, yielded interesting results following a meeting we had in October 2023 with the company’s CEO. One of the principal requests put forth by the engagement taskforce was for increased transparency on progress towards targets and climate lobbying. The expanded disclosures that the company has granted on these two topics underscore the relevance of this engagement.

Our individual engagement initiated in June 2022 with a leading German chemical industry player also proved fruitful, in relation to some of our expectations. We were pleased to note notable reductions in CO₂ emissions within scope 1 & 2, consistent with the company’s roadmap. Most importantly, we welcomed the inclusion of some scope 3 emissions (namely scope 3.1 “Purchased good and services”) in the company’s net-zero commitment, representing an encouraging step forward given the materiality of scope 3-related emissions in the chemical industry, typically comprising over 80% of the overall footprint. We hope that the inclusion of a scope 3 sub-category in the company’s CO₂ reduction target setting will be rapidly followed by other peers of the company, and we will orient our engagement efforts towards it.

Case Study

One of the climate engagements we wish to spotlight commenced in 2023 and involved a prominent Italian energy utility company. We view the company as a climate leader within its sector, primarily due to its ambitious goal of reducing scope 1 emissions by 80% by 2030, positioning it as one of the most aligned utility companies with the Paris Agreement’s objectives. Additionally, its coal-exit strategy is among the most ambitious in the sector, with a complete phase-out slated for 2027, ahead of many peers. Despite this commendable transition roadmap, we deemed it necessary to engage with the company after an internal assessment revealed several concerns:

- Limited progress in reducing scope 1 & 3 emissions (which account for the majority of emissions), raising doubts about the company’s ability to achieve its short-term goals.
- Management backed by Italian government as main shareholder of the company, potentially being influenced by national priorities.
- Insufficient disclosure on coal phase-out plans considering the complex geopolitical situation, leaving investors without adequate visibility on pending risks that could impact the company’s initial strategy.
- Inadequate disclosure on just transition measures, given the significant number of workers likely to be affected.

Following the assessment, we concluded that the company met most of our engagement criteria. As a next step, our group decided that a collective engagement would enhance the likelihood of success. Consequently, we spearheaded the formation of a coalition of investors sharing similar concerns with the company.

Recognizing that each investor may have different approaches and expectations, we initially sought agreement on a common understanding of the situation and shared expectations. Subsequently, we defined a set of expectations to provide our engagement with a clear direction. Several internal meetings were held to achieve this crucial step, resulting in a consensus approach that accommodated the needs of all members. Given the lack of visibility on short-term emissions and the role of coal in the near-term energy mix, enhancing disclosure on the coal exit strategy and just transition policy became priorities. Specifically, we advocated for “asset-by-asset” disclosure of coal-fired plants to provide investors with the necessary granularity, including phase-out dates, pending risks, and future status.

On the just transition front, we sought comprehensive information from the company to ensure that impacts on workers and communities were effectively managed in line with the principles of leaving no one behind. This included understanding existing measures for affected workers and communities, as well as policies for managing future social impacts arising from modifications to coal-fired plants.

During the summer of 2023, with the engagement framework collectively agreed upon by the taskforce, we initiated contact with the issuer and received a positive response. The issuer expressed keen interest, recognizing the opportunity to better understand investors’ informational needs for assessing companies’ climate roadmaps and adjusting reporting efforts accordingly. This reaction affirmed our belief that climate engagements between investors and issuers can be mutually beneficial when they promote a deeper understanding of value drivers.

Our engagement with the company began with sharing our expectations and was followed by technical meetings aimed at securing tangible achievements for disclosure at the company’s ESG investor presentation in November 2023. We were pleased to see that most of our expectations resulted in positive outcomes, with significant enhancements to the company’s disclosure on its coal phase-out roadmap and just transition policy. Building on this initial success, we aim to leverage the mutual trust established among the parties involved to drive further progress.

VOTING

Overview

With a specific focus on climate change mitigation and adaptation, the Generali Group exercises its voting rights in line with its commitment to transition its investment portfolios to net-zero greenhouse gas (GHG) emissions by 2050, aligning with a maximum temperature rise of 1.5 °C above pre-industrial levels. In line with previous years, in 2023 we have consistently backed proposals that meet our criteria while expressing concerns about management climate plans that lack the necessary ambition, with particular focus to operating in hard-to-abate industries (such as oil & gas). In January we have strengthened our voting principles, to be more consistent with the expectations towards investee companies outlined in the Net-Zero Asset Owner Alliance’s [Target Setting Protocol \(Second Edition\)](#).

Over the course of 2023, we voted 87 climate proposals. Specifically, we encountered 12 climate plans proposed by the management (Say on Climate), opposing to 4 that did not meet our expectations. We supported 71 out of 75 shareholder proposals on climate reporting, climate lobbying, adoption of greenhouse emission targets, fossil fuel lending and underwriting, just transition. We observe that in 2023, while all 12 climate plans proposed by management have passed, none of the climate resolutions proposed by shareholders have reached majority support (previous years: 5 climate shareholder resolutions passed in 2022 and 8 passed in 2021). Out of 87 climate resolutions we faced, we illustrate our voting behaviour on 50 votes that have been identified as of particular importance, also due to the spotlight given by the market community (for more information on the criteria to identify votes of particular importance, see the section “Most Significant Votes”).

The following table recaps our most significant votes on climate change:

Topic	Most significant votes (For/Against/Abstain)	Positive results
Say on climate	12 (8/4/0)	
Climate disclosure	10 (10/0/0)	
Emissions	10 (10/0/0)	
Financing and Investments	12 (12/0/0)	N.A.
Just transition	3 (3/0/0)	
Lobbying Activities	3 (3/0/0)	
Total	50 (46/4/0)	

How to read the tables on votes

The following Legend provides instructions on how to read the tables on votes:

- **Company:** investee company.
- **Meeting date:** date a company holds its shareholder meeting.
- **Resolution description:** description of voted agenda item.
- **Proponent (SHA / MAN):** resolution submitted by management (MAN) or by shareholders (SHA).
- **Flagged by:** resolution spotlighted within CA100+, UN PRI or ShareAction initiatives (see section on Most significant votes).
- **Man.Rec. / GL.Rec.:** voting recommendation issued by management or by proxy advisor Glass Lewis.
- **Voting entity:** abbreviated name of Generali Group entities that have voted the relevant resolution (for full name, see List of voting entity abbreviations). For Generali entities not explicitly mentioned, no votes categorized as "most significant" have been recorded in the year 2023.
- **Outcome:** Level of support by the shareholders.
- **Positive result:** A "positive result" is attributed when Generali Group votes have contributed to the passing of a shareholder resolution or to the blocking (not passing) of a management proposal.

Say-on-climate

In 2023, we observed a decrease in management proposals seeking an advisory vote on a company’s climate transition plan (12 proposals in 2023, compared to 28 in 2022 and 18 in 2021). This decline may be partially due by the fact that many companies typically present their climate strategy every three years and most of them have introduced the vote in the past two years. Similar to past years, during 2023 resolutions proposed by management continued to receive relatively low opposition by shareholders (9% on average) with the higher opposition rate being 20% at the meeting of Shell. As shown in the table below, out of 12 say-on-climate proposals in 2023, we supported 8 and rejected 4. Further, our efforts included joint open letters directed at energy companies of the French and UK market – as well as direct dialogue with Italian oil & gas companies, to include climate change resolution on the agendas of their shareholder meetings.

Company	Country	Meeting Date	Resolution Description	Proponent	Flagged	Man. Rec.	GL. Rec.	Vote	Outcome	Positive results	Voting entity
Schneider Electric SE	France	05/04/23	Opinion on Climate Strategy Strategy	MAN	N.A.	For	For	For	Passed	No	AG, AllAss, AllAssPF, DfAutSin, GenEspPF, GenEsp, Genita, GenitaPF, GTel, GTelLif, GenVie
Legal & General Group plc	United Kingdom	18/05/23	Approval of Climate Transition Plan	MAN	ShareAction	For	For	For	Passed	No	AG, AllAss, AllAssPF, Genita, GenitaPF, GTelLif
Klepierre	France	11/05/23	Opinion on Climate Ambitions and Objectives	MAN	N.A.	For	For	For	Passed	No	AllAss
Canadian National Railway Co.	Canada	25/04/23	Advisory Vote on Climate Action Plan	MAN	N.A.	For	For	For	Passed	No	AllAss, AllAssPF, GenitaPF
Covivio S.A.	France	20/04/23	Opinion on Climate Strategy	MAN	N.A.	For	For	For	Passed	No	Genita, GenVie
SSE Plc	United Kingdom	20/07/23	Approval of Net Zero Transition Report	MAN	N.A.	For	For	For	Passed	No	AG, AllAss, AllAssPF, Genita, GenitaPF, GTelLif
Ferrovial S.A.	Spain	12/04/23	Advisory Vote on Climate Strategy Report	MAN	N.A.	For	Against	Against	Passed	No	GenEspPF
Carrefour	France	26/05/23	Opinion on the Company’s Scope 3 Initiatives	MAN	N.A.	For	Abstain	For	Passed	No	AG, AllAss, AllAssPF, DfAutSin, GenEsp, Genita, GenitaPF, GTel, GTelLif, GenVie
Aena S.M.E. S.A.	Spain	20/04/23	Approval of the Update Report of Climate Action Plan	MAN	N.A.	For	Abstain	For	Passed	No	CajaPF, CajaVid, GenEspPF
TotalEnergies SE	France	26/05/23	Opinion on 2023 Sustainability and Climate Progress Report	MAN	ShareAction	For	For	Against	Passed	No	AG, AllAss, AllAssPF, CajaPF, CajaVid, DfAutSin, GenEspPF, GenEsp, Genita, GenitaPF, GTel, GTelLif, GenVie
Shell Plc	United Kingdom	23/05/23	Approval of Energy Transition Progress	MAN	CA100+, ShareAction	For	For	Against	Passed	No	AG, AllAss, AllAssPF, Genita, GenitaPF, GTelLif
Canadian Pacific Kansas City Limited	Canada	15/06/23	Advisory Vote on Approach to Climate Change	MAN	N.A.	For	For	Against	Passed	No	AllAss, AllAssPF, GenitaPF

In regard to our lack of support to climate plans proposed by the management in 2023, we provide herein the details of the merit-based evaluations we performed.

2023	Canada Pacific Railway	Ferrovial	Shell	Total Energies
01 Net zero commitment by 2050	Green	Green	Green	Green
02 Progress in CA100+ Net Zero Benchmark	N.A.	N.A.	Red	Yellow
03 Science-based GHG reduction trajectory in line with 1.5 °C	Red	Red	Red	Red
04 Green sales & green CAPEX growth	Yellow	Yellow	Yellow	Yellow
05 Climate lobbying in line with Paris Pledge	Yellow	Yellow	Yellow	Yellow
06 Supporting CO ₂ pricing mechanisms	Yellow	Yellow	Green	Green
07 Start reducing emissions with no delay	Green	Red	Yellow	Red
08 TCFD alignment	Green	Green	Green	Green

To show consistency of our approach, we provide herein the details of the merit-based evaluations we performed for our dissent votes on say on climate in 2022 (supported 21 and rejected 7) and 2021 (supported 18 and rejected 4).

2022		APA Group	BP	Shell	Equinor	Repsol	Total Energies	Woodside Petroleum
01	Net zero commitment by 2050	Partly meets the criteria	Meets the criteria	Meets the criteria	Meets the criteria	Partly meets the criteria	Meets the criteria	Partly meets the criteria
02	Progress in CA100+ Net Zero Benchmark	N.A.	Meets the criteria	Meets the criteria	Partly meets the criteria	Partly meets the criteria	Partly meets the criteria	Partly meets the criteria
03	Science-based GHG reduction trajectory in line with 1.5 °C	Fails to meet the criteria	Fails to meet the criteria	Fails to meet the criteria	Fails to meet the criteria	Fails to meet the criteria	Fails to meet the criteria	Fails to meet the criteria
04	Green sales & green CAPEX growth	Fails to meet the criteria	Fails to meet the criteria	Fails to meet the criteria	Fails to meet the criteria	Fails to meet the criteria	Fails to meet the criteria	Fails to meet the criteria
05	Climate lobbying in line with Paris Pledge	Fails to meet the criteria	Meets the criteria	Partly meets the criteria	Partly meets the criteria	Partly meets the criteria	Partly meets the criteria	Fails to meet the criteria
06	Supporting CO ₂ pricing mechanisms	Meets the criteria	Meets the criteria	Meets the criteria	Meets the criteria	Meets the criteria	Meets the criteria	Meets the criteria
07	Start reducing emissions with no delay	Fails to meet the criteria	Fails to meet the criteria	Fails to meet the criteria	Fails to meet the criteria	Fails to meet the criteria	Fails to meet the criteria	Fails to meet the criteria
08	TCFD alignment	Meets the criteria	Partly meets the criteria	Meets the criteria	Meets the criteria	Meets the criteria	Meets the criteria	Meets the criteria

2021		Canadian National Railway Co	Severn Trent plc	Shell	Total Energies
01	Net zero commitment by 2050	Meets the criteria	Lack of information by company	Partly meets the criteria	Partly meets the criteria
02	Progress in CA100+ Net Zero Benchmark	Not covered		Not enough backward-looking (first assessment released in March 21)	Not enough backward-looking (first assessment released in March 21)
03	Science-based GHG reduction trajectory in line with 1.5 °C	Fails to meet the criteria		Fails to meet the criteria	Fails to meet the criteria
04	Green sales & green CAPEX growth	Partly meets the criteria		Fails to meet the criteria	Partly meets the criteria
05	Climate lobbying in line with Paris Pledge	Partly meets the criteria		Meets the criteria	Partly meets the criteria
06	Supporting CO ₂ pricing mechanisms	Partly meets the criteria		Partly meets the criteria	Partly meets the criteria
07	Start reducing emissions with no delay	Meets the criteria		Fails to meet the criteria	Fails to meet the criteria
08	TCFD alignment	Meets the criteria		Partly meets the criteria	Partly meets the criteria

■ Meets the criteria
 ■ Partly meets the criteria
 ■ Fails to meet the criteria

Climate transparency and accountability

We have been generally supporting of shareholder proposals aiming at increasing transparency and accountability in how companies manage their environmental impact and how they intend to plan. Establishing a regular vote on company climate disclosure strategy would give shareholders a basis upon which they can evaluate how the company is monitoring and managing climate-related risks and opportunities.

Company	Country	Meeting Date	Resolution Description	Proponent	Flagged	Man. Rec.	GL Rec.	Vote	Outcome	Positive results	Voting entity
Berkshire Hathaway Inc.	United States	06/05/23	Shareholder Proposal Regarding Climate Report	SHP	CA100+, UNPRI	Against	For	For	Not Passed	No	AllAss, AllAssPF, CajaPF, Genita, GenitaPF, GTelLif
Berkshire Hathaway Inc.	United States	06/05/23	Shareholder Proposal Regarding Disclosure and Oversight of Climate Change Risks	SHP	CA100+, UNPRI	Against	For	For	Not Passed	No	AllAss, AllAssPF, CajaPF, Genita, GenitaPF, GTelLif
Valero Energy Corp.	United States	09/05/23	Shareholder Proposal Regarding Report on Climate Transition Plan and GHG Targets	SHP	CA100+, UNPRI	Against	For	For	Not Passed	No	AllAss, AllAssPF, Genita, GenitaPF, GTelLif
Engie	France	26/04/23	Shareholder Proposal Regarding Annual Say on Climate and Climate Disclosure	SHP	CA100+, UNPRI	Against	Against	For	Not Passed	No	AG, AllAss, AllAssPF, DiFAutSin, GenEsp, Genita, GenitaPF, GTel, GTelLif, GenVie
Equinor ASA	Norway	10/05/23	Shareholder Proposal Regarding Climate Risk Assessment and Strategy	SHP	ShareAction	Against	Against	For	Not Passed	No	AG, AllAss, AllAssPF, Genita, GenitaPF, GTelLif
Bank of Montreal	Canada	18/04/23	Shareholder Proposal Regarding Say on Climate	SHP	ShareAction	Against	Against	For	Not Passed	No	AllAss, AllAssPF, GenitaPF
Bank of Nova Scotia	Canada	04/04/23	Shareholder Proposal Regarding Say on Climate	SHP	UNPRI	Against	Against	For	Not Passed	No	AllAss, AllAssPF, GenitaPF
Royal Bank of Canada	Canada	05/04/23	Shareholder Proposal Regarding Say on Climate	SHP	ShareAction	Against	Against	For	Not Passed	No	AllAss, AllAssPF, GenitaPF
Toronto Dominion Bank	Canada	20/04/23	Shareholder Proposal Regarding Say on Climate	SHP	UNPRI	Against	Against	For	Not Passed	No	AllAss, AllAssPF, GenitaPF
Canadian Imperial Bank of Commerce	Canada	04/04/23	Shareholder Proposal Regarding Say on Climate	SHP	ShareAction	Against	Against	For	Not Passed	No	GenitaPF

Setting net-zero greenhouse gas emissions reduction targets

Besides disclosure, shareholder proposals often call for companies to adopt or enhance greenhouse gas (GHG) emissions reduction targets. Among the shareholder proposals we encountered, we note that two of them (at meetings of Shell and TotalEnergies) have been submitted by shareholders despite the management having submitted its climate policy to the vote of shareholders. While on one hand in the two cases we rejected the say on climate proposals by management because they did not meet our expectations (see above paragraph on say on climate), on the other hand, we supported both the shareholder proposals.

Company	Country	Meeting Date	Resolution Description	Proponent	Flagged	Man. Rec.	GL Rec.	Vote	Outcome	Positive results	Voting entity
Berkshire Hathaway Inc.	United States	06/05/23	Shareholder Proposal Regarding Aligning GHG Reductions with Paris Agreement	SHP	UNPRI	Against	For	For	Not Passed	No	AllAss, AllAssPF, CajaPF, Genita, GenitaPF, GTelLif
Chevron Corp.	United States	31/05/23	Shareholder Proposal Regarding Recalculated Emissions Baseline	SHP	UNPRI	Against	For	For	Not Passed	No	AllAss, AllAssPF, Genita, GenitaPF, GTelLif
Exxon Mobil Corp.	United States	31/05/23	Shareholder Proposal Regarding Methane Emission Disclosures	SHP	CA100+	Against	For	For	Not Passed	No	AllAss, AllAssPF, Genita, GenitaPF, GTelLif
TotalEnergies SE	France	26/05/23	Shareholder Proposal Regarding Scope 3 GHG Target and Alignment with Paris Agreement	SHP	CA100+, ShareAction	Against	Against	For	Not Passed	No	AG, AllAss, AllAssPF, CajaPF, CajaVid, DiFAutSin, GenEspPF, GenEsp, Genita, GenitaPF, GTel, GTelLif, GenVie
Shell Plc	United Kingdom	23/05/23	Shareholder Proposal Regarding Scope 3 GHG Target and Alignment with Paris Agreement	SHP	CA100+, ShareAction	Against	Against	For	Not Passed	No	AG, AllAss, AllAssPF, Genita, GenitaPF, GTelLif
Public Storage Operating Co	United States	02/05/23	Shareholder Proposal Regarding GHG Targets and Alignment with Paris Agreement	SHP	UNPRI	Against	Against	For	Not Passed	No	AllAss, AllAssPF, Genita, GenitaPF, GTelLif
United Parcel Service, Inc.	United States	04/05/23	Shareholder Proposal Regarding Report on Science-Based GHG Targets and Alignment with Paris Agreement	SHP	UNPRI	Against	Against	For	Not Passed	No	AllAss, AllAssPF, Genita, GenitaPF, GTelLif
Royal Bank of Canada	Canada	05/04/23	Shareholder Proposal Regarding Absolute Greenhouse Gas Reduction Targets	SHP	ShareAction	Against	Against	For	Not Passed	No	AllAss, AllAssPF, GenitaPF
Travelers Companies Inc.	United States	24/05/23	Shareholder Proposal Regarding Aligning GHG Reductions with Paris Agreement	SHP	UNPRI	Against	Against	For	Not Passed	No	AllAssPF
Cummins Inc.	United States	09/05/23	Shareholder Proposal Regarding Plan to Link Executive Compensation to 1.5 °C Aligned GHG Reductions	SHP	UNPRI, ShareAction	Against	Against	For	Not Passed	No	Genita, GenitaPF, GTelLif

Climate-related lobbying

In line with concerns by investors (e.g. see publication [Converging on Climate Lobbying](#), issued by PRI in 2018 and the [Global Responsible Climate Lobbying Standard](#) published on March 2022), we are in favor of resolutions aiming at requesting companies to enhance disclosure on alignment between lobbying expenditures (including those of trade associations and political spending) and stated values, when there are reasons for concern on specific topics (such as climate change). In 2023, we have supported shareholder resolutions requesting companies to provide additional disclosure concerning how they are ensuring that their direct and indirect lobbying and political expenditures are aligned with their science-based emissions targets.

Company	Country	Meeting Date	Resolution Description	Proponent	Flagged	Man. Rec.	GL Rec.	Vote	Outcome	Positive results	Voting entity
Toyota Motor Corporation	Japan	14/06/23	Shareholder Proposal Regarding Lobbying Activity Alignment with the Paris Agreement and Carbon Neutrality Goal	SHP	CA100+, UNPRI	Against	Against	For	Not Passed	No	AllAss, AllAssPF, Genita, GenitaPF, GTellLif
Alphabet Inc	United States	02/06/23	Shareholder Proposal Regarding Lobbying Activity Alignment with Climate Commitments and the Paris Agreement	SHP	UNPRI, ShareAction	Against	Against	For	Not Passed	No	AllAss, AllAssPF, Genita, GenitaPF, GTellLif
Caterpillar Inc.	United States	14/06/23	Shareholder Proposal Regarding Lobbying Activity Alignment with the Paris Agreement	SHP	ShareAction	Against	Against	For	Not Passed	No	AllAss, AllAssPF, Genita, GenitaPF, GTellLif

Refraining from fossil fuel business

Generali is a founding member of the Net-Zero Insurance Alliance, pledging to transition the insurance portfolios to net-zero greenhouse gas emissions by 2050. Member insurance companies have committed to reduce to zero the net emissions from their insurance and reinsurance underwriting portfolios by 2050, consistent with a global temperature rise of 1.5 °C above pre-industrial levels. Coherently, we supported shareholder proposals targeting banks and underwriters and asking them to honor their commitments to align lending with the Paris Agreement and stop financing expansionary fossil fuel projects. Further, we have encountered some shareholder proposals directly addressed at business operations of investee companies, on the need to transition operations from fossil fuels and to identify the steps that can be taken to do so.

Company	Country	Meeting Date	Resolution Description	Proponent	Flagged	Man. Rec.	GL Rec.	Vote	Outcome	Positive results	Voting entity
National Australia Bank Limited	Australia	15/12/23	Shareholder Proposal Regarding Transition Plan Assessments	SHP	UNPRI	Against	Against	Against	Not Passed	No	AllAssPF, GenitaPF, GTellLif
Exxon Mobil Corp.	United States	31/05/23	Shareholder Proposal Regarding Report on Guyanese Operations	SHP	UNPRI	Against	For	For	Not Passed	No	AllAss, AllAssPF, Genita, GenitaPF, GTellLif
Sumitomo Mitsui Financial Group Inc	Japan	29/06/23	Shareholder Proposal Regarding Aligning Investments with the Paris Agreement	SHP	ShareAction	Against	Against	For	Not Passed	No	AllAss, AllAssPF, Genita, GenitaPF, GTellLif
Bank of America Corp.	United States	25/04/23	Shareholder Proposal Regarding Transition Plan Report for Financing Activities	SHP	UNPRI	Against	Against	For	Not Passed	No	AllAss, AllAssPF, Genita, GenitaPF, GTellLif
Bank of America Corp.	United States	25/04/23	Shareholder Proposal Regarding Report on Absolute GHG Targets and Alignment with Paris Agreement	SHP	UNPRI	Against	Against	For	Not Passed	No	AllAss, AllAssPF, Genita, GenitaPF, GTellLif
Goldman Sachs Group, Inc.	United States	26/04/23	Shareholder Proposal Regarding Transition Plan Report for Financing Activities	SHP	UNPRI	Against	Against	For	Not Passed	No	AllAss, AllAssPF, Genita, GenitaPF, GTellLif
Goldman Sachs Group, Inc.	United States	26/04/23	Shareholder Proposal Regarding Fossil Fuel Lending and Underwriting Policy	SHP	UNPRI	Against	Against	For	Not Passed	No	AllAss, AllAssPF, Genita, GenitaPF, GTellLif
JPMorgan Chase & Co.	United States	16/05/23	Shareholder Proposal Regarding Transition Plan Report for Financing Activities	SHP	UNPRI	Against	Against	For	Not Passed	No	AllAss, AllAssPF, Genita, GenitaPF, GTellLif
JPMorgan Chase & Co.	United States	16/05/23	Shareholder Proposal Regarding Fossil Fuel Lending and Underwriting Policy	SHP	UNPRI	Against	Against	For	Not Passed	No	AllAss, AllAssPF, Genita, GenitaPF, GTellLif
Morgan Stanley	United States	19/05/23	Shareholder Proposal Regarding Fossil Fuel Lending and Underwriting Policy	SHP	ShareAction	Against	Against	For	Not Passed	No	AllAss, AllAssPF, Genita, GenitaPF, GTellLif
Royal Bank of Canada	Canada	05/04/23	Shareholder Proposal Regarding Fossil Fuel Financing Policy	SHP	ShareAction	Against	Against	For	Not Passed	No	AllAss, AllAssPF, GenitaPF
Travelers Companies Inc.	United States	24/05/23	Shareholder Proposal Regarding Fossil Fuel Underwriting Policy	SHP	UNPRI	Against	Against	For	Not Passed	No	AllAssPF

Just transition

At the 2021 UN Climate Change Conference, governments endorsed the Just Transition Declaration, recognizing the interconnection of climate action, sustainable development, and fair workforce transition and emphasizing the need for a managed, socially inclusive transition to an environmentally sustainable economy, involving social protection, skills development, and dialogue. We have supported shareholder resolutions urging Boards to disclose how they are embedding just transition principles, providing measurable indicators, progress updates, adherence to best practices, and details on stakeholder engagement.

Company	Country	Meeting Date	Resolution Description	Proponent	Flagged	Man. Rec.	GL Rec.	Vote	Outcome	Positive results	Voting entity
Amazon.com Inc.	United States	24/05/23	Shareholder Proposal Regarding Just Transition Reporting	SHP	ShareAction	Against	For	For	Not Passed	No	AllAss, AllAssPF, CajaPF, Genita, GenitaPF, GTellLif
Exxon Mobil Corp.	United States	31/05/23	Shareholder Proposal Regarding Just Transition Reporting	SHP	CA100+	Against	For	For	Not Passed	No	AllAss, AllAssPF, Genita, GenitaPF, GTellLif
Marathon Petroleum Corp	United States	26/04/23	Shareholder Proposal Regarding Just Transition Reporting	SHP	CA100+	Against	Against	For	Not Passed	No	AllAss, AllAssPF, Genita, GenitaPF, GTellLif

INSTITUTIONAL ACTIVITIES

October 2023. Call for climate vote at high-emitting companies.

On October 2023, together with investors representing £1.5 trillion AUM, including LAPFF, Sarasin & Partners, CCLA, and Ethos Foundation, we requested climate transition plan votes at high-emitting FTSE companies.

- The pool of investors has written a "Transition Plan Vote Letter" to the chairs of 35 FTSE 350 firms, emphasizing the need for transparency and accountability regarding climate-related financial risks. While urging companies to provide these votes, the letter warns that without them, shareholders may vote against board members. The focus is on high-risk sectors vital for Paris Agreement goals.
- Link: <https://lapfforum.org/wp-content/uploads/2023/10/Climate-transition-plan-vote-press-release.pdf>

Contribution to the Third Progress Report of the Net-Zero Asset Owner Alliance (October 2023).

The report demonstrates increased commitment, with more members setting targets and providing data on their collective greenhouse gas emissions reductions.

- Link: <https://www.unepfi.org/industries/investment/increasing-climate-ambition-decreasing-emissions-the-third-progress-report-of-the-net-zero-asset-owner-alliance/>
- The First and Second Progress Reports (2021, 2022) showcased growth in key metrics, including member count, those with intermediate targets, and assets under management (AuM) within the target-setting framework.

Contribution to the Net-Zero Asset Owner Alliance Position Paper on the Oil and Gas Sector (March 2023).

- The document underscores the Alliance's stance that it is necessary for the global economy to transition away from activities that contribute to climate change, such as the combustion of oil and gas. The Position is expressed in the form of expectations for investors, companies, and policymakers
- Link: <https://www.unepfi.org/industries/position-on-oil-and-gas-sector/>

Signatory of the statement "Shareholder engagement can lead to real progress on climate".

Published on March 9, 2023. Together with 48 asset owners, asset managers, stakeholders of the financial industry and the French Sustainable Investment Forum (FIR), mobilizing to call for improving shareholder dialogue and to partner companies in accelerating the energy transition.

- In the statement, signatories are calling on companies in the most polluting sectors and policy makers to systematically put climate change resolutions on the agenda at shareholder meetings, and to include in their climate plans clear and complete information enabling shareholders to judge the credibility of companies' climate commitments.
- Link: https://www.frenchsif.org/isr_esg/wp-content/uploads/ENG-SoC_2023-Investor-Statement-Project_BL.pdf

Contributing member to the Net-Zero Asset Owner Alliance's Target-Setting Protocol (Third Edition), Published in January 2023.

- Foundational document that created a framework for reporting and delivery on short-term climate targets. The third version reflects the latest science, expands methodological coverage across asset classes, provides further details for some of the Alliance's four target types, and adds chapters on carbon removals and just transition.
- Link: <https://www.unepfi.org/industries/target-setting-protocol-third-edition/>

Guest lecturing @ Sapienza Università di Roma Dipartimento di Management, course "Management delle imprese" (December 2023) and LUISS Guido Carli Dipartimento Impresa e Management, course "Corporate Governance And Sustainability" (September 2023).

We have been active in cooperating with institutes of higher education, as by promoting our active ownership approach we contribute to add value to society, allowing us at the same time to foresee possible trends and to bring new insights to our activities.

Guest speaking @ Workshop PRI Southern Europe.

On 24.1.2023 we delivered a speech at a PRI webinar, sharing with other Italian institutional investors Generali Group experience on net-zero practices.

BIODIVERSITY

Generali aims to support the transition to a more sustainable economy and society. Over the last years the Generali Group has made a strong commitment to environmental topics. For instance, the Group has adopted clear principles to guide their decisions, which include mitigating global warming, developing climate change adaptation strategies, reducing the consumption of natural resources.

As a natural extension of its effort on climate change, the Group acknowledges that broader nature-related risk (biodiversity risk) can negatively impact its business both as insurer and institutional investor. Nature-related risks refer to the risk of loss of nature, i.e. the loss of natural capital, the reduction of the stock of renewable and non-renewable natural resources, plants and animal species on earth, as well damage to the way in which they interact with each other ('ecosystems'). The term nature is used often interchangeably with 'biodiversity' and 'ecosystem services'. The identification of nature-related risks can be based on the same typology applied to climate-related risks: nature-related risks can materialize because of transition risk (resulting from changes in policy, technological, legal requirements, consumer preferences aimed at reducing or reversing damage to nature) or physical risk (due to the materialization of damage to nature, changes in natural stock and flows).

Economic activities that negatively impact nature, and with it the economy and society at large, are most likely to be exposed to nature-related transition risks. Economic activities that are highly dependent on intact nature are most likely to be exposed to nature-related physical risks. The bigger and more catastrophic the expected physical risks are, the stronger the drivers for transition get (increased policy and regulatory changes, changing market sentiment or technological innovation to support conservation and restoration), causing increased transition risks.

The quantification of business impacts on biodiversity is still a relatively new field: science-based methodology, scenario and data are not yet appropriate for investment decisions or target-setting purposes. Nevertheless, the Group has already taken concrete actions in favor of biodiversity as asset owner which will be further developed in the next future (see below section on institutional activities).

<p>Materiality Matrix</p> <p>Biodiversity degradation, Resource scarcity and sharing Economy</p>	<p>SDGs</p> 	<p>SFDR PAIs</p> <p>#7-9</p>
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ENGAGEMENT

No. of engagements	Objective	Timeframe	Target	Execution	Positive results
11 inquiries / 7 dialogues (1 collective, 6 individual)	Influencing companies to improve Environmental targets of executive remuneration to reduce negative impacts	2023-2025	Priority to investee companies recently involved in biodiversity controversies	Generali Group asset owner	N.A.

Overview

Pursuant to Regulation (EU) 2019/2088, we have identified the biodiversity theme as a principle adverse impact arising from investments that we aim to manage. In 2022, the Generali Group implemented an engagement strategy specifically focused on biodiversity within its investment portfolio. Through a screening process, companies with recent biodiversity controversies were identified, leading to dialogues with a selected number of these companies in 2023. The engagement aimed to encourage environmental responsibility and assess the alignment of CEO remuneration with biodiversity targets.

This approach prioritizes companies in the portfolio exposed to biodiversity risk, complementing decarbonization efforts and recognizing the importance of biodiversity for communities and businesses, including the insurance sector. With this initiative, the Group actively monitors and mitigates adverse environmental impacts in accordance with Regulation (EU) 2019/2088, emphasizing environmental issues (PAI #7-9).

Generali engages with companies that in the past years have been involved in biodiversity controversies, to understand their sustainability strategies on various issues such as packaging pollution, palm oil sourcing, pollinator insect protection, and industrial site pollution. Furthermore, Generali extends its engagement to influence remuneration systems, advocating for the inclusion of material and quantitative non-financial indicators in the deferred share component for executives, to be tied with the targets expressed by the sustainability strategy of the company. The dialogue aims to stimulate the introduction of specific KPIs and ambitions aligned with non-financial components of the corporate strategy.

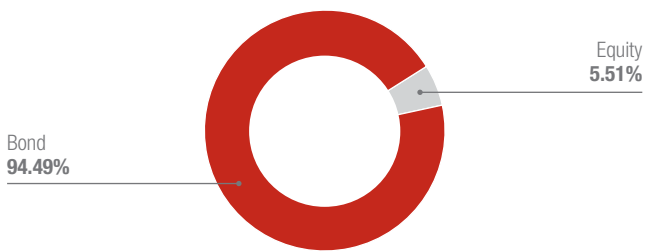
The engagement initiative aligns with Generali’s incentive system, reflecting changes introduced in the 2022 Group remuneration policy. This policy emphasizes internal and measurable non-financial/ESG goals, in line with the ‘Lifetime Partner 24: Driving Growth Strategy’ (refer to the [Generali Group remuneration policy](#)). In addition to individual dialogues, since October 2023, Generali actively participates in collective initiatives such as Nature Action 100 and PRI Spring, enlarging the scope of its engagement activity, fostering collaboration and sharing best practices with other investors and stakeholders (see below section on institutional activities).

Materiality

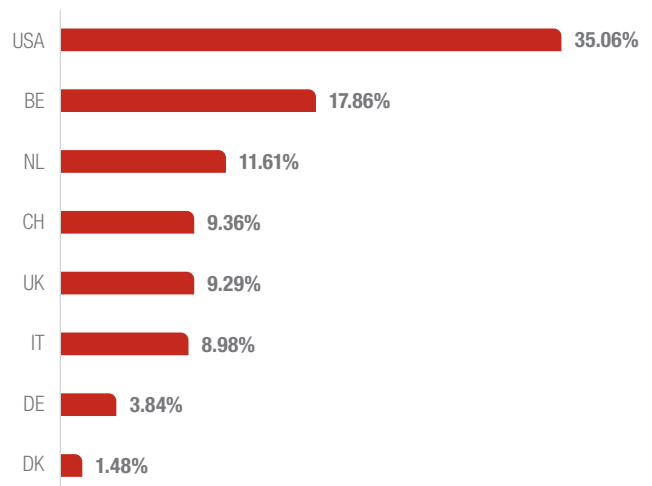
Generali Group investments in listed corporate issuers (both equity and fixed income) subject to biodiversity engagement in 2023: EUR 3.57 billion*

*Source: Generali Group data as of 31.12.2022

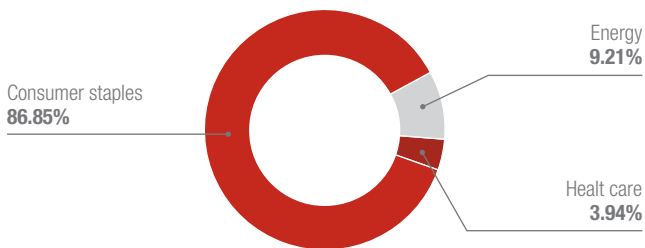
Engagements, by relevance of financial instrument



Investments subject to engagement, by Country of incorporation



Engaged sectors, breakdown by investment size



Status

To date, we have established formal communications with 11 investee companies. Among them, direct dialogue has been initiated with 7 entities (6 individually, 1 collectively). Concurrently, we are closely monitoring companies that have yet to respond to our communications.

For those investee companies that have not responded, our approach involves a dual strategy. Primarily, our preference is to foster engagement through collaborative efforts within the Nature Action 100 framework. In cases where achieving a collective engagement proves unattainable, we implement an escalation strategy as delineated in our voting principles. In adherence to this strategy, formal letters will be dispatched to non-responsive investee companies. These letters explicitly reserve our right to express disappointment through the exercise of voting rights regarding the lack of dialogue. To actualize this, in the course of 2024 we may reserve to vote against the discharge of responsibilities of the Directors, withholding support for the re-election of responsible members of the Board of Directors, or opposing executive remuneration.

Monitoring

Our dialogues, initiated in 2023 based on the 2022 annual reports, are currently in progress. Although a comprehensive report on the monitoring of these dialogues will be included in our upcoming active ownership report, we offer some interim takeaways.

Companies within our scope have substantially implemented sustainability strategies featuring key performance indicators (KPIs) addressing pertinent sustainability issues. Additionally, each company has adopted performance-based pay structures. Although in most cases, there exists a connection between executive compensation targets and sustainability KPIs, however, it is notable that the non-financial variable incentives allocated to executives are often immaterial when juxtaposed with the significance of the sustainability issues being addressed and when compared to the financial variable incentives linked to share value increase.

Furthermore, the quantitative link between executive compensation targets and the KPIs articulated in the sustainability strategy tends to be weak. This can be attributed to disparities between the two, inadequate disclosure practices, and a degree of discretion in the assessment process. These factors collectively contribute to the observed challenges in establishing a robust connection between company strategy and ceo variable incentives.

Case study

Generali has communicated with a Swiss multinational food and beverage company within its portfolio (herein “SwissCo), currently under scrutiny from environmental NGOs for its palm oil sourcing practices allegedly linked to deforestation and its purported contribution to global plastic pollution. In its sustainability strategy, the company acknowledges the adverse environmental impacts of plastic packaging and has committed to ensuring that 100% of its packaging is recyclable or reusable by 2025. SwissCo also aims to achieve and maintain 100% deforestation-free primary supply chains by 2025. While Generali expressed its acknowledgment of SwissCo’s approach to facing adverse environmental impacts of its operations, with regard to integrating sustainability targets into top management remuneration, Generali has suggested areas where increased transparency could be beneficial. Specifically, in the STI plan, where ESG objectives constitute 15% of the target, Generali has recommended providing more clarity on the criteria used for selecting these objectives. Additionally, disclosing the weight of each ESG objective as a percentage could offer a more nuanced view of their contribution to the overall compensation structure. This proposed transparency aims to dispel potential misconceptions and underscore the structured nature of the process. Generali’s engagement with SwissCo is characterized by a constructive tone, emphasizing that the feedback aims to enhance transparency and foster an open dialogue on these vital issues. Feedback from SwissCo has been positive, as it has viewed its forthcoming remuneration report as an opportunity to assess the feasibility of implementing these suggestions, further advancing transparency and accountability.

VOTING

Overview

Despite the paramount importance of environmental protection, throughout 2023, we witnessed 1 resolution proposed by management, and a handful resolutions (5) proposed by shareholders. These figures are consistent with past years (11 in 2022, 6 in 2021).

Topic	Most significant votes (For/Against/Abstain)	Positive results
Plastic packaging	5 (5/0/0)	N.A.
Water consumption	1 (1/0/0)	
Total	6 (6/0/0)	

Plastic packaging

Transition to recycling and waste reduction reduce pressure on natural resources, create sustainable growth and jobs and are a prerequisite to achieve climate neutrality target and to halt biodiversity loss. We believe that it is important that companies not only take actions to ensure that they are mitigating their contribution to plastic pollution to the best extent possible, but more extensively that they incorporate sustainability in their strategies and business model. This may require approaching the issue not only from a qualitative point of view, but also quantitatively.

For this reason, in 2023 we have supported shareholder resolutions at Amazon and Yum asking for better disclosure when reporting on their efforts to limit environmental impacts of their plastic packaging. Both proposals aim to reduce the companies' plastic use and impact on the environment, and they are tailored to the specific operations and practices of each company.

The plastic lifecycle imposes costs on the environment, climate, and human health that are at least ten times higher than the market price of plastics. We supported resolutions at Dow Inc, Phillips 66 and Exxon Mobil asking companies to publish a report describing the potential impacts of a significant reduction in virgin plastic demand on their business and quantifying how much of its plastic production is single-use bound. These resolutions intend to send a message to the industry to move swiftly to develop a blueprint for an expeditious transition away from virgin plastic and less production of throwaway plastics overall.

Company	Country	Meeting Date	Resolution Description	Proponent	Flagged	Man. Rec	GL Rec	Vote	Outcome	Positive results	Voting entity
Amazon.com Inc.	United States	5/24/23	Shareholder Proposal Regarding Report on Plastic Packaging	SHP	UNPRI, ShareAction	Against	Against	For	Not Passed	No	AllAss, AllAssPF, CajaPF, Genita, GenitaPF, GTelLif
Dow Inc.	United States	4/13/23	Shareholder Proposal Regarding Virgin Plastic Demand	SHP	UNPRI	Against	Against	For	Not Passed	No	AllAss, AllAssPF, Genita, GenitaPF, GTelLif
Exxon Mobil Corp.	United States	5/31/23	Shareholder Proposal Regarding Addressing Virgin Plastic Demand	SHP	UNPRI	Against	Against	For	Not Passed	No	AllAss, AllAssPF, Genita, GenitaPF, GTelLif
Phillips 66	United States	5/10/23	Shareholder Proposal Regarding Virgin Plastic Demand	SHP	UNPRI, ShareAction	Against	Against	For	Not Passed	No	AllAss, AllAssPF, Genita, GenitaPF, GTelLif
Yum Brands Inc.	United States	5/18/23	Shareholder Proposal Regarding Report on Plastics	SHP	UNPRI	Against	Against	For	Not Passed	No	AllAss, AllAssPF, Genita, GenitaPF, GTelLif

Water consumption

We supported a management resolution aimed to approve the revision of the level of the baseline for the water consumption KPI, previously set in 2018. This revision reflects an updated calculation in one of the production sites, and has been presented by the management as part of company's commitment to responsible water consumption and sustainable financing.

Company	Country	Meeting Date	Resolution Description	Proponent	Flagged	Man. Rec	GL Rec	Vote	Outcome	Positive results	Voting entity
Pernod Ricard	France	11/20/23	Approval of the revision of the level of the water consumption kpi for the 30 June 2018 baseline date	MAN	ShareAction	Undetermined	Undetermined	For	Passed	No	AG, AllAss, AllAssPF, DiFAutSin, GenEspPF, GenEsp, Genita, GenitaPF, GTel, GTelLif, GenVie

INSTITUTIONAL ACTIVITIES

On July, Generali has joined the PRI Nature Reference Group, a working group comprising signatories, including members of the former PRI Sustainable Commodities Practitioners Group, Informal Biodiversity Reference Group, and Resilient Natural Systems interviews, aiming to enhance awareness of nature-related impacts among investors, build capacity to address biodiversity loss in alignment with global goals, and contribute to the development of PRI resources supporting investor action on biodiversity loss.

On October, Generali has joined Nature Action 100, an initiative by institutional investors to combat biodiversity loss. It targets 100 companies in sectors crucial for nature conservation. The initiative outlines sector pathways, facilitates investor-company engagements, and monitors progress. The ultimate goal is to drive corporate action to protect and restore nature by 2030.


On December Generali Group has publicly supported the launch of Spring, foreseen in 2024. Spring is a stewardship initiative by PRI aimed at combating nature degradation. By convening investors, it strives to drive positive outcomes for nature. The initiative's initial focus is on addressing forest loss and land degradation. Ultimately, the goal is to halt and reverse biodiversity loss by 2030, fostering a healthier planet.

GENDER DIVERSITY, EQUITY AND INCLUSION (GENDER DE&I)

Gender diversity is a strategic topic for the Group: pursuant to the Group’s three-year (2021-2024) strategy “Lifetime Partner 24: Driving Growth” launched on December 15th, 2021 (herein the “Plan”), Generali committed to have 40% women in strategic positions by 2024 and to structurally reduce the Gender Pay Gap and achieve an Equal Pay Gap towards zero in the 2022-2024 strategic cycle; further, quota of female directors in Generali’s Board rose from 38% to 46% after board renewal at 2022 annual general meeting. Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector (SFDR) has included board gender diversity and gender pay of investee companies among the principal adverse impact indicators that investors must monitor to mitigate the sustainability risks of their investments.



On 2 November 2023 the active ownership activity of Generali Group on (gender) DE&I has been honored with the “Asset Owner Social Responsibility, Diversity and Inclusion Strategy of the Year” award by the ESG Investment Leader network ([link](#)).

Materiality Matrix	SDGs	SFDR PAIs
Women and minorities Inclusion		#12-13

ENGAGEMENT

No. of engagements	Objective	Timeframe	Target	Execution	Positive results
15 inquiries / 12 dialogues (0 collective, 12 individual)	Influencing companies on the adoption of good practice of DE&I (disclosure, commitment, policies) aligned with Group commitments.	2022-2025	To engage priority investee companies on Bard female ratio, women quota in management, gender pay gap. Alignment with Group strategy.	Generali Group asset owner	N.A.

Overview

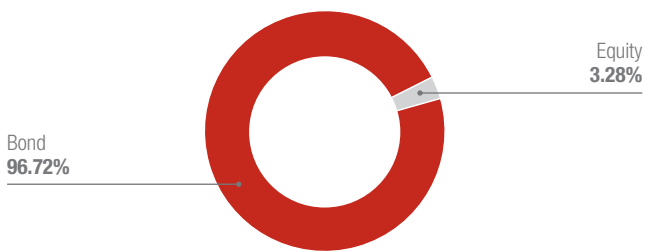
In accordance with Group strategic focus, in 2022 we have proceeded to a thorough review of our investment portfolio, with the purpose of identifying issuers that, according to the information available to us, could possibly improve their (gender) diversity, equity & inclusion practices. In 2023 we have been engaging individually with these companies on the key topics of gender diversity (at board and at management level) and on gender pay gap, to understand how they intend to improve in these areas. Our ambition moving forward is to collaborate with other investors, transforming our engagement from individual efforts to a collective endeavor.

Materiality

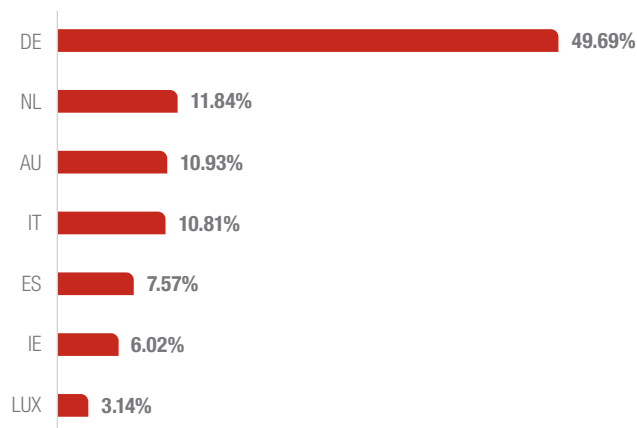
Generali Group investments in Listed Corporate Issuers (both equity and fixed income) subject to gender DE&I engagement in 2023: EUR 3.39 billion*

*Calculated as of 31.12.2022

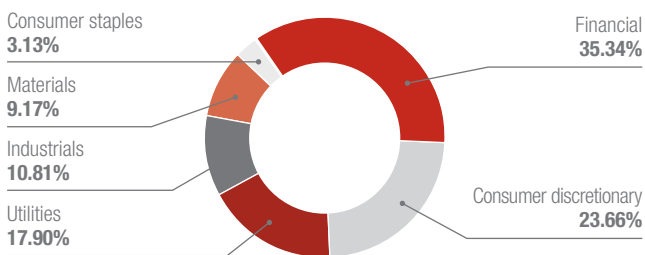
Engagements, by relevance of financial instrument



Investments subject to engagement, by Country of incorporation



Engaged sectors, breakdown by investment size



Status

In 2022, we formally made a request of dialogue to 15 companies in which we hold significant investments. Between 2022 and 2023, individual dialogues were initiated with 12 of these companies. For those that did not respond, as part of our escalation strategy outlined in our voting principles, Generali is going to send formal letters to the investee companies, reserving the right to express disappointment through voting for the lack of dialogue, e.g. by voting against the discharge of responsibility of the Directors in markets where that is an option, by withholding support for the re-election of responsible members of the Board of Directors, or by opposing to executive remuneration. To reaffirm our commitment to DE&I, by the end of 2023, we have compiled a new list of priority companies with whom we plan to initiate dialogues.

Monitoring

Throughout the course of 2023, our engagements with investee companies have been based on their 2022 annual reports. Our commitment to advancing gender diversity within these companies is underscored by the upcoming monitoring activity scheduled for 2024. This initiative will involve a comprehensive assessment of their advancements and practices, details of which will be outlined in the forthcoming annual report for the year 2024, planned for February 2025.

In our ongoing dialogue and initial engagement with investee companies, we have collected some general preliminary conclusions: Regarding Board of Director gender ratios, we have observed a general adherence to local best practices, although there is a notable deficiency in companies where shareholding is concentrated. A significant benchmark is set forth by Directive (EU) 2022/2381, aiming for a 40% board representation of women (or 33% of executive directors) by 2025.

When examining the presence of women in managerial roles, we have encountered varying interpretations of what constitutes such positions. Sectors with modest diversity objectives often reflect the underrepresentation of women in STEM education, highlighting systemic challenges that need to be addressed.

The issue of the gender pay gap has been approached predominantly through a legal lens, with many companies opting for mandatory disclosure. While a majority of these organizations are actively engaged in initiatives to tackle this gap, the introduction of Directive (EU) 970/2023 in May 2023 has signaled a shift towards enhanced transparency and enforcement mechanisms. This directive emphasizes pay transparency and aims to bolster the implementation of equal pay for equal work. Regarding commitments and targets, we have observed that most companies hold DE&I certifications and oversee related programs. However, while DE&I targets are often integrated into variable remuneration structures, there is a partial lack of transparency regarding their and quantitative assessment, and materiality is relative.

When engaging with investee companies on gender diversity, our primary concerns are poor data availability and consistency, and a perceived lack of leverage as shareholders, particularly in terms of specific voting power on the topic. However, we remain optimistic about the potential positive impact of the Corporate Sustainability Reporting Directive (CSRD Directive 2022/2464), published in December 2022. This directive not only focuses on climate reporting but should also enhance reporting by investee companies on social and human rights factors. Moreover, the directive opens the possibility for shareholders to request a vote at the general meeting of investee companies to carry out external audits on specific sustainability issues, potentially introducing a novel category of votes on social and human rights, which is unprecedented for European companies.

Case study

Generali has actively engaged with an Italian beverage company (“BevCo”) to improve its DE&I initiatives and company governance. BevCo aims to increase its BoD diversity ratio to 40% by 2025. Generali has suggested that BevCo’s commitment to diversity could be strengthened by reviewing the independency level of its Audit Committee and ensuring gender representation in Committee Chairs, as these measures would also be beneficial to governance in BevCo’s highest decision-making levels.

BevCo lacks specific targets for women in senior management positions and plans to introduce them in its next sustainability report. While Generali has supported this effort, Generali has also suggested that BevCo incorporates these targets into variable remuneration of executives to underscore their importance and that BevCo executives publicly endorse them.

BevCo maintains a qualitative commitment to addressing the gender pay gap and aims to publish quantitative commitments and obtain Italian certification by 2025, which Generali has appreciated. However, Generali has emphasized the need for greater transparency, accountability, and target monitoring.

In conclusion, by identifying areas for improvement and urging BevCo to enhance its DE&I performance, Generali may contribute to BevCo becoming not only a stronger advocate for DEI, but also in taking significant steps in improving company governance.

VOTING

Overview

With specific regard to Diversity Equity & inclusion, the Group is committed to leverage diversity to create long-term value, to be innovative and sustainable for all stakeholders. See [here](#) the commitment of Generali Group. We outline our voting activity in 2023 concerning poor board gender diversity and the gender pay gap.

Topic	Most significant votes (For/Against/Abstain)	Positive results
Gender pay gap	12 (12/0/0)	N.A.
Board gender ratio	80 (0/80/0)	
Total	92 (12/80/0)	

Board diversity (gender)

With specific regard to gender diversity at Board level, based on voting principles updated in January 2023, Generali Group advocates for increased gender diversity on the boards of investee companies, aiming for a minimum of 40% underrepresented gender in non-executive director roles or 33% across all directors. A lower ratio may be tolerated according to local best practices; however, the company may be subject to an engagement action (see previous).

During 2023, we cast 80 votes against election of directors (new nominations or re-elections), in respect to companies showing low board gender ratios. Three of the below companies have been engaged by us in 2023 under the DE&I framework.

Company	Country	Meeting Date	Resolution Description	Proponent	Flagged	Man. Rec	GL Rec	Vote	Outcome	Positive results	Voting entity
Antofagasta Plc	United Kingdom	5/10/23	Elect Jean-Paul Luksic Fontbona	MAN	N.A.	For	Against	Against	Passed	No	AG, Genita
Avalonbay Communities Inc.	United States	5/24/23	Elect Susan Swanezy	MAN	N.A.	For	Against	Against	Passed	No	AllAss, AllAssPF
Berkshire Hathaway Inc.	United States	5/6/23	Elect Charlotte Guyman	MAN	N.A.	For	Withhold	Withhold	Passed	No	AllAss, AllAssPF, CajaPF, Genita, GenitaPF, GTelLif
Linde Plc	Ireland	5/1/23	Elect Joe Kaeser	MAN	N.A.	For	Against	Against	Passed	No	AllAss, AllAssPF, GenEspPF, Genita, GenitaPF, GenVie

Company	Country	Meeting Date	Resolution Description	Proponent	Flagged	Man. Rec.	GL Rec	Vote	Outcome	Positive results	Voting entity
Sumitomo Chemical Company Limited	Japan	6/21/23	Elect Masakazu Tokura	MAN	N.A.	For	Against	Against	Passed	No	AllAss, AllAssPF, Genita, GenitaPF
Toray Industries Inc.	Japan	6/27/23	Elect Akhiro Nikkaku	MAN	N.A.	For	Against	Against	Passed	No	AllAss, AllAssPF, Genita, GenitaPF
Toyota Industries Corp.	Japan	6/9/23	Elect Akira Onishi	MAN	N.A.	For	Against	Against	Passed	No	AllAss, AllAssPF, Genita, GenitaPF
Air Products & Chemicals Inc.	United States	1/26/23	Elect Edward L. Moser	MAN	N.A.	For	Against	Against	Passed	No	AllAss, AllAssPF, Genita, GenitaPF, GTellLif
Alphabet Inc.	United States	6/2/23	Elect John L. Hennessy	MAN	N.A.	For	Against	Against	Passed	No	AllAss, AllAssPF, Genita, GenitaPF, GTellLif
AT&T Inc.	United States	5/18/23	Elect Glenn H. Hutchins	MAN	N.A.	For	Against	Against	Passed	No	AllAss, AllAssPF, Genita, GenitaPF, GTellLif
Fortinet Inc.	United States	6/16/23	Elect Ming Hsieh	MAN	N.A.	For	Against	Against	Passed	No	AllAss, AllAssPF, Genita, GenitaPF, GTellLif
Halliburton Co.	United States	5/17/23	Elect Milton Carroll	MAN	N.A.	For	Against	Against	Passed	No	AllAss, AllAssPF, Genita, GenitaPF, GTellLif
International Business Machines Corp.	United States	4/25/23	Elect Andrew N. Liveris	MAN	N.A.	For	Against	Against	Passed	No	AllAss, AllAssPF, Genita, GenitaPF, GTellLif
International Paper Co.	United States	5/8/23	Elect Ilene S. Gordon	MAN	N.A.	For	Against	Against	Passed	No	AllAss, AllAssPF, Genita, GenitaPF, GTellLif
Keysight Technologies Inc.	United States	5/16/23	Elect Richard P. Hamada	MAN	N.A.	For	Against	Against	Passed	No	AllAss, AllAssPF, Genita, GenitaPF, GTellLif
Kinder Morgan Inc.	United States	5/16/23	Elect Ted A. Gardner	MAN	N.A.	For	Against	Against	Passed	No	AllAss, AllAssPF, Genita, GenitaPF, GTellLif
Microchip Technology Inc.	United States	5/31/23	Elect Karen M. Rapp	MAN	N.A.	For	Against	Against	Passed	No	AllAss, AllAssPF, Genita, GenitaPF, GTellLif
Netflix Inc.	United States	12/15/23	Elect Jay Hoag	MAN	N.A.	For	Against	Against	Passed	No	AllAss, AllAssPF, Genita, GenitaPF, GTellLif
Norfolk Southern Corp.	United States	9/12/23	Elect Michael D. Lockhart	MAN	N.A.	For	Against	Against	Passed	No	AllAss, AllAssPF, Genita, GenitaPF, GTellLif
Oneok Inc.	United States	5/2/23	Elect Jim W. Mogg	MAN	N.A.	For	Against	Against	Passed	No	AllAss, AllAssPF, Genita, GenitaPF, GTellLif
Nexon Co. Ltd	Japan	6/1/23	Elect Owen Mahoney	MAN	N.A.	For	Against	Against	Passed	No	AllAss, Genita
Corning Inc.	United States	4/27/23	Elect Hansel E. Tookes II	MAN	N.A.	For	Against	Against	Passed	No	AllAss, Genita, GenitaPF, GTellLif
Delta Air Lines Inc.	United States	6/15/23	Elect George N. Mattson	MAN	N.A.	For	Against	Against	Passed	No	AllAssPF, Genita, GenitaPF, GTellLif
Rockwell Automation Inc.	United States	4/20/23	Elect William P. Gipson	MAN	N.A.	For	Withhold	Withhold	Passed	No	AllAssPF, Genita, GenitaPF, GTellLif
SNGN Romgaz S.A.	Romania	3/14/23	Elect Gheorghe Silvan Sorici	MAN	N.A.	For	Against	Against	Passed	No	GenResFund
PDD Holdings Inc.	Cayman Islands	5/24/23	Elect George Yong-Boon Yeo	MAN	N.A.	For	Against	Against	Passed	No	GenResFund
Makita Corporation	Japan	7/24/23	Elect Masahiko Goto	MAN	N.A.	For	Against	Against	Passed	No	Genita
Taisei Corporation	Japan	6/27/23	Elect Shigeyoshi Tanaka	MAN	N.A.	For	Against	Against	Passed	No	Genita
Thk Co. Ltd	Japan	3/18/23	Elect Akhiro Teramachi	MAN	N.A.	For	Against	Against	Passed	No	Genita
Copart Inc.	United States	12/8/23	Elect Diane M. Morefield	MAN	N.A.	For	Against	Against	Passed	No	Genita, GenitaPF
Old Dominion Freight Line Inc.	United States	6/22/23	Elect John D. Kasarda	MAN	N.A.	For	Withhold	Withhold	Passed	No	GenitaPF
Ocado Group Plc	United Kingdom	5/11/23	Elect Andrew J. Harrison	MAN	N.A.	For	For	Against	Passed	No	AG
Sage Group Plc	United Kingdom	2/2/23	Elect Derek Harding	MAN	N.A.	For	For	Against	Passed	No	AG, AllAss, AllAssPF, Genita, GenitaPF
Barclays Plc	United Kingdom	5/3/23	Elect Nigel Higgins	MAN	N.A.	For	For	Against	Passed	No	AG, AllAss, AllAssPF, Genita, GenitaPF, GTellLif
Informa Plc	United Kingdom	6/15/23	Elect John Rishton	MAN	N.A.	For	For	Against	Passed	No	AG, AllAss, AllAssPF, Genita, GenitaPF, GTellLif
Reckitt Benckiser Group Plc	United Kingdom	5/2/23	Elect Christopher A. Sinclair	MAN	N.A.	For	For	Against	Passed	No	AG, AllAss, AllAssPF, Genita, GenitaPF, GTellLif
Smith & Nephew Plc	United Kingdom	4/26/23	Elect Erik Engstrom	MAN	N.A.	For	For	Against	Passed	No	AG, AllAss, AllAssPF, Genita, GenitaPF, GTellLif
Smith & Nephew Plc	United Kingdom	4/26/23	Elect Bob White	MAN	N.A.	For	For	Against	Passed	No	AG, AllAss, AllAssPF, Genita, GenitaPF, GTellLif
Standard Chartered Plc	United Kingdom	5/3/23	Elect José Viñals	MAN	N.A.	For	For	Against	Passed	No	AG, AllAss, AllAssPF, Genita, GenitaPF, GTellLif
GSK Plc	United Kingdom	5/3/23	Elect Sir Jonathan R. Symonds	MAN	N.A.	For	For	Against	Passed	No	AG, Genita
Canon Inc.	Japan	3/30/23	Elect Fujio Mitarai	MAN	N.A.	For	For	Against	Passed	No	AllAss, AllAssPF, Genita, GenitaPF, GTellLif
Kubota Corporation	Japan	5/10/23	Elect Yuichi Kitao	MAN	N.A.	For	For	Against	Passed	No	AllAss, AllAssPF, Genita, GenitaPF, GTellLif
Agilent Technologies Inc.	United States	3/15/23	Elect George A. Scangos	MAN	N.A.	For	For	Against	Passed	No	AllAss, AllAssPF, Genita, GenitaPF, GTellLif
Ally Financial Inc.	United States	5/3/23	Elect Kim S. Fennbresque	MAN	N.A.	For	For	Against	Passed	No	AllAss, AllAssPF, Genita, GenitaPF, GTellLif
American Express Co.	United States	5/2/23	Elect Peter Chernin	MAN	N.A.	For	For	Against	Passed	No	AllAss, AllAssPF, Genita, GenitaPF, GTellLif
Ameriprise Financial Inc.	United States	4/26/23	Elect Amy DiGesio	MAN	N.A.	For	For	Against	Passed	No	AllAss, AllAssPF, Genita, GenitaPF, GTellLif
AMGEN Inc.	United States	5/19/23	Elect Greg C. Garland	MAN	N.A.	For	For	Against	Passed	No	AllAss, AllAssPF, Genita, GenitaPF, GTellLif
Boston Scientific Corp.	United States	5/4/23	Elect John E. Sununu	MAN	N.A.	For	For	Against	Passed	No	AllAss, AllAssPF, Genita, GenitaPF, GTellLif
Charles Schwab Corp.	United States	5/18/23	Elect Frank C. Herrerger	MAN	N.A.	For	For	Against	Passed	No	AllAss, AllAssPF, Genita, GenitaPF, GTellLif
CME Group Inc.	United States	5/4/23	Elect Phyllis M. Lockett	MAN	N.A.	For	For	Against	Passed	No	AllAss, AllAssPF, Genita, GenitaPF, GTellLif
CSX Corp.	United States	5/10/23	Elect Linda H. Riefler	MAN	N.A.	For	For	Against	Passed	No	AllAss, AllAssPF, Genita, GenitaPF, GTellLif
Danaher Corp.	United States	5/9/23	Elect Linda P. Hefner Filler	MAN	N.A.	For	For	Against	Passed	No	AllAss, AllAssPF, Genita, GenitaPF, GTellLif
Exxon Mobil Corp.	United States	5/31/23	Elect Joseph L. Hooley	MAN	N.A.	For	For	Against	Passed	No	AllAss, AllAssPF, Genita, GenitaPF, GTellLif
Fiserv Inc.	United States	5/17/23	Elect Heidi G. Miller	MAN	N.A.	For	For	Withhold	Passed	No	AllAss, AllAssPF, Genita, GenitaPF, GTellLif
Global Payments Inc.	United States	4/27/23	Elect Connie D. McDaniel	MAN	N.A.	For	For	Against	Passed	No	AllAss, AllAssPF, Genita, GenitaPF, GTellLif
International Business Machines Corp.	United States	4/25/23	Elect Thomas Buberl	MAN	N.A.	For	For	Against	Passed	No	AllAss, AllAssPF, Genita, GenitaPF, GTellLif
Lam Research Corp.	United States	5/11/23	Elect Michael R. Cannon	MAN	N.A.	For	For	Against	Passed	No	AllAss, AllAssPF, Genita, GenitaPF, GTellLif
NVIDIA Corp	United States	9/12/23	Elect Stephen C. Neal	MAN	N.A.	For	For	Against	Passed	No	AllAss, AllAssPF, Genita, GenitaPF, GTellLif
Paychex Inc.	United States	5/24/23	Elect Pamela A. Joseph	MAN	N.A.	For	For	Against	Passed	No	AllAss, AllAssPF, Genita, GenitaPF, GTellLif
Prologis Inc.	United States	10/10/23	Elect Jeffrey L. Skelton	MAN	N.A.	For	For	Against	Passed	No	AllAss, AllAssPF, Genita, GenitaPF, GTellLif
Starbucks Corp.	United States	3/23/23	Elect Jørgen Vig Knudstorp	MAN	N.A.	For	For	Against	Passed	No	AllAss, AllAssPF, Genita, GenitaPF, GTellLif
T. Rowe Price Assoc Inc.	United States	5/9/23	Elect Freeman A. Hrabowski III	MAN	N.A.	For	For	Against	Passed	No	AllAss, AllAssPF, Genita, GenitaPF, GTellLif
Thermo Fisher Scientific Inc.	United States	5/24/23	Elect Lars R. Sørensen	MAN	N.A.	For	For	Against	Passed	No	AllAss, AllAssPF, Genita, GenitaPF, GTellLif
T-Mobile US Inc.	United States	6/16/23	Elect Thorsten Langheim	MAN	N.A.	For	For	Withhold	Passed	No	AllAss, AllAssPF, Genita, GenitaPF, GTellLif
Walmart Inc.	United States	5/31/23	Elect Thomas W. Horton	MAN	N.A.	For	For	Against	Passed	No	AllAss, AllAssPF, Genita, GenitaPF, GTellLif
Fifth Third Bancorp	United States	4/18/23	Elect Nicholas K. Akins	MAN	N.A.	For	For	Against	Passed	No	AllAss, AllAssPF, Genita, GTellLif
Goodman Group	Australia	11/14/23	Re-elect Stephen P. Johns (Goodman Limited)	MAN	N.A.	For	For	Against	Passed	No	AllAss, AllAssPF, GenitaPF, GTellLif
Goodman Group	Australia	11/14/23	Re-elect Stephen P. Johns (Goodman Logistics (HK) Limited)	MAN	N.A.	For	For	Against	Passed	No	AllAss, AllAssPF, GenitaPF, GTellLif
LyondellBasell Industries N.V.	Netherlands	5/1/23	Elect Claire S. Farley	MAN	N.A.	For	For	Against	Passed	No	AllAss, Genita, GenitaPF, GTellLif
CF Industries Holdings Inc.	United States	5/3/23	Elect Anne P. Noonan	MAN	N.A.	For	For	Against	Passed	No	AllAss, Genita, GTellLif, GenVie
Almirall S.A.	Spain	5/5/23	Elect Eva-Lotta Allan	MAN	N.A.	For	For	Against	Passed	No	GenEspPF
Fluidra	Spain	5/10/23	Elect Jorge Valentín Constans Fernández	MAN	N.A.	For	For	Against	Passed	No	GenEspPF
Grifols S.A.	Spain	6/15/23	Elect Carina Szpilka Lázaro	MAN	N.A.	For	For	Against	Passed	No	GenEspPF
Unicaja Banco S.A.	Spain	3/30/23	Elect Juan Antonio Izaguirre Ventosa	MAN	N.A.	For	For	Against	Passed	No	GenEspPF
Unicaja Banco S.A.	Spain	3/30/23	Elect José Ramón Sánchez Serrano	MAN	N.A.	For	For	Against	Passed	No	GenEspPF

Company	Country	Meeting Date	Resolution Description	Proponent	Flagged	Man. Rec	GL Rec	Vote	Outcome	Positive results	Voting entity
Viscofan S.A.	Spain	4/26/23	Elect José Domingo de Ampuero y Osma	MAN	N.A.	For	For	Against	Passed	No	GenEspPF
Prosus N.V.	Netherlands	8/23/23	Elect Rachel C.C. Jafra to the Board of Directors	MAN	N.A.	For	For	Against	Passed	No	GenEspPF, GenVie
Alexandria Real Estate Equities Inc.	United States	5/16/23	Elect James P. Cain	MAN	N.A.	For	For	Against	Passed	No	GenIta
Ferrari N.V.	Netherlands	4/14/23	Elect John Elkann to the Board of Directors	MAN	N.A.	For	For	Against	Passed	No	GenIta, GenItaPF
Becton Dickinson & Co.	United States	1/24/23	Elect Christopher Jones	MAN	N.A.	For	For	Against	Passed	No	AllAss, AllAssPF, GenIta, GenItaPF, GTelLif

(Gender) diversity pay gap

In alignment with the Group strategy on DE&I, Generali's remuneration policy supports specific initiatives and ambitions and promotes pay equity for females and males, as well as pay transparency.

With reference to pay equity and pay transparency, pursuant to its 2021-2024 strategy "Lifetime Partner 24", Generali Group monitors the gender pay gap annually (at Countries/Business Units level) and has the ambition to achieve an equal pay gap towards zero in the 2022-2024 strategic cycle ([link](#)).

In 2023 we have been generally supportive of proposals aimed at promoting transparency, equality, and fairness in the workplace, by calling for companies to disclose annually quantitative data assessing any gender pay gap. Shareholder resolution at Amazon meeting has been identified of particular importance and, similarly to other seven resolutions we voted on the topic, has obtained 29,03% consensus.

Company	Country	Meeting Date	Resolution Description	Proponent	Flagged	Man. Rec	GL Rec	Vote	Outcome	Positive results	Voting entity
Amazon.com Inc.	United States	5/24/23	Shareholder Proposal Regarding Median Gender and Racial Pay Equity Report	SHP	ShareAction	Against	Against	For	Not Passed	No	AllAss, AllAssPF, CajaPF, GenIta, GenItaPF, GTelLif

The matter of women empowerment is more often addressed through shareholder resolutions covering broader diversity and minority rights disclosure. These resolutions urge companies to combat systemic racism and discrimination within their organizations, as detailed in the dedicated section of this report. Some requests focus on urging companies to conduct impartial audits.

Company	Country	Meeting Date	Resolution Description	Proponent	Flagged	Man. Rec	GL Rec	Vote	Outcome	Positive results	Voting entity
United Parcel Service Inc.	United States	5/4/23	Shareholder Proposal Regarding Diversity and Inclusion Report	SHP	UNPRI	Against	For	For	Not Passed	No	AllAss, AllAssPF, GenIta, GenItaPF, GTelLif
Unitedhealth Group Inc.	United States	6/5/23	Shareholder Proposal Regarding Racial Equity Audit	SHP	UNPRI	Against	For	For	Not Passed	No	AllAss, AllAssPF, GenIta, GenItaPF, GTelLif
Walmart Inc.	United States	5/31/23	Shareholder Proposal Regarding Racial Equity Audit	SHP	ShareAction	Against	For	For	Not Passed	No	AllAss, AllAssPF, GenIta, GenItaPF, GTelLif
Bank of Montreal	Canada	4/18/23	Shareholder Proposal Regarding Racial Equity Audit	SHP	UNPRI, ShareAction	Against	For	For	Not Passed	No	AllAss, AllAssPF, GenItaPF
Royal Bank of Canada	Canada	4/5/23	Shareholder Proposal Regarding Racial Equity Audit	SHP	UNPRI, ShareAction	Against	For	For	Not Passed	No	AllAss, AllAssPF, GenItaPF
Travelers Companies Inc.	United States	5/24/23	Shareholder Proposal Regarding Racial Equity Audit	SHP	UNPRI	Against	For	For	Not Passed	No	AllAssPF
American Water Works Co. Inc.	United States	5/10/23	Shareholder Proposal Regarding Racial Equity Audit	SHP	UNPRI	Against	Against	For	Not Passed	No	AllAss, AllAssPF, GenIta, GenItaPF, GTelLif
Chevron Corp.	United States	5/31/23	Shareholder Proposal Regarding Racial Equity Audit	SHP	UNPRI	Against	Against	For	Not Passed	No	AllAss, AllAssPF, GenIta, GenItaPF, GTelLif
Danaher Corp.	United States	5/9/23	Shareholder Proposal Regarding Diversity and Inclusion Report	SHP	UNPRI	Against	Against	For	Not Passed	No	AllAss, AllAssPF, GenIta, GenItaPF, GTelLif
Lilly(Eli) & Co.	United States	5/1/23	Shareholder Proposal Regarding Diversity and Inclusion Report	SHP	UNPRI	Against	Against	For	Not Passed	No	AllAss, AllAssPF, GenIta, GenItaPF, GTelLif
Block Inc.	United States	6/13/23	Shareholder Proposal Regarding Diversity and Inclusion Report	SHP	UNPRI	Against	Against	For	Not Passed	No	AllAssPF, GenItaPF, GTelLif

MONITORING AND PROMOTION OF GOOD BUSINESS PRACTICES

As all businesses, institutional investors bear a responsibility to uphold responsible business conduct towards their stakeholders.

Generali Group, as a signatory to global initiatives such as the United Nations Global Compact (2007) and the Principles for Responsible Investments (2011), is steadfast in its commitment to responsible business practices. Aligned with this commitment, Generali Group, through active ownership activities executed directly or by its asset managers, diligently assesses, monitors and mitigates investment risks and opportunities.

<p>Materiality Matrix</p> <p>Transparency and purpose-driven businesses Digital revolution and cybersecurity Geopolitical and financial instability Regulatory complexity Women and minorities inclusion Polarization of lifestyles</p>	<p>SDGs</p> 	<p>SFDR PAIs</p> <p>#10-11</p>
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ENGAGEMENT

No. of engagements	Objective	Timeframe	Target	Execution	Positive results
<p>10 dialogues (2 collective, 8 individual) and 1 filing of shareholder resolution (election of directors)</p>	<p>Engagement of companies with poor sustainability performance that nevertheless show potential for a drift towards a more sustainable business conduct.</p>	<p>Recurring</p>	<p>Ongoing, pursuant to determinations by Group Responsible Investments Committee</p>	<p>Delegated to Generali Group asset manager</p>	<p>5 (3 inclusions in investible universe, 1 commitment, 1 election of directors)</p>

Overview

Dialogues on the matter of monitoring and promotion of good business practices are mainly delegated to our asset managers. Our main delegated asset manager (GenAM) plays a crucial role in engaging with companies exhibiting suboptimal ESG practices. The engagement initiatives at asset management level serve the purpose of assessing their investment viability and fostering positive change. The primary backdrop for these engagements is the implementation of our Group’s negative screening approach, aligning with the guidelines outlined in our [Integration of Sustainability into Investments and Active Ownership Group Guideline](#).

The negative screening process is designed to exclude from the Generali investment universe the companies that demonstrate poor ESG practices. Such practices could potentially impact their long-term financial performance or expose the Group to elevated sustainability and reputational risks. Under this screening regime, companies entangled in controversies or operating in controversial business sectors face exclusion from the investment universe if they fail to meet the stringent requirements set by the Group, leading to their placement on the restricted list.

In instances where our asset manager engages with companies situated in a grey area, the primary objective is to gather information for an impending decision regarding potential exclusion or inclusion. While engaged, there is no mandatory requirement to divest from existing exposures. However, a restriction is placed on making new investments during the engagement period.

Beyond engagement for negative screening purposes, our asset manager may also initiate interactions with companies to encourage improvements in their sustainability performance. This occurs when these companies, identified on the basis of predefined selection criteria agreed upon with the Group, possess long-term financial significance and exhibit material sustainability risks. In such cases, the Group, through its asset manager, aims to guide these companies toward a more sustainable business conduct, aligning with our commitment to responsible portfolio management.

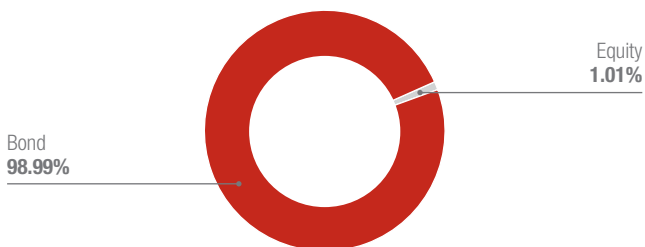
The engagement is subject to specific timeframe and results are submitted to the Group for its final decision.

Materiality

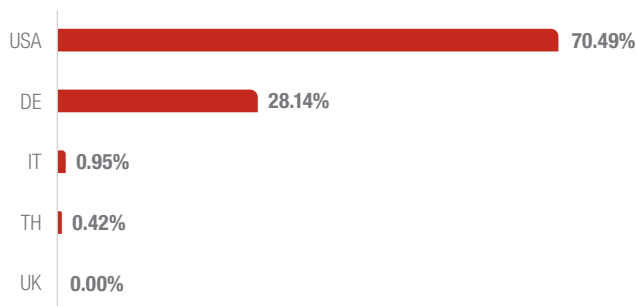
Generali Group investments subject to asset management-related engagement in 2023: EUR 1.55 billion*

*Calculated as of 31.12.2022

Engagements, by relevance of financial instrument



Investments subject to engagement, by Country of incorporation



Engaged sectors, breakdown by investment size



Status

Throughout 2023, our asset manager, GenAM, conducted 7 engagements within the framework of our Group’s negative screening approach, aimed at gathering essential information to assess whether companies could have been comprised in our investable universe. These engagements covered a spectrum of ESG areas, including 3 on labor rights, 1 on corruption, 2 on product safety, and 1 on coal.

In addition, adhering to criteria established in collaboration with the Group, GenAM sustained a collaborative engagement initiated in 2019 with a German multinational pharmaceutical and biotechnology company, focusing on its environmental strategy. Furthermore, GenAM initiated 2 new collective dialogues in 2023: one involved a British-Australian multinational metals and mining corporation, addressing human rights concerns, while the other centered around a German publicly traded energy company’s phase-out coal strategy. Finally, in response to GenAM’s request, the Generali Group, along with other investors who are members of Assogestioni (the Italian asset management association), submitted slate of candidates to endorse the election of independent directors for the board renewal of an Italian financial institution.

Monitoring and positive results

Engagements conducted in line with the Group’s negative screening policy adhere to specific timeframes, with results subsequently presented to the Group for final decision-making: out of the seven engagements in 2023, 3 were successful in clarifying controversies, leading to the removal of the companies from the restricted status. The remaining 4 engagements confirmed the restricted status.

Further, the mentioned submission of slate of candidates resulted in the election of the proposed independent directors. Lastly, the case study below provides insights into the positive outcomes achieved during the engagement initiated in 2019 and ongoing with the German multinational pharmaceutical and biotechnology company.

Regarding the 2 new engagements initiated in 2023, monitoring details will be included in the subsequent active ownership report.

Case study

An engagement initiated in 2019 involved a German multinational pharmaceutical and biotechnology company (herein “Pharma”), focusing on addressing poor Environmental, Social, and Governance (ESG) practices within its merger and acquisition processes. This engagement stemmed from concerns raised by our negative screening methodology, particularly regarding controversies surrounding the company’s acquisition of an American agrochemical and agricultural biotechnology corporation. These concerns included a lack of transparency, misleading information to shareholders, and other inappropriate corporate behaviors such as ghostwriting practices, misleading communication on product safety, and unfair lobbying practices.

Upon receiving positive feedback from the company on our engagement initiative, the scope of the engagement was expanded to not only address past controversies but also to explore how the company’s business model could adapt to new ESG constraints and industry paradigm shifts. This engagement aligns with the main objectives of stewardship activities, namely, better managing sustainability-related risks and identifying sustainability-related growth potential.

Negative screening engagement: This aspect of the engagement aimed to convey our dissatisfaction with specific practices and behaviors identified as incompatible with our responsible investment guidelines. These concerns were communicated to the company through a shared “list of expectations.” We are pleased to note that the company has progressively addressed many of these expectations, either partially or fully, through new commitments, remedial actions, or enhanced disclosures. As a significant outcome of our efforts, in December 2023 the company published its Political Advocacy Transparency Report for the first time, a move that enhances public trust and provides greater insight into the company’s activities.

Environmental impacts of crop science products: Building on the trust established during the initial engagement, the scope was expanded in 2020 to address the environmental impact of the company’s crop science products. The Environmental Impact Reduction Target (-30% by 2030) set by Pharma was a key driver of this subpart. By March 2021, we had defined our expectations, which covered methodologies for measuring impacts, scope consultation, links with remuneration, action plans, advocacy, and education. We were pleased to see Pharma’s shift in positioning and increased disclosure of environmental reduction approaches on their website and sustainability report. However, as not all expectations have been met, we intend to continue engaging with Pharma on these matters.

VOTING

Overview

At Generali Group, we have established voting principles aimed at encouraging investee companies to thoroughly assess their sustainability risks related to environmental, social, and governance factors. These principles are in line with the risk mitigation objectives outlined in the UN Global Compact’s Ten Principles and the OECD Guidelines for Multinational Enterprises. These frameworks offer comprehensive guidance across various areas of responsible business conduct, encompassing general principles on governance of corporations (indirectly including aspects like the protection of shareholders’ rights, the roles and responsibilities of directors, and executive compensation), transparency in business operations, human rights, employment and industrial relations, consumer interests, and taxation. Within this overarching framework, we have voted 137 resolutions, out of which 105 have been identified as particularly significant pursuant to our identification criteria (see section on Most significant votes).

Topic	Most significant votes (For/Against/Abstain)	Positive results
General (Shareholder rights, Boards accountability, Compensation)	41 (24/9/8)	
Disclosure	9 (9/0/0)	12 (6 on shareholder rights, 1 on workers safety, 1 on union rights, 4 not passed management remunerations).
Human Rights	27 (27/0/0)	
Employment and Industrial Relations	24 (21/0/3)	
Consumer Interests	7 (7/0/0)	
Taxation	5 (5/0/0)	
Total	105 (82/9/14)	

General governance principles

Shareholder rights

We are generally in favor of resolutions aimed at safeguarding shareholder rights and simplifying and strengthening their exercise. In principle, the Group supports the “one share, one vote” principle, as it preserves the link between economic interest and voting power. At 2023 Meta and Alphabet annual meetings, we voted in favor of reinstating the one-share one vote. Although likewise in 2022, the proposals would have received support of the majority of the votes in a one-share one-vote scenario, however both proposals failed to pass, due to the opposition exercised by Class B shares, holding super-voting powers.

During 2023 we have encountered proposals that have touched upon governance rules and shareholder rights, aiming to create a more transparent and inclusive corporate environment. We have been supportive of shareholder proposals aiming to allow decisions within a corporation to be made with a simple majority vote, rather than requiring a supermajority or unanimous decision. These proposals seek to streamline decision-making processes by ensuring that a majority of shareholders' votes can carry the day. Further, we supported proposals about granting shareholders the authority to call special meetings. Currently, such meetings may be restricted or limited, but these proposals seek to empower shareholders to convene special gatherings when necessary: it is a way to enhance shareholder engagement and ensure their voices are heard on critical matters. At the 2022 annual meeting of Agilent Technologies, we supported a shareholder proposal advocating for the establishment of a shareholder right to convene special meetings, which received approximately 81% support. Recognizing shareholders' will, in 2023, management formulated a revised proposal on the same matter, which received almost unanimous approval.

Company	Country	Meeting Date	Resolution Description	Proponent	Flagged	Man. Rec	GL Rec	Vote	Outcome	Positive results	Voting entity
Agilent Technologies Inc.	United States	3/15/23	Permit Shareholders to Call Special Meetings	MAN	N.A.	For	For	For	Passed	Yes	AllAss, AllAssPF, Genita, GenitaPF, GTelLif
Alphabet Inc.	United States	6/2/23	Shareholder Proposal Regarding Shareholder Approval of Advance Notice Provisions	SHP	UNPRI	Against	For	For	Not Passed	No	AllAss, AllAssPF, Genita, GenitaPF, GTelLif
Meta Platforms Inc.	United States	5/31/23	Shareholder Proposal Regarding Recapitalization	SHP	UNPRI	Against	For	For	Not Passed	No	AllAss, AllAssPF, Genita, GenitaPF, GTelLif
Applied Materials Inc.	United States	3/9/23	Shareholder Proposal Regarding Right to Call Special Meetings	SHP	N.A.	Against	For	For	Passed	Yes	AG, AllAss, AllAssPF, Genita, GenitaPF, GTelLif
General Mills Inc.	United States	9/26/23	Shareholder Proposal Regarding Right to Call Special Meeting	SHP	N.A.	Against	For	For	Passed	Yes	AllAss, Genita
Mosaic Company	United States	5/25/23	Shareholder Proposal Regarding Right to Call Special Meetings	SHP	N.A.	Against	For	For	Passed	Yes	AG, AllAss, DifAutSin, GenEsp, Genita, GenitaPF, GTel, GTelLif, GenVie
Abbvie Inc.	United States	5/5/23	Shareholder Proposal Regarding Simple Majority Vote	SHP	N.A.	Against	Against	For	Passed	Yes	AllAss, AllAssPF, Genita, GenitaPF, GTelLif
Marathon Petroleum Corp	United States	4/26/23	Shareholder Proposal Regarding Simple Majority Vote	SHP	N.A.	Against	Against	For	Passed	Yes	AllAss, AllAssPF, Genita, GenitaPF, GTelLif
National Australia Bank Limited	Australia	12/15/23	Shareholder Proposal Regarding Facilitating Nonbinding Proposals	SHP	UNPRI	Against	Against	Abstain	Not Passed	No	AllAssPF, GenitaPF, GTelLif

Boards' accountability

Pursuant to our voting principles, we recognize accountability of directors on a case-by-case basis basing our analysis on material verified information. Further, we assess board size, independence, diversity, skill, time constraints, separation of roles, length of tenure. To strengthen the monitoring of Board accountability, our voting principles effective from 2023, allow for the withholding of support for the re-election of directors in cases of either severe or systematic violations, or a lack of processes and compliance mechanisms, if there is no evidence demonstrating the company's commitment to addressing and rectifying the issues in question.

With regard to risks to public safety and the public interest, at meetings of Meta and Alphabet we have supported a request by a group of shareholders for the board to commission an independent assessment to evaluate the performance of the board's audit committee's capacities and performance in overseeing company risks. This proposal has been made considering concerns about the company's products posing severe risks to public safety and the public interest. The average of votes against director elections by Alphabet's independent shareholders was over 13% and dissent against directors at Meta was over 20%.

In respect to overseeing of climate related risks, at Valero and Berkshire Hathaway, we have seen cases of intentions by investors to withhold the election or re-election of Board members, for failing to provide accurate and timely disclosure of environmental risks and/or for have not been responsive to their engagement requests. For some of the directors we voted withholding the election, however not on the ground of the climate change accountability, but because according to our voting principles lead independent directors and directors chairing board committees should be independent.

At the Equinor meeting, we refrained from agreeing to the indication by an activist shareholder to vote against the approval of the financials and dividend proposed by the management. The indication was made by the activist with the intention of penalizing the company for claims that its accounts do not offer a dependable perspective on the climate risks inherent in the business, thereby potentially allowing for the perpetuation of climate-related harm. The management resolution successfully passed with an overwhelming 99.61% of votes.

At Netflix meeting, there has been an initiative of an asset manager asking shareholders to withhold the re-election of a director, due to allegations by renowned international newspapers that would made him appear to be unfit for such a position, for allegedly poor DE&I behavior. We backed director's re-election as there are currently no charges or convictions, and we trust that the company internal control functions are in a better position to assess the situation.

Company	Country	Meeting Date	Resolution Description	Proponent	Flagged	Man. Rec	GL Rec	Vote	Outcome	Positive results	Voting entity
Equinor ASA	Norway	5/10/23	Accounts and Reports; Allocation of Profits and Dividends	MAN	CA100+	For	For	For	Passed	No	AG, AllAss, AllAssPF, Genita, GenitaPF, GTelLif
Berkshire Hathaway Inc.	United States	5/6/23	Elect Meryl B. Witmer	MAN	CA100+	For	For	For	Passed	No	AllAss, AllAssPF, CajaPF, Genita, GenitaPF, GTelLif
Berkshire Hathaway Inc.	United States	5/6/23	Elect Christopher C. Davis	MAN	CA100+	For	For	For	Passed	No	AllAss, AllAssPF, CajaPF, Genita, GenitaPF, GTelLif
Chevron Corp.	United States	5/31/23	Elect Wanda M. Austin	MAN	CA100+	For	For	For	Passed	No	AllAss, AllAssPF, Genita, GenitaPF, GTelLif
Chevron Corp.	United States	5/31/23	Elect Enrique Hernandez, Jr.	MAN	CA100+	For	For	For	Passed	No	AllAss, AllAssPF, Genita, GenitaPF, GTelLif
Valero Energy Corp.	United States	5/9/23	Elect Deborah P. Majoras	MAN	CA100+	For	For	For	Passed	No	AllAss, AllAssPF, Genita, GenitaPF, GTelLif
Woodside Energy Group Ltd	Australia	4/28/23	Re-elect GOH Swee Chen	MAN	UNPRI	For	For	For	Passed	No	AllAssPF, GenitaPF, GTelLif
Woodside Energy Group Ltd	Australia	4/28/23	Re-elect Larry Archibald	MAN	UNPRI	For	For	For	Passed	No	AllAssPF, GenitaPF, GTelLif
Berkshire Hathaway Inc.	United States	5/6/23	Elect Susan L. Decker	MAN	CA100+	For	Against	Against	Passed	No	AllAss, AllAssPF, CajaPF, Genita, GenitaPF, GTelLif
Bpost S.A. / N.V.	Belgium	11/23/23	Ratification of Non-Executives' Acts	MAN	N.A.	For	Against	Against	Passed	No	AllAss, Genita, GTelLif
Daive Campari	Netherlands	4/13/23	Ratification of Non-Executives' Acts	MAN	N.A.	For	Against	Against	Passed	No	Genita
Alphabet Inc.	United States	6/2/23	Shareholder Proposal Regarding Assessment of Audit and Compliance Committee	SHP	ShareAction	Against	For	For	Not Passed	No	AllAss, AllAssPF, Genita, GenitaPF, GTelLif
Meta Platforms Inc.	United States	5/31/23	Shareholder Proposal Regarding Assessment of Audit and Risk Oversight Committee	SHP	UNPRI	Against	For	For	Not Passed	No	AllAss, AllAssPF, Genita, GenitaPF, GTelLif
Netflix Inc.	United States	6/1/23	Elect Mathias Döptner	MAN	UNPRI	For	Against	For	Passed	No	AllAss, AllAssPF, Genita, GenitaPF, GTelLif
Woodside Energy Group Ltd	Australia	4/28/23	Re-elect Ian E. Macfarlane	MAN	UNPRI	For	Against	For	Passed	No	AllAssPF, GenitaPF, GTelLif
Airbus SE	Netherlands	4/19/23	Ratification of Non-Executives' Acts	MAN	N.A.	For	For	Abstain	Passed	No	AG, AllAss, AllAssPF, DifAutSin, GenEsp, GenEspPF, Genita, GTel, GTelLif, GenVie
Valero Energy Corp.	United States	5/9/23	Elect Rayford Wilkins Jr.	MAN	CA100+	For	For	Against	Passed	No	AllAss, AllAssPF, Genita, GenitaPF, GTelLif
Valero Energy Corp.	United States	5/9/23	Elect Robert A. Profusek	MAN	CA100+	For	For	Against	Passed	No	AllAss, AllAssPF, Genita, GenitaPF, GTelLif
Universal Music Group N.V.	Netherlands	5/11/23	Ratification of Non-Executives' Acts	MAN	N.A.	For	Against	Abstain	Passed	No	GenEspPF
Prosus N.V.	Netherlands	8/23/23	Ratification of Non-Executives' Acts	MAN	N.A.	For	For	Abstain	Passed	No	GenEspPF, GenVie
Ariston Holding N.V.	Italy	5/4/23	Ratification of Non-Executives' Acts	MAN	N.A.	For	For	Abstain	Passed	No	Genita
Technip Energies N.V.	Netherlands	5/10/23	Ratification of Non-Executives' Acts	MAN	N.A.	For	For	Abstain	Passed	No	GTelLif

Management compensation

Generali voting principles emphasize the importance of a remuneration policy aligned with industry best practices for investee companies. The policy should consider company performance, effective contributions by directors, and long-term value creation. It should align management's interests with shareholders for sustainable growth and incorporate sustainability risks and nonfinancial criteria. Changes to the policy require shareholder approval. The remuneration structure should include fixed and variable components, with balanced variable pay promoting long-term performance.

Overall, in 2023, our dissent rate in respect to resolutions on compensation has been 30.77%, in line with past years (30.94% in 2022; 25.08% in 2021).

The following table provides a breakdown of compensation resolutions by Country and our rate of dissent (excluding abstentions).

Table 1: Breakdown by Country of dissent rate to compensation resolutions submitted by management

Country	Say on pay votes	Opposition votes	Opposition rate	Incidence on total opposition rate
United States	549	191	34,79%	36,17%
France	334	92	27,54%	17,42%
United Kingdom	172	50	29,07%	9,47%
Italy	157	39	24,84%	7,39%
Spain	103	31	30,10%	5,87%
Canada	45	29	64,44%	5,49%
Australia	96	17	17,71%	3,22%
Norway	35	13	37,14%	2,46%

Country	Say on pay votes	Opposition votes	Opposition rate	Incidence on total opposition rate
Netherlands	36	12	33,33%	2,27%
Germany	51	11	21,57%	2,08%
Hungary	14	7	50,00%	1,33%
Ireland	12	6	50,00%	1,14%
Hong Kong	14	5	35,71%	0,95%
Romania	12	5	41,67%	0,95%
Japan	45	4	8,89%	0,76%
Finland	8	4	50,00%	0,76%
Poland	4	3	75,00%	0,57%
Luxembourg	6	2	33,33%	0,38%
Denmark	3	2	66,67%	0,38%
Czech Republic	3	1	33,33%	0,19%
Austria	2	1	50,00%	0,19%
Croatia	2	1	50,00%	0,19%
Portugal	2	1	50,00%	0,19%
Belgium	1	1	100,00%	0,19%
Lithuania	3	0	0,00%	0,00%
Jersey	2	0	0,00%	0,00%
Korea, Republic of	2	0	0,00%	0,00%
New Zealand	2	0	0,00%	0,00%
Estonia	1	0	0,00%	0,00%

During 2023 Generali votes have contributed to the blocking (not passing) of 4 remuneration proposals submitted by management (American International Group Inc, CME Group Inc, Prologis Inc, Simon Property Group, Inc.) and the main reasons for our dissent have been the disconnection between pay and performance and unjustified or discretionary one-off payments.

In respect to relevant shareholder resolutions on compensation, we have positively evaluated proposals aimed at including non-financial performance criteria into the remuneration structure, including targets related to effective management of material sustainability factors and risks. However, we have not supported, due to its indeterminacy, a shareholder resolution at the meeting of Meta alleging that the current incentive plan allows executives to be rewarded for profits based on decisions that harm the economy.

The increased focus on growing inequality has led to criticism of CEO pay practices in proportion to labor force. Although shareholders have a right to voice their opinions on matters regarding executive compensation through the Company's annual say-on-pay vote, especially in jurisdictions where the issue has clearly reached unproportioned dimensions and is already on the public debate, we found worthy to support the request of shareholders to increase transparency by disclosing the CEO compensation to median worker pay ratio. However, we did not support a shareholder proposal regarding pay ratio Disclosure at the meeting of Canadian Imperial Bank of Commerce, as it is our view that the requested disclosure would have limited benefit and that this benefit is likely outweighed by the complexity and expense of calculating the median employee salary.

Company	Country	Meeting Date	Resolution Description	Proponent	Flagged	Man. Rec	GL Rec	Vote	Outcome	Positive results	Voting entity
American International Group Inc.	United States	5/10/23	Advisory Vote on Executive Compensation	MAN	N.A.	For	Against	Against	Not Passed	Yes	AllAss, AllAssPF, GenIta, GenItaPF, GTellLif
CME Group Inc.	United States	5/4/23	Advisory Vote on Executive Compensation	MAN	N.A.	For	Against	Against	Not Passed	Yes	AllAss, AllAssPF, GenIta, GenItaPF, GTellLif
Prologis Inc.	United States	5/4/23	Advisory Vote on Executive Compensation	MAN	N.A.	For	Against	Against	Not Passed	Yes	AllAss, AllAssPF, GenIta, GenItaPF, GTellLif
Simon Property Group Inc.	United States	4/5/23	Advisory Vote on Executive Compensation	MAN	N.A.	For	Against	Against	Not Passed	Yes	GenIta, GTellLif
Abbott Laboratories	United States	4/28/23	Shareholder Proposal Prohibiting Adjustments for Legal and Compliance Costs	SHP	UNPRI	Against	For	For	Not Passed	No	AllAss, AllAssPF, GenIta, GenItaPF, GTellLif
Canadian Imperial Bank of Commerce	Canada	4/4/23	Shareholder Proposal Regarding Pay Ratio Disclosure	SHP	UNPRI	Against	Abstain	Abstain	Not Passed	No	GenItaPF
Amazon.com Inc.	United States	5/24/23	Shareholder Proposal Regarding Employee Salary Considerations When Setting Executive Compensation	SHP	UNPRI	Against	Against	For	Not Passed	No	AllAss, AllAssPF, CajaPF, GenIta, GenItaPF, GTellLif
Meta Platforms Inc.	United States	5/31/23	Shareholder Proposal Regarding Calibrating Executive Pay to Externalized Costs	SHP	UNPRI	Against	Against	Abstain	Not Passed	No	AllAss, AllAssPF, GenIta, GenItaPF, GTellLif
Walmart Inc.	United States	5/31/23	Shareholder Proposal Regarding Employee Salary Considerations When Setting Executive Compensation	SHP	UNPRI	Against	Against	For	Not Passed	No	AllAss, AllAssPF, GenIta, GenItaPF, GTellLif
Toronto Dominion Bank	Canada	4/20/23	Shareholder Proposal Regarding Pay Ratio Disclosure	SHP	UNPRI	Against	Against	For	Not Passed	No	AllAss, AllAssPF, GenItaPF

Disclosure

Political contributions and lobbying disclosure

With effect from January 2023, we have implemented our rules to cover the topic of general shareholder requests of transparency of corporate political expenditures and lobbying, acknowledging their increased material importance at large for the business of investee companies and for their stakeholders. Through the year, we have been generally supportive of shareholder requests of corporate disclosure on political expenditures and lobbying activity.

Company	Country	Meeting Date	Resolution Description	Proponent	Flagged	Man. Rec	GL Rec	Vote	Outcome	Positive results	Voting entity
Abbott Laboratories	United States	4/28/23	Shareholder Proposal Regarding Lobbying Report	SHP	UNPRI, ShareAction	Against	For	For	Not Passed	No	AllAss, AllAssPF, Genita, GenitaPF, GTellLif
Alphabet Inc.	United States	6/2/23	Shareholder Proposal Regarding Lobbying Report	SHP	UNPRI, ShareAction	Against	For	For	Not Passed	No	AllAss, AllAssPF, Genita, GenitaPF, GTellLif
Meta Platforms Inc.	United States	5/31/23	Shareholder Proposal Regarding Lobbying Report	SHP	UNPRI	Against	For	For	Not Passed	No	AllAss, AllAssPF, Genita, GenitaPF, GTellLif
Abbvie Inc.	United States	5/5/23	Shareholder Proposal Regarding Lobbying Report	SHP	UNPRI	Against	Against	For	Not Passed	No	AllAss, AllAssPF, Genita, GenitaPF, GTellLif
Abbvie Inc.	United States	5/5/23	Shareholder Proposal Regarding Report on Political Expenditures and Values Congruency	SHP	UNPRI	Against	Against	For	Not Passed	No	AllAss, AllAssPF, Genita, GenitaPF, GTellLif
Caterpillar Inc.	United States	6/14/23	Shareholder Proposal Regarding Lobbying Report	SHP	ShareAction	Against	Against	For	Not Passed	No	AllAss, AllAssPF, Genita, GenitaPF, GTellLif
Mastercard Incorporated	United States	6/27/23	Shareholder Proposal Regarding Lobbying Report	SHP	ShareAction	Against	Against	For	Not Passed	No	AllAss, AllAssPF, Genita, GenitaPF, GTellLif
Merck & Co. Inc.	United States	5/23/23	Shareholder Proposal Regarding Third-Party Political Expenditures Reporting	SHP	UNPRI	Against	Against	For	Not Passed	No	AllAss, AllAssPF, Genita, GenitaPF, GTellLif
Verizon Communications Inc.	United States	5/11/23	Shareholder Proposal Regarding a Policy to Prohibit Political and Electioneering Expenditures	SHP	UNPRI	Against	Against	For	Not Passed	No	AllAss, AllAssPF, Genita, GenitaPF, GTellLif

Human rights

Human rights in value chain

In 2023 we encountered several shareholder proposals calling for reports on potential exposure to regulatory, legal and reputational risks associated with company's business practices and the corporate social responsibility on respecting human rights across all the value chain. Although we have been generally positively responsive to shareholder requests, at the meeting of Honeywell International Inc. we have been unsupportive of a shareholders' request for a report on environmental and health impacts from company's operations on communities of color and low-income communities, as Honeywell International Inc. already provides such disclosure.

Company	Country	Meeting Date	Resolution Description	Proponent	Flagged	Man. Rec	GL Rec	Vote	Outcome	Positive results	Voting entity
Amazon.com Inc.	United States	5/24/23	Shareholder Proposal Regarding Report on Customer Due Diligence	SHP	ShareAction	Against	For	For	Not Passed	No	AllAss, AllAssPF, CajaPF, Genita, GenitaPF, GTellLif
Alphabet Inc.	United States	6/2/23	Shareholder Proposal Regarding Human Rights Impact Assessment	SHP	UNPRI, ShareAction	Against	For	For	Not Passed	No	AllAss, AllAssPF, Genita, GenitaPF, GTellLif
Meta Platforms Inc.	United States	5/31/23	Shareholder Proposal Regarding Human Rights Impact Assessment	SHP	UNPRI	Against	For	For	Not Passed	No	AllAss, AllAssPF, Genita, GenitaPF, GTellLif
Texas Instruments Inc.	United States	4/27/23	Shareholder Proposal Regarding Report on Customer Due Diligence	SHP	UNPRI	Against	For	For	Not Passed	No	AllAss, AllAssPF, Genita, GenitaPF, GTellLif
Honeywell International Inc.	United States	5/19/23	Shareholder Proposal Regarding Environmental and Health Impact Report	SHP	ShareAction	Against	Against	Abstain	Not Passed	No	AllAss, AllAssPF, Genita, GenitaPF, GTellLif
Alphabet Inc.	United States	6/2/23	Shareholder Proposal Regarding Report on Siting in Countries of Significant Human Rights Concern	SHP	ShareAction	Against	Against	For	Not Passed	No	AllAss, AllAssPF, Genita, GenitaPF, GTellLif
Caterpillar Inc.	United States	6/14/23	Shareholder Proposal Regarding Report on Effectiveness of Due Diligence Process	SHP	UNPRI	Against	Against	For	Not Passed	No	AllAss, AllAssPF, Genita, GenitaPF, GTellLif
Citigroup Inc.	United States	4/25/23	Shareholder Proposal Regarding Report on Human Rights Standards for Indigenous Peoples	SHP	UNPRI	Against	Against	For	Not Passed	No	AllAss, AllAssPF, Genita, GenitaPF, GTellLif
Digital Realty Trust Inc.	United States	6/8/23	Shareholder Proposal Regarding Report on Racism in Company Culture	SHP	UNPRI	Against	Against	For	Not Passed	No	AllAss, AllAssPF, Genita, GenitaPF, GTellLif
Mondelez International Inc.	United States	5/17/23	Shareholder Proposal Regarding Report on Child Labor in Cocoa Supply Chain	SHP	ShareAction	Against	Against	For	Not Passed	No	AllAss, AllAssPF, Genita, GenitaPF, GTellLif
TJX Companies Inc.	United States	6/6/23	Shareholder Proposal Regarding Report on Human Rights Risks from Supply Chain Employee Misclassification	SHP	UNPRI	Against	Against	For	Not Passed	No	AllAss, AllAssPF, Genita, GenitaPF, GTellLif
Walmart Inc.	United States	5/31/23	Shareholder Proposal Regarding Human Rights Due Diligence Process Report	SHP	ShareAction	Against	Against	For	Not Passed	No	AllAss, AllAssPF, Genita, GenitaPF, GTellLif
Royal Bank of Canada	Canada	4/5/23	Shareholder Proposal Regarding Free, Prior, and Informed Consent	SHP	ShareAction	Against	Against	For	Not Passed	No	AllAss, AllAssPF, GenitaPF

Impact of technology

Social media platforms and the complexity of the digital landscape expose citizens of all ages both to inadvertent sharing of false information (misinformation), as well as deliberate creation and sharing of information known to be false (disinformation). The rapid spread of misinformation and disinformation online has emerged as a pressing public issue of the 21st century that affects all those accessing online networks, as well as those offline. As in 2022, in 2023 tech companies have come under scrutiny on account of a lack of transparency into the algorithms that drive their platforms, on human rights impacts as well as reputational and legal risks related to data protection and privacy.

Company	Country	Meeting Date	Resolution Description	Proponent	Flagged	Man. Rec.	GL Rec	Vote	Outcome	Positive results	Voting entity
Amazon.com Inc.	United States	5/24/23	Shareholder Proposal Regarding the Human Rights Impacts of Facial Recognition Technology	SHP	UNPRI, ShareAction	Against	For	For	Not Passed	No	AllAss, AllAssPF, CajaPF, Genita, GenitaPF, GTelLif
Alphabet Inc.	United States	6/2/23	Shareholder Proposal Regarding Alignment of YouTube Policies With Legislation	SHP	UNPRI	Against	For	For	Not Passed	No	AllAss, AllAssPF, Genita, GenitaPF, GTelLif
Alphabet Inc.	United States	6/2/23	Shareholder Proposal Regarding Algorithm Disclosures	SHP	UNPRI, ShareAction	Against	For	For	Not Passed	No	AllAss, AllAssPF, Genita, GenitaPF, GTelLif
Meta Platforms Inc.	United States	5/31/23	Shareholder Proposal Regarding a Report on the Efficacy of Enforcement of Content Policies	SHP	UNPRI	Against	For	For	Not Passed	No	AllAss, AllAssPF, Genita, GenitaPF, GTelLif

Employment and industrial relations

Workers' rights and safety

We have consistently supported shareholder resolutions that prioritize the rights and safety of workers. This includes backing proposals for paid sick leave, endorsing reports on inclusive hiring practices for individuals with arrest records, and advocating for third-party audits focused on worker and driver safety. Our commitment to these initiatives underscores our dedication to fostering a safe and equitable workplace. We have encountered shareholder proposals requesting that the company's Board of Directors issue a public report detailing any known and potential risks or costs to the company caused by enacted or proposed state policies severely restricting abortion. The proposal argues that these state restrictions may impede female workers to exercise their reproductive rights and may indirectly harm the company's ability to meet diversity goals, with negative consequences to performance, brand, and reputation. We have abstained from voting, as the topic is not covered by our voting principles.

At the meeting of Apple, we supported a resolution pushing the company to engage with its stakeholders. The occasion occurred by the fact that in 2022 a resolution requesting that the Board review Apple's use of concealment clauses in the context of harassment, discrimination and other unlawful acts received support from 50.4% of all shares (including our vote), however based on available information so far, the board has not taken action on the issue.

Company	Country	Meeting Date	Resolution Description	Proponent	Flagged	Man. Rec.	GL Rec	Vote	Outcome	Positive results	Voting entity
CVS Health Corp.	United States	5/18/23	Shareholder Proposal Regarding Paid Sick Leave	SHP	UNPRI, ShareAction	Against	For	For	Not Passed	No	AllAss, AllAssPF, Genita, GenitaPF, GTelLif
Dollar General Corp.	United States	5/31/23	Shareholder Proposal Regarding Third-Party Audit of Worker Safety and Well-Being	SHP	UNPRI	Against	For	For	Passed	Yes	AllAss, AllAssPF, Genita, GenitaPF, GTelLif
Yum Brands Inc.	United States	5/18/23	Shareholder Proposal Regarding Paid Sick Leave	SHP	UNPRI	Against	For	For	Not Passed	No	AllAss, AllAssPF, Genita, GenitaPF, GTelLif
Coca-Cola Co.	United States	4/25/23	Shareholder Proposal Regarding Report On Risks From State Policies Restricting Reproductive Health Care	SHP	UNPRI	Against	Against	Abstain	Not Passed	No	AllAss, AllAssPF, CajaPF, Genita, GenitaPF, GTelLif
Adobe Inc.	United States	4/20/23	Shareholder Proposal Regarding Report on Hiring Practices for People With Arrest Records	SHP	UNPRI	Against	Against	For	Not Passed	No	AllAss, AllAssPF, CajaPF, Genita, GenitaPF, GTelLif
Apple Inc.	United States	3/10/23	Shareholder Proposal Regarding Shareholder Engagement with the Board	SHP	UNPRI	Against	Against	For	Not Passed	No	AllAss, AllAssPF, CajaPF, Genita, GenitaPF, GTelLif
PepsiCo Inc.	United States	5/3/23	Shareholder Proposal Regarding Report On Risks From State Policies Restricting Reproductive Health Care	SHP	UNPRI	Against	Against	Abstain	Not Passed	No	AllAss, AllAssPF, Genita, GenitaPF, GTelLif
Union Pacific Corp.	United States	5/18/23	Shareholder Proposal Regarding Paid Sick Leave	SHP	UNPRI	Against	Against	For	Not Passed	No	AllAss, AllAssPF, Genita, GenitaPF, GTelLif
Uber Technologies Inc.	United States	5/8/23	Shareholder Proposal Regarding Third-Party Audit on Driver Health and Safety	SHP	UNPRI	Against	Against	For	Not Passed	No	Genita

Climate risk in employee retirement default options

Some shareholder proposals targeted companies whose employee retirement plan invests significantly in firms contributing to climate change, despite companies' commitment to climate goals. According to proponents, overlooking climate risks in employee retirement plans may impede employee attraction and retention and may put younger beneficiaries' savings at greater risk than participants closer to retirement.

Company	Country	Meeting Date	Resolution Description	Proponent	Flagged	Man. Rec.	GL Rec	Vote	Outcome	Positive results	Voting entity
Exxon Mobil Corp.	United States	5/31/23	Shareholder Proposal Regarding Audited Report on Asset Retirement Obligations	SHP	CA100+, UNPRI	Against	For	For	Not Passed	No	AllAss, AllAssPF, Genita, GenitaPF, GTelLif
Marathon Petroleum Corp.	United States	4/26/23	Shareholder Proposal Regarding Audited Report on Asset Retirement Obligations	SHP	CA100+	Against	For	For	Not Passed	No	AllAss, AllAssPF, Genita, GenitaPF, GTelLif
Amazon.com Inc.	United States	5/24/23	Shareholder Proposal Regarding Report on Climate Risk In Employee Retirement Default Options	SHP	ShareAction	Against	Against	For	Not Passed	No	AllAss, AllAssPF, CajaPF, Genita, GenitaPF, GTelLif
Microsoft Corporation	United States	12/7/23	Shareholder Proposal Regarding Report on Climate Risk In Employee Retirement Options	SHP	UNPRI	Against	Against	For	Not Passed	No	AllAss, AllAssPF, CajaPF, Genita, GenitaPF, GTelLif
Fedex Corp.	United States	9/21/23	Shareholder Proposal Regarding Report on Climate Risk In Employee Retirement Default Options	SHP	UNPRI	Against	Against	Abstain	Not Passed	No	AllAss, AllAssPF, Genita, GenitaPF, GTelLif
Comcast Corp.	United States	6/7/23	Shareholder Proposal Regarding Report on Climate Risk In Employee Retirement Default Options	SHP	UNPRI	Against	Against	For	Not Passed	No	AllAss, AllAssPF, Genita, GenitaPF, GTelLif
Netflix Inc.	United States	6/1/23	Shareholder Proposal Regarding Report on Climate Risk In Employee Retirement Default Options	SHP	ShareAction	Against	Against	For	Not Passed	No	AllAss, AllAssPF, Genita, GenitaPF, GTelLif
Campbell Soup Co.	United States	11/29/23	Shareholder Proposal Regarding Report on Portfolio Risk in Employee Retirement Options	SHP	UNPRI	Against	Against	For	Not Passed	No	GenitaPF

Union relations

In line and in compliance with the provisions of law, local practices and cultures, Generali recognizes the right to join a trade union, to have freedom of association, to appoint workers' representatives. In accordance with local regulations and practices, Generali also recognizes the exercise of the relative representatives' functions, including the right to collective bargaining ([link](#)). These principles have been reflected in our voting practices, updated in January 2023.

Company	Country	Meeting Date	Resolution Description	Proponent	Flagged	Man. Rec	GL Rec	Vote	Outcome	Positive results	Voting entity
Amazon.com Inc.	United States	5/24/23	Shareholder Proposal Regarding Third-Party Assessment of Freedom of Association	SHP	UNPRI, ShareAction	Against	For	For	Not Passed	No	AllAss, AllAssPF, CajaPF, Genita, GenitaPF, GTellLif
Activision Blizzard Inc.	United States	6/21/23	Shareholder Proposal Regarding Policy on Freedom of Association	SHP	UNPRI	Against	For	For	Not Passed	No	AllAss, AllAssPF, Genita, GenitaPF, GTellLif
Chipotle Mexican Grill	United States	5/25/23	Shareholder Proposal Regarding Policy on Freedom of Association	SHP	UNPRI	Against	For	For	Not Passed	No	AllAss, AllAssPF, Genita, GenitaPF, GTellLif
CVS Health Corp.	United States	5/18/23	Shareholder Proposal Regarding Third-Party Assessment of Freedom of Association	SHP	ShareAction	Against	For	For	Not Passed	No	AllAss, AllAssPF, Genita, GenitaPF, GTellLif
Netflix Inc.	United States	6/1/23	Shareholder Proposal Regarding Policy on Freedom of Association	SHP	ShareAction	Against	For	For	Not Passed	No	AllAss, AllAssPF, Genita, GenitaPF, GTellLif
Starbucks Corp.	United States	3/23/23	Shareholder Proposal Regarding Third-Party Assessment of Freedom of Association	SHP	UNPRI	Against	For	For	Passed	Yes	AllAss, AllAssPF, Genita, GenitaPF, GTellLif
Delta Air Lines Inc.	United States	6/15/23	Shareholder Proposal Regarding Policy on Freedom of Association	SHP	UNPRI	Against	For	For	Not Passed	No	AllAssPF, Genita, GenitaPF, GTellLif

Consumer interests

Protection of consumer interests

Our voting practice underscores a consistent endorsement of shareholder resolutions aimed at safeguarding consumer concerns. This commitment is reflected in our active support for resolutions addressing diverse issues such as fairness of extended patent exclusivities, monitoring of suspicious guns purchasing activity, adherence to World Health Organization guidelines on medically important antimicrobials in food supply chains. Additionally, our endorsement extends to resolutions advocating for the adoption of cage-free eggs, reinforcing our dedication to responsible and consumer-centric business practices.

In meetings of big tech companies, shareholders have proposed a resolution urging the company to disclose privacy risks linked to abortion-related information requests under state laws. The proposal seeks a public report from the Board of Directors outlining potential risks and costs associated with fulfilling such requests, emphasizing the importance of upholding consumer privacy expectations in the market. In the Alphabet meeting, we supported the shareholder resolution, recognizing the importance of evaluating protective measures for sensitive user data given the Company's reliance on user trust and extensive data collection. However, in the meetings of Paypal and Walmart, we did not support the resolution, as we found no evidence linking the shareholder request to the financial harm caused by the ordinary business practices of collecting consumer data in those companies.

Company	Country	Meeting Date	Resolution Description	Proponent	Flagged	Man. Rec	GL Rec	Vote	Outcome	Positive results	Voting entity
Alphabet Inc.	United States	6/2/23	Shareholder Proposal Regarding Report on Risks from Abortion-Related Information Requests	SHP	ShareAction	Against	For	For	Not Passed	No	AllAss, AllAssPF, Genita, GenitaPF, GTellLif
PayPal Holdings Inc.	United States	5/24/23	Shareholder Proposal Regarding Report on Risks from Abortion-Related Information Requests	SHP	ShareAction	Against	Against	Abstain	Not Passed	No	AllAss, AllAssPF, Genita, GenitaPF, GTellLif
Walmart Inc.	United States	5/31/23	Shareholder Proposal Regarding Report on Risks from Abortion-Related Information Requests	SHP	ShareAction	Against	Against	Abstain	Not Passed	No	AllAss, AllAssPF, Genita, GenitaPF, GTellLif
Abbvie Inc.	United States	5/5/23	Shareholder Proposal Regarding Extended Patent Exclusivities and Application for Secondary and Tertiary Patents	SHP	UNPRI	Against	Against	For	Not Passed	No	AllAss, AllAssPF, Genita, GenitaPF, GTellLif
Lilly(Eli) & Co.	United States	5/1/23	Shareholder Proposal Regarding Extended Patent Exclusivities and Application for Secondary and Tertiary Patents	SHP	UNPRI	Against	Against	For	Not Passed	No	AllAss, AllAssPF, Genita, GenitaPF, GTellLif
Mastercard Incorporated	United States	6/27/23	Shareholder Proposal Regarding Report on Oversight of Merchant Category Codes	SHP	UNPRI	Against	Against	For	Not Passed	No	AllAss, AllAssPF, Genita, GenitaPF, GTellLif
McDonald's Corp.	United States	5/25/23	Shareholder Proposal Regarding Compliance With WHO Guidelines on Medically-Important Antimicrobials in Supply Chain	SHP	UNPRI	Against	Against	For	Not Passed	No	AllAss, AllAssPF, Genita, GenitaPF, GTellLif
McDonald's Corp.	United States	5/25/23	Shareholder Proposal Regarding Policy on Use of Medically-Important Antibiotics in the Beef and Pork Supply Chain	SHP	UNPRI	Against	Against	For	Not Passed	No	AllAss, AllAssPF, Genita, GenitaPF, GTellLif
Mondelez International Inc.	United States	5/17/23	Shareholder Proposal Regarding Cage-Free Eggs	SHP	UNPRI	Against	Against	For	Not Passed	No	AllAss, AllAssPF, Genita, GenitaPF, GTellLif

Taxation

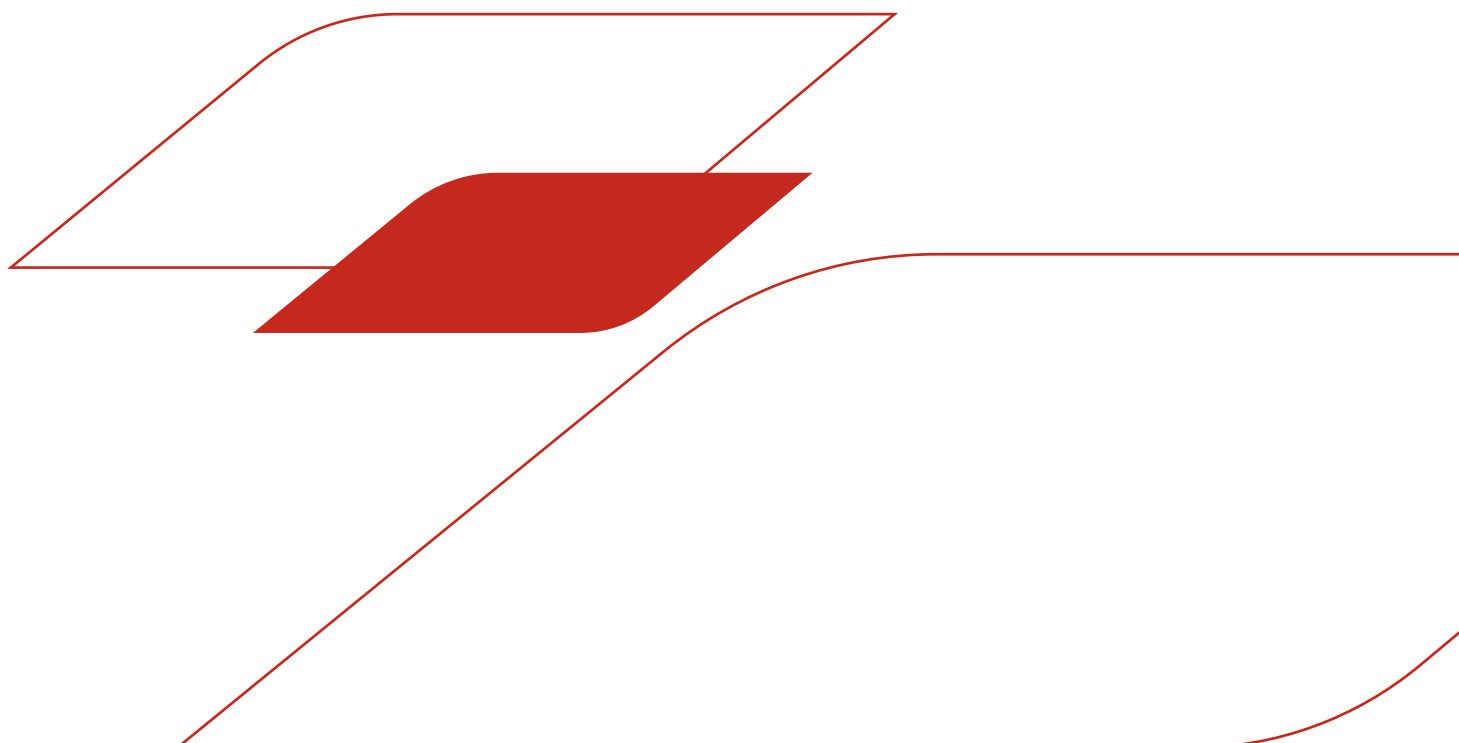
Tax transparency

In the ongoing dialogue surrounding corporate responsibility and transparency, the issue of tax disclosure has taken center stage. Mirroring developments from the previous year, shareholders have called upon three prominent US tech giants - Amazon, Microsoft, and Cisco - to voluntarily unveil their public country-by-country tax data, aligning with the Global Reporting Initiative's rigorous tax standards (GRI 207).

This push for transparency is not confined to the tech sector alone; in 2023, similar resolutions targeted major players in the oil and gas industry, including Chevron and ExxonMobil. These shareholder proposals have obtained significant shareholder backing, with an average of 18.8% support (20% in 2022), however none of these resolutions passed. Embracing the spirit of accountability and recognizing the pivotal role of tax contributions, Generali Group stands in support of these resolutions.

The company acknowledges the profound impact of its tax payments on the societies it serves, reinforcing its commitment as a steadfast partner to its customers and broader communities (see [here](#) for further insights into Generali Group's Tax Strategy).

Company	Country	Meeting Date	Resolution Description	Proponent	Flagged	Man. Rec	GL Rec	Vote	Outcome	Positive results	Voting entity
Amazon.com Inc.	United States	5/24/23	Shareholder Proposal Regarding Report on Tax Transparency	SHP	UNPRI	Against	For	For	Not Passed	No	AllAss, AllAssPF, CajaPF, Genita, GenitaPF, GTelLif
Microsoft Corporation	United States	12/7/23	Shareholder Proposal Regarding Report on Tax Transparency	SHP	UNPRI	Against	For	For	Not Passed	No	AllAss, AllAssPF, CajaPF, Genita, GenitaPF, GTelLif
Chevron Corp.	United States	5/31/23	Shareholder Proposal Regarding Report on Tax Transparency	SHP	UNPRI	Against	For	For	Not Passed	No	AllAss, AllAssPF, Genita, GenitaPF, GTelLif
Exxon Mobil Corp.	United States	5/31/23	Shareholder Proposal Regarding Report on Tax Transparency	SHP	UNPRI	Against	For	For	Not Passed	No	AllAss, AllAssPF, Genita, GenitaPF, GTelLif
Cisco Systems Inc.	United States	12/6/23	Shareholder Proposal Regarding Report on Tax Transparency	SHP	UNPRI	Against	For	For	Not Passed	No	AllAssPF, Genita, GenitaPF, GTelLif



ENGAGEMENT HIGHLIGHTS AND KEY TRENDS



* Reference is made to portfolio decarbonization and gender DE&I.

** Corporate engagements with investee companies that led to a tangible result.

2023 KEY TRENDS

- Decarbonization engagements are on track with respect to Group commitments.
- Gender diversity, equity & inclusion engagements are gaining momentum.
- New engagement framework on biodiversity risk has intensified thanks to collective efforts.
- Group investment process supported by tailored asset management engagements.



OVERVIEW OF OUR ENGAGEMENTS

We herein provide an overview of our engagement projects, in terms of their materiality, as well as their sectorial and geographic distribution.

MATERIALITY OF OUR ENGAGEMENTS

In the course of 2023, we have had engagements at various degrees with 64 investee companies, representing EUR 16.18 billion (15.09 bond, 1.09 equity), covering approx. 9.75% of total corporate bonds and equity assets under management*.

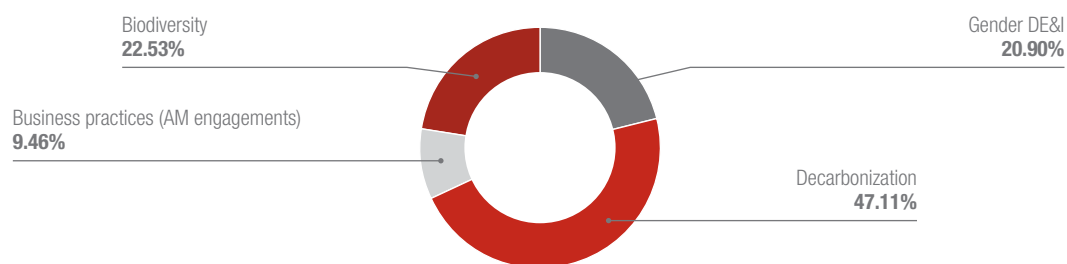
Out of 64 engagements, for half of the investee companies we have only exposure in corporate fixed income, whereas in half of the cases we are also shareholders (listed equity), giving us the possibility to have our say in respect to their annual voting agendas.

Table 2: Materiality of engagements

	2023	2022	2021
Investee Companies	64	38	14
Exposure (EUR billion)	16.18	14	6.3
Bond	15.09	13.4	6.1
Equity	1.09	0.6	0.2
% of total AUM	9.75%	9.8%	4.7%

In terms of materiality in respect to Group investments, as shown below, decarbonization engagements are the highest in value (EUR 7.66 billion), followed by biodiversity (EUR 3.57 billion) and gender diversity equity & inclusion (EUR 3.39 billion). Portfolio management engagements performed by our asset managers have reached EUR 1.55 billion.

Table 3: Breakdown by materiality of engagement topics

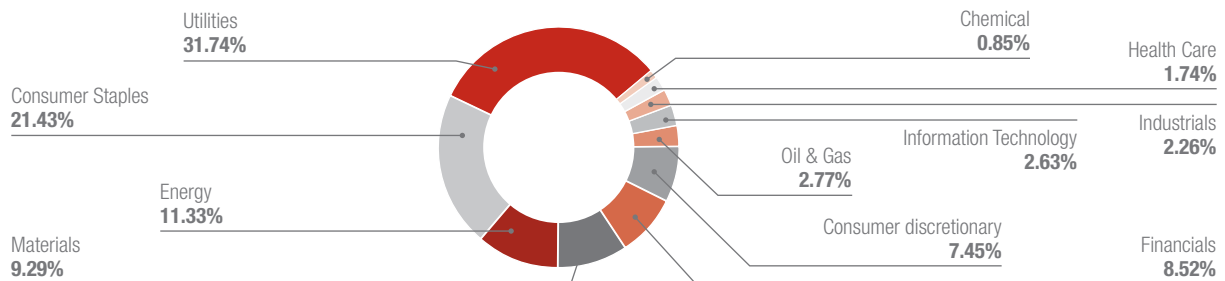


*Baseline for calculation: Generali Group holdings as of 31.12.2022 and Generali IFRS 17 and 9 Financial Supplement FY2022 ([link](#)).

SECTORIAL AND GEOGRAPHIC DISTRIBUTION OF OUR ENGAGEMENTS

The 64 investee companies we engaged in 2023 are representative of 11 different sectors. As Table 4 below shows, according to [Group commitments to the environment and climate](#), energy-related sectors are the most engaged.

Table 4: Breakdown by materiality of engaged sectors

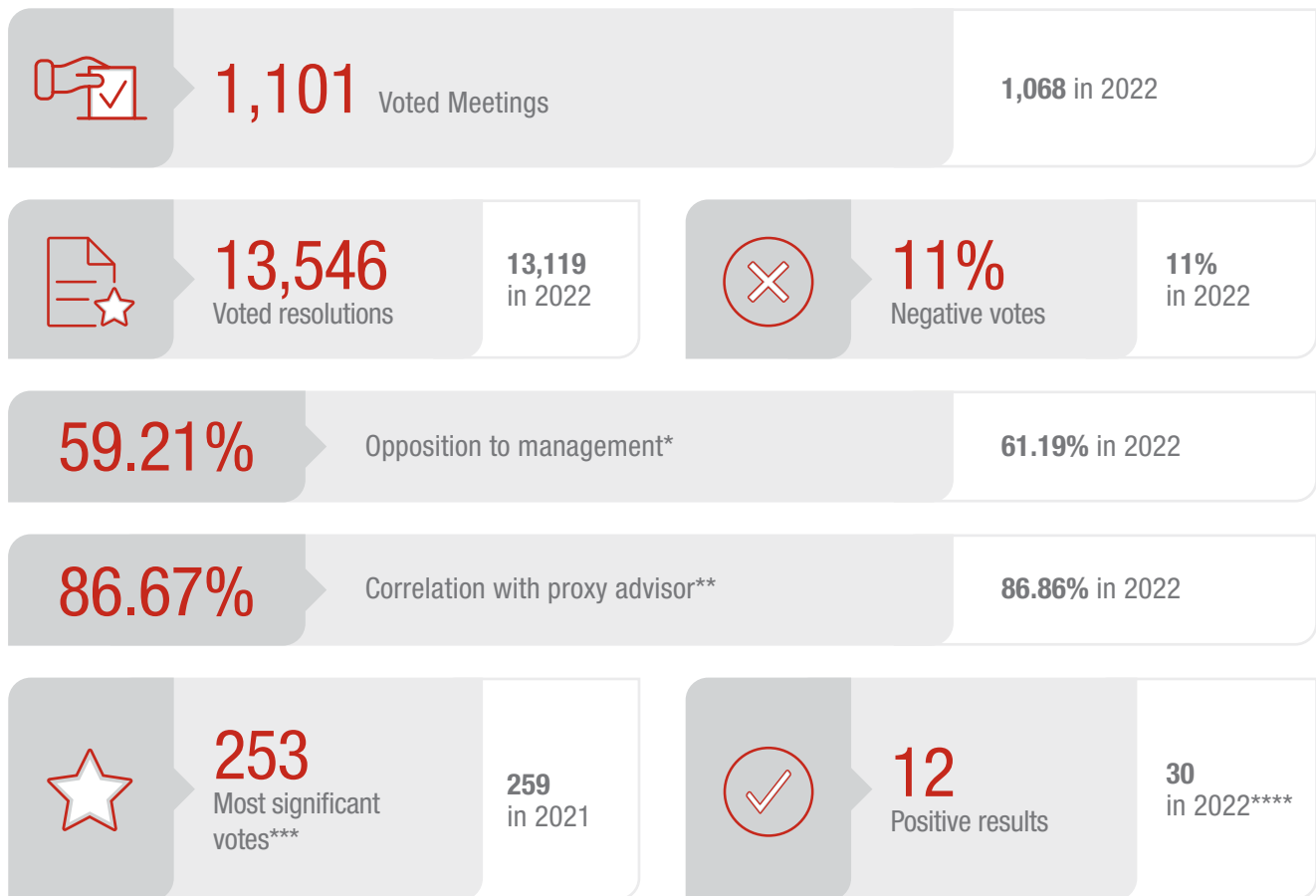


As an insurance group, our investments are typically backing insurance provisions to meet our obligations towards policyholders. Table 5 below shows how our area of influence through engagements is mostly concentrated in Europe, being our main area of business.

Table 5: Breakdown of engagements by geographic area of incorporation of investee companies

	No. of engagements
Germany	11
United States	10
Italy	7
France	6
Netherlands	5
United Kingdom	4
Austria	3
Belgium	3
Spain	3
Luxembourg	2
Switzerland	1
Denmark	1
Hungary	1
India	1
Ireland	1
Jersey	1
Norway	1
Poland	1
Thailand	1
United Arab Emirates	1

VOTING HIGHLIGHTS AND KEY TRENDS



*Rate of meetings where we cast at least one vote in opposition to management recommendations.

** Rate of correspondence between votes we cast and proxy advisor recommendations.

*** For the definition of "most significant votes" pursuant to art. 3 octies para. 1(b) of SRD II directive, see section on Most significant votes.

**** Each time Generali Group votes have contributed to the passing of a shareholder resolution or to the blocking (not passing of) a management proposal.

2023 KEY TRENDS

Environment

Our 'Say on Climate' approach: we voted 12 climate plans submitted by the management, supporting 8 proposals and rejecting 4.

Social

Our votes on Diversity Equity & Inclusion: We gave 80 votes against the election (or re-election) of directors on the basis of poor board gender ratio.

Governance

Our 'Say on pay' votes:

- Compensation votes have been 1,716 (13.07% of total cast votes).
- Our dissent rate to management proposals has been 30.77%.
- Top voted Country: United States (549 votes out of 1,716, with 36.17% opposition rate).

OVERVIEW OF OUR VOTES

In this section, after an illustration of the geographical distribution of our votes, we will briefly explain the voting behavior of Generali Group, with a focus on our use of proxy advisors, a comparison of our votes to management recommendations, our approach to shareholder resolutions and our most significant votes.

MATERIALITY AND GEOGRAPHIC DISTRIBUTION OF OUR VOTES

In general, our approach is to exercise our voting rights whenever reasonably possible, without discriminations based on the matter covered by the vote or the size of the holdings, but with possible exclusion of meetings in which the exercise of voting rights is administratively, operationally, or economically burdensome.

In the course of 2023, we have exercised our voting powers 1,101 times, covering approximately 92% of our votable investee companies' portfolio (measured at 2023 year-end). We have exercised our voting rights mostly at shareholder meetings of investments in listed equity (977), but we also exercised our voting rights in funds/private equity companies (118) and at bondholder meetings (6). Data statistics calculations in the report pertain to listed equity votes, due to their relevance.

As an insurance group, our investments are typically backing insurance provisions to meet our obligations towards policyholders. Indeed Table 7 below shows how our equity investments are mostly concentrated in Europe, being our main area of business. However - by number of meetings - our voting activity is equally distributed among Europe and rest of the world. Table 8 provides a breakdown of our voting activity by geographic area).

Table 6: Breakdown of meetings by financial instrument

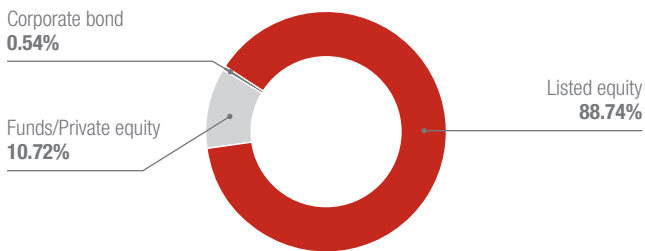


Table 7: Generali group equity investments as of 31.12.2022*

*Source: Generali IFRS 17 and 9 Financial Supplement FY2022 ([link](#)).

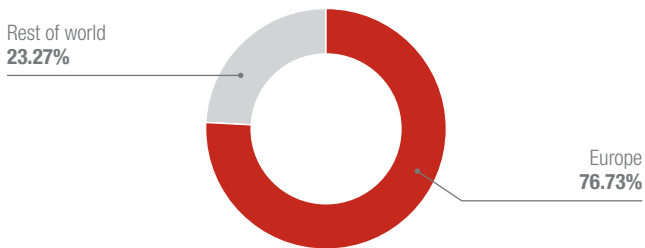


Table 8: Breakdown of meetings by geographic area

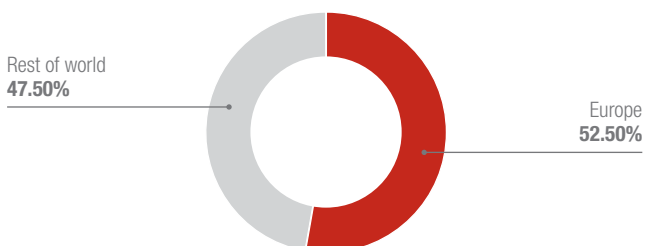
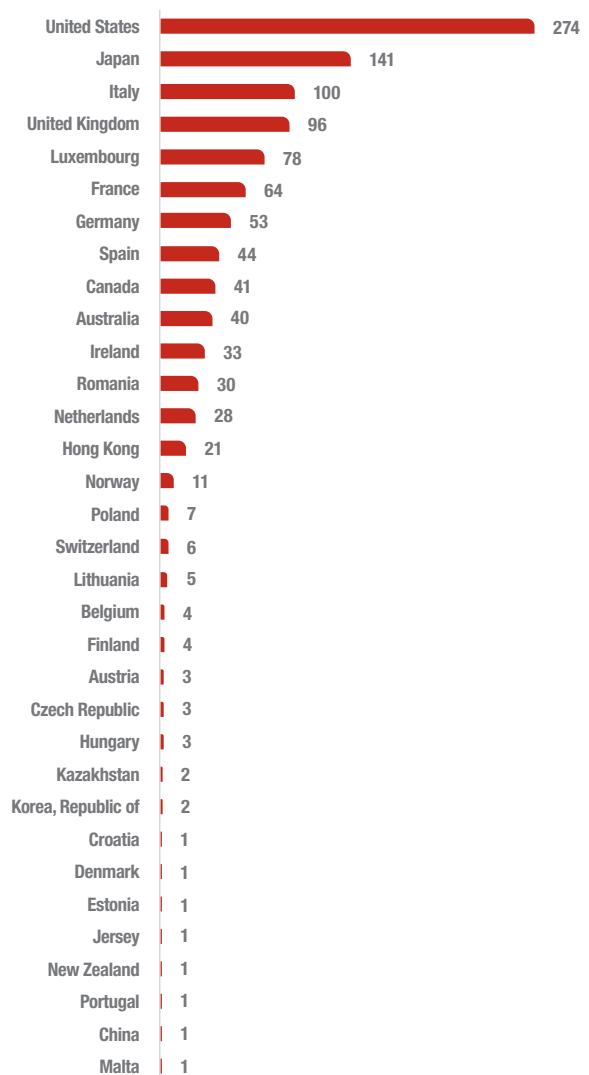


Table 8.1: Breakdown of meetings by Country



OUR APPROACH

Generali Group retains full control of its voting rights and does not delegate its voting power to their asset managers. The voting process of each local insurance company is steered and coordinated at Group level, providing support with voting recommendations, execution (when directly delegated) and reporting.

Voting decisions are taken based on Generali Group voting principles, taking into account:

- preliminary analysis issued by our asset managers;
- documents made public by the issuer;
- research provided by the proxy advisors;
- information made available by proxy solicitors;
- our engagement with internal and external stakeholders;
- our engagement activities and objectives.

Investment functions are involved in voting decisions whenever opportune. For example, the most common area of interchange with investment functions is on votes in respect to capital management, merger & acquisition, proxy fights, amendment to debt conditions (in case of corporate bonds investments). Current and potential conflicts of interest are mapped and managed in compliance with the applicable regulation, the Generali Group Code of Conduct and the Conflicts of Interest Group Guideline.

Table 9 below provides a breakdown by topic of the resolutions we voted in 2023. Typically, board related matters, audit/financials and compensation represent the most voted issues, being the core of the system of governance of companies. Although resolutions on environmental and social matters are quantitatively less significant (2.28% of total resolutions), they are of growing importance for the generality of stakeholders.

Table 9: Breakdown of resolutions by topic

	2023	2022	2021
Board Related	55.41%	56.00%	56.25%
Audit/Financials	13.36%	13.56%	13.17%
Compensation	13.07%	12.18%	12.48%
Capital Management	6.86%	7.23%	7.95%
Changes to Company Statutes	3.83%	4.57%	4.10%
Meeting Administration & Other	2.99%	2.20%	2.42%
Social shareholder proposals	1.34%	1.59%	0.74%
Governance shareholder proposals	1.78%	1.46%	1.80%
Environmental shareholder proposals	0.84%	0.60%	0.40%
Merger & Acquisition	0.39%	0.41%	0.54%
Environmental management proposals	0.10%	0.21%	0.15%
Social management proposals	0.00%	0.00%	0.00%

*During 2023 we did not encounter management proposals on social

Table 10 below shows the distribution of “for”, “against” and “abstain” votes. In 2023 we kept an amount of support to resolutions consistent with 2022 and 2021.

Table 10: Distribution of votes (For / Against / Abstain)

	2023	2022	2021
For	85.84%	85.94%	85.98%
Abstain	2.66%	2.92%	1.90%
Against	11.49%	11.14%	12.13%

OUR USE OF PROXY ADVISORS

With regard to the use of proxy advisors, we avail ourselves mainly of the electronic platform and of the voting research provided by Glass Lewis. We may on occasion use other proxy advisors.

Although we do not rely on voting recommendations of proxy advisors in taking our voting decisions, we acknowledge an overall level of correlation of 85.80% among our votes and recommendations issued by Glass Lewis, in slight decrease when compared to past years (in 2022: 86.86%; in 2021: 87.66%).

As shown in Table 11 below, the level of correlation with proxy advisor recommendations varies according to the subject area. In respect to four categories (Audit/Financials, Changes to Company Statutes, Capital Management and Merger & Acquisition) we note a high level of correlation on average (98.14%). The correlation with our proxy advisor drops to an average of 81.12% on a second group of more divisive topics (compensation, board related), with the lowest rate being 77.27% on Compensation.

Finally, we record a correlation with our proxy advisor of 53.85% on environmental resolutions proposed by management (we did not encounter social resolutions proposed by management during 2023) and 33.21% on environmental, social and governance resolutions proposed by shareholders.

Table 11: Correlation by topic between Generali Group votes and Glass Lewis recommendations

	2023	2022	2021
Meeting Administration & Other	100.00%	90.66%	88.77%
Audit/Financials	99.66%	98.37%	99.71%
Capital Management	99.22%	99.05%	98.65%
Changes to Company Statutes	97.61%	98.50%	98.22%
Merger & Acquisition	96.08%	100.00%	96.83%
Board Related	84.96%	86.48%	86.03%
Compensation	77.27%	78.15%	80.22%
Environmental management proposals	53.85%	66.67%	68.42%
ESG shareholder proposals	33.21%	37.66%	51.08%
Social management proposals*	0.00%	0.00%	0.00%

*During 2023 we have not encountered management proposals on social topics

Table 12 represents the level of correlation with our proxy advisor by Country, we see as our votes at U.S. meetings are the most numerous (26.46%, right column) and have one of the lowest rates of convergency (76.42%, left column). The table is consistent with 2022 and 2021 data.

Table 12: Correlation by Country between Generali Group votes and Glass Lewis recommendations

	2023		2022		2021	
	Correlation with GL recommendations	Weight on total GL correlations	Correlation with GL recommendations	Weight on total GL correlations	Correlation with GL recommendations	Weight on total GL correlations
United States	76.42%	26.46%	76.92%	27.88%	79.08%	28.16%
United Kingdom	91.97%	15.24%	93.68%	14.58%	93.34%	16.83%
Japan	95.16%	14.83%	94.56%	16.48%	94.55%	12.13%
France	90.59%	9.05%	93.54%	10.68%	91.46%	10.95%
Spain	94.24%	5.81%	95.21%	6.11%	96.63%	5.65%
Germany	89.24%	5.30%	96.53%	3.18%	97.17%	3.69%
Canada	80.32%	4.02%	86.70%	1.54%	86.06%	4.15%
Italy	74.85%	3.38%	82.97%	3.04%	82.43%	3.28%
Ireland	88.18%	2.32%	97.05%	2.02%	92.71%	3.31%
Netherlands	77.22%	1.93%	76.16%	2.75%	84.11%	2.75%
Australia	88.19%	1.86%	86.81%	2.08%	82.63%	1.58%
Romania	93.03%	1.66%	87.88%	0.25%	N.A.	N.A.

	2023		2022		2021	
	Correlation with GL recommendations	Weight on total GL correlations	Correlation with GL recommendations	Weight on total GL correlations	Correlation with GL recommendations	Weight on total GL correlations
Hong Kong	91.41%	1.61%	86.25%	1.21%	92.55%	0.78%
Luxembourg	94.35%	1.48%	82.98%	4.45%	90.71%	3.77%
Norway	89.22%	1.32%	87.50%	1.47%	86.81%	0.71%
Poland	70.64%	0.68%	93.33%	0.25%	N.A.	N.A.
Finland	92.21%	0.63%	91.94%	0.50%	N.A.	N.A.
Hungary	87.14%	0.54%	N.A.	N.A.	N.A.	N.A.
Austria	95.24%	0.36%	N.A.	N.A.	87.50%	0.06%
Switzerland	100.00%	0.31%	N.A.	N.A.	77.78%	0.38%
Lithuania	100.00%	0.23%	60.00%	0.03%	N.A.	N.A.
Czech Republic	91.67%	0.20%	100.00%	0.01%	50.00%	0.02%
Kazakhstan	80.00%	0.18%	50.00%	0.02%	N.A.	N.A.
Jersey	95.00%	0.17%	87.10%	0.47%	90.70%	0.70%
Denmark	81.25%	0.12%	N.A.	N.A.	N.A.	N.A.
Korea. Republic of	91.67%	0.10%	100.00%	0.02%	N.A.	N.A.
Croatia	66.67%	0.05%	N.A.	N.A.	N.A.	N.A.
Estonia	100.00%	0.05%	N.A.	N.A.	N.A.	N.A.
New Zealand	100.00%	0.04%	100.00%	0.04%	N.A.	N.A.
Belgium	66.67%	0.04%	83.33%	0.09%	N.A.	N.A.
Portugal	80.00%	0.04%	100.00%	0.17%	95.00%	0.17%
Cayman Islands	N.A.	N.A.	90.91%	0.26%	92.11%	0.31%
Bermuda	N.A.	N.A.	96.67%	0.25%	85.51%	0.53%
Isle of man	N.A.	N.A.	100.00%	0.18%	N.A.	N.A.
Liberia	N.A.	N.A.	N.A.	N.A.	75.00%	0.11%

OUR VOTING BEHAVIOR

The Group believes that decisions taken at general meetings of investee companies are of utmost importance for the achievement of companies' long-term strategies. The Group adopts principles and criteria, including the consideration of material sustainability factors and risks, in the definition of voting decisions consistent with the interest of the Group and its clients.

Our voting principles are derived from internationally recognized best practices and include topics such as: shareholder rights, corporate bodies, remuneration policies, financial statements, disclosure of information and transparency, share transactions, environmental and social aspects, special provisions for listed companies with reduced market capitalization and unlisted companies, related party transactions, systemic and market risks relating to pandemic situations.

Effective from January 2023 onwards, we have extended our voting principles to cover general political and lobbying expenditures, we have added more granularity to environmental and social considerations (particularly on climate change mitigation and adaptation and diversity, equity & inclusion) and we have strengthened our expectations towards board oversight on ESG related matters.

A summary of our voting principles is available on the [responsible investments page](#) of Generali Group website.

On management recommendations

Governance topics represent the absolute majority of management resolutions. As consistently with past years, during 2023 we did not encounter management proposals on social topics, and only a handful (13) of environmental proposals (see dedicated section).

Customarily, management of the company expresses its opinion (recommendation) on how shareholders should vote on individual agenda items. We record 59.21% meetings where we cast at least one vote in opposition to management recommendations (61.19% in 2022, 57.50% in 2021).

Overall, in 2023 we agreed with the vote recommended by the management in 79.47% of the resolutions (82.08% in 2022, 83.19% in 2021). Convergence between management recommendations and our votes varies substantially according to subject area (Table 13) and Country of vote (Table 14).

In respect to subject area (Table 13), our votes diverge with management recommendations mostly on: i) ESG proposals by shareholders (correlation 1.54%), on compensation (correlation 66.14%) and on environmental resolutions proposed by management (correlation 47.06%). The low level of correlation on shareholder proposals is of no surprise, as (with few exceptions), it is common that management expresses a negative outlook on proposals submitted by shareholders. Data are substantially comparable with past years.

At Table 13 below, the column to the left recaps our level of correlation with management recommendations per topic, whereas the right column shows Glass Lewis correlation with management recommendations, providing an external point of reference that allows to better evaluate our level of independence.

Table 13: Correlation by topic between Generali Group votes and management recommendations and between Glass Lewis recommendations and management recommendations

	2023		2022		2021	
	Generali correlation with management recommendations	Glass Lewis correlation with management recommendations	Generali correlation with management recommendations	Glass Lewis correlation with management recommendations	Generali correlation with management recommendations	Glass Lewis correlation with management recommendations
Audit/Financials	92.93%	92.87%	91.91%	90.39%	92.19%	92.14%
Capital Management	92.23%	92.45%	93.78%	93.67%	94.20%	94.09%
Meeting Administration & Other	89.90%	92.42%	89.97%	92.39%	85.26%	92.04%
Board Related	84.00%	93.06%	85.96%	94.74%	84.40%	95.30%
Merger & Acquisition	76.47%	80.39%	92.59%	92.59%	98.41%	95.24%
Compensation	66.14%	84.15%	66.25%	82.91%	72.92%	86.43%
Changes to Company Statutes	63.02%	63.82%	89.32%	89.32%	95.85%	94.66%
Environmental management proposals	61.54%	69.23%	74.07%	77.78%	78.95%	57.89%
ESG shareholder proposals	1.54%	61.80%	1.05%	56.28%	11.89%	54.05%
Social management proposals	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

*During 2023 we have not encountered management proposals on social topics

Regarding the breakdown of the correlation of our votes with management recommendation by Country (Table 14), when analyzing the level of correlation, we note that we cast the largest number of votes in United States (26.84%, right column), but the votes expressed have one of the lowest degrees of correlation (71.85%, left column).

Generally, we deem the differences of ratios among categories / Countries in the tables below to be affected by a combination of the following formal and substantial factors: i) local diffusion of certain voting topics (e.g. ESG shareholder proposals in U.S.A.); ii) different local practices in the presentation of agenda items (e.g. individual votes on remuneration in France, election of Directors by slates in Italy); i) cultural factors leading to different local best practices (e.g. anglosphere vs mainland Europe Countries). The data are consistent with 2022 and 2021.

Table 14: Correlation by Country between Generali Group votes and management recommendations

	2023		2022		2021	
	Correlation with management recommendations	Weight on total management correlations	Correlation with management recommendations	Weight on total management correlations	Correlation with management recommendations	Weight on total management correlations
United States	71.85%	26.84%	71.88%	27.57%	74.17%	27.83%
United Kingdom	91.86%	16.42%	93.01%	15.32%	93.09%	17.68%
Japan	91.69%	15.42%	94.01%	17.33%	92.31%	12.48%
France	69.72%	7.52%	80.25%	9.70%	78.80%	9.94%
Spain	91.07%	6.05%	92.75%	6.30%	94.48%	5.82%
Germany	85.50%	5.48%	93.60%	3.26%	86.79%	3.48%
Canada	76.42%	4.13%	84.24%	1.59%	83.27%	4.23%
Italy	64.05%	3.12%	73.86%	2.86%	77.93%	3.27%
Ireland	96.28%	2.73%	96.20%	2.12%	92.21%	3.47%
Netherlands	74.73%	2.01%	69.34%	2.65%	78.36%	2.70%
Australia	84.39%	1.91%	82.42%	2.09%	82.16%	1.65%
Romania	76.12%	1.46%	78.79%	0.24%	N.A.	N.A.
Hong Kong	72.22%	1.37%	75.63%	1.12%	70.21%	0.62%
Luxembourg	81.44%	1.30%	85.94%	1.53%	86.81%	0.75%
Norway	67.89%	0.71%	86.67%	0.24%	N.A.	N.A.
Poland	92.21%	0.68%	90.32%	0.52%	N.A.	N.A.
Finland	71.43%	0.48%	N.A.	N.A.	N.A.	N.A.
Hungary	27.12%	0.46%	71.52%	4.06%	85.53%	3.74%
Austria	95.24%	0.38%	N.A.	N.A.	100.00%	0.08%
Switzerland	74.29%	0.25%	N.A.	N.A.	79.63%	0.41%
Lithuania	96.15%	0.24%	60.00%	0.03%	N.A.	N.A.
Czech Republic	92.00%	0.22%	50.00%	0.02%	N.A.	N.A.
Kazakhstan	87.50%	0.20%	100.00%	0.01%	100.00%	0.04%
Jersey	95.00%	0.18%	87.10%	0.50%	93.02%	0.76%
Denmark	75.00%	0.11%	N.A.	N.A.	N.A.	N.A.
Korea, Republic of	100.00%	0.11%	100.00%	0.02%	N.A.	N.A.
Croatia	100.00%	0.06%	N.A.	N.A.	N.A.	N.A.
Estonia	55.56%	0.05%	N.A.	N.A.	N.A.	N.A.
New Zealand	80.00%	0.04%	100.00%	0.04%	N.A.	N.A.
Belgium	80.00%	0.04%	89.47%	0.16%	90.00%	0.17%
Portugal	50.00%	0.03%	66.67%	0.07%	N.A.	N.A.
Cayman Islands	N.A.	N.A.	81.82%	0.25%	86.84%	0.31%
Bermuda	N.A.	N.A.	76.67%	0.21%	73.91%	0.48%
Isle of man	N.A.	N.A.	100.00%	0.19%	N.A.	N.A.
Liberia	N.A.	N.A.	N.A.	N.A.	75.00%	0.11%

On shareholder resolutions

The Group recognizes the impact of shareholder proposals in instigating policy adjustments, improving transparency, and divulging significant aspects of a company's operations. We are inclined to endorse resolutions addressing vital sustainability concerns, such as climate change and human rights to stimulate transparency and dialogue, even if we do not fully endorse every aspect of the resolution's content. In cases where we find no compelling reasons to support a shareholder resolution, we may abstain, as this would still be unsupportive to the proponent shareholder, without necessarily opposing to their right of engaging with investee companies.

In our approach, we have been generally supportive of shareholder resolutions. Out of 521 shareholder proposals, we supported 76% (396) of the resolutions. We opposed to 2.49% (13) and abstained in 21.49% (112) of the cases. In recent years, the volume of shareholder resolutions has constantly increased. In our records, we recall 521 in 2023, versus 479 in 2022 and 377 in 2021.

The graphs below show how the growth of shareholder resolutions in the last three years is generalized across environmental, social and governance factors and remains a North America phenomenon.

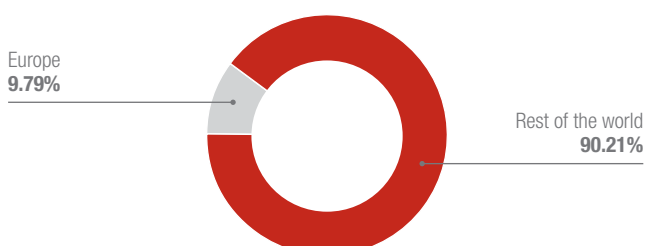
Table 15: Distribution of shareholder resolutions per topic (Environmental, Social, Governance)

	2023	2022	2021
Environmental	110	79	54
Social	176	194	94
Governance	235	206	229
TOTAL	521	479	377

Table 16: Distribution of shareholder resolutions by geographic area














	2023	2022	2021
United States	394	401	312
Canada	43	15	19
Japan	26	15	10
Romania	18	2	0
Norway	9	10	11
France	8	6	4
Australia	6	17	10
United Kingdom	6	5	7
Italy	4	3	1
Germany	3	1	2
Austria	1	0	0
Hungary	1	0	0
Kazakhstan	1	0	0
Lithuania	1	1	0
Finland	0	1	0
Poland	0	1	0
Spain	0	1	0
Portugal	0	0	1

Table 16.1: Distribution of shareholder resolutions by geographic area



On most significant votes

For 2023, for the disclosure requirement outlined in Article 3 octies para. 1(b) of the SRD II directive, we have identified 253 votes deemed most significant, in 160 meetings (in 2022, 258 resolutions in 133 meetings and in 2021, 195 resolutions at 113 meetings). The following table recaps our most significant votes per topic.

Topic	Most significant votes (For/Agains/Abstain)	Positive results	Materiality Matrix	SDGs	PAIs
Climate change	50 (46/4/0)	N.A.	Climate change	 	#1-6
Biodiversity	6 (6/0/0)	N.A.	Biodiversity degradation, Resource scarcity and sharing economy	   	#7-9
Gender DE&I	92 (12/80/0)	N.A.	Women and minorities Inclusion	 	#12-13
Monitoring and promotion of good business practices	105 (82/9/14)	12 (6 on shareholder rights, 1 on workers safety, 1 on union rights, 4 not passed management remunerations)	Transparency and purpose-driven businesses Digital revolution and cybersecurity Geopolitical and financial instability Regulatory complexity Women and minorities inclusion Polarization of lifestyles	    	#10-11
Total	253 (146/93/14)				

In previous years, we considered all votes broadly falling under topics covered by the Group Materiality Matrix as “most significant”. In 2023, we maintained the same level of disclosure while enhancing the identification criteria, by focusing our disclosure on votes relevant to mitigating the principal adverse impacts of our investments, aligning with the spirit of SFDR regulation 2019/2088. The following criteria have been applied to identify the “most significant votes” for 2023:

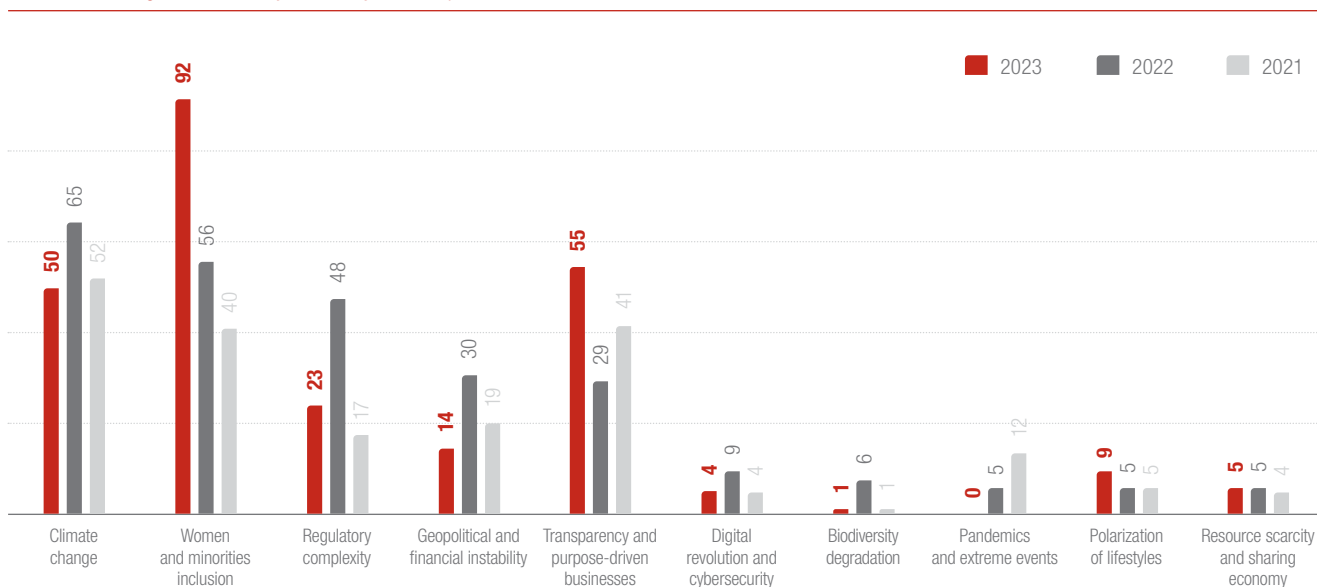
- votes on resolutions proposed by management on topics that are strategic for Generali (e.g. say on climate, board gender diversity);
- resolutions proposed by the management that, with the contribution of Generali Group vote, have failed to be approved by the majority of shareholders (e.g. failed say-on-pay) or, conversely, shareholder proposals that have been approved by the majority of shareholders;
- votes on resolutions proposed either by shareholders or management, on topics that are strategic for Generali and that have been considered important by the investors initiatives we are member in (UN PRI, Climate Action 100+) or by prominent public representation stakeholders (ShareAction)¹.

¹ Generali Group signed up to the Principles for Responsible Investment (PRI) in 2011. Within PRI, signatories have access to a network that allows investors to share best practices and collaboration. Reference is here made to resolutions filed or co-filed by PRI signatories flagged in [PRI Resolution Database](#) as of YE 2023. The Climate Action 100+ initiative flags shareholder proposals and other votes aligned with the goals of the initiative for investors to take into consideration during proxy season. In the context of the initiative, Generali Group is among the lead investors and, pursuant to its terms of reference, should report on votes and rationale in respect to flagged shareholder proposals (reference: CA100+ flagged votes published on [CA100+ website](#) as of end of December 2023). ShareAction has collated a list of key resolutions in 2023 considered a priority for investors in the 2023 proxy voting season. The list covers a range of important environmental and social issues and is used to measure asset manager performance in the upcoming proxy voting season and is reported in their publication [Voting Matters 2023](#).

As depicted in the graph below, the 253 most significant resolutions we voted on have contributed to advancing 9 out of 17 megatrends identified in the Matrix. Concerning strategic topics for the Generali Group, comparing to past years, it is notable that, while the level of significant resolutions addressing Climate change has remained stable, there has been a significant increase in resolutions focusing on Women & minorities, attributed to the update of our voting principles in January 2023.

The increase of the votes on the matter of Transparency and purpose-driven businesses is mainly attributable to our improved disclosure of votes on board accountability (22 in 2023), while the decline on Regulatory complexity and Geopolitical and financial instability is due to the fact that this year less resolutions have been flagged as significant.

Table 17: Most significant votes by Materiality Matrix topic



The charts presented below provide most significant votes throughout the years, categorized by proponent and topic.

Table 18: Breakdown by proponent and topic of most significant votes

Proponent	2023	2022	2021
Management	46.64%	15.89%	25.13%
Shareholders	53.36%	84.11%	74.87%

Breakdown by topic for 2023	Management Proposal	Shareholder Proposal
Portfolio decarbonization	12	38
Biodiversity	1	5
Gender diversity, equity and inclusion	80	12
Good business practices	25	80
TOTAL	118	135

Table 19: Breakdown by Country of most significant votes

	2023	2022	2021
United States	176	193	124
United Kingdom	14	15	14
Australia	7	12	5
Norway	2	9	10
Canada	14	8	16
France	8	6	3
Spain	8	4	8
Japan	11	4	3
Italy	1	1	5
Portugal	0	1	1
Bermuda	0	1	0
Luxembourg	0	1	0
Netherlands	8	0	2
Ireland	1	0	1
Jersey	0	0	1
Belgium	1	0	0
Cayman Islands	1	0	0
Germany	0	3	2
Romania	1	0	0
TOTAL	253	258	195

Overall, we supported 57.70% (146) of the resolutions. We opposed to 36.75% (93) and abstained in 5.66% (14) of the cases. The opposition votes are mainly due to our strategic votes on board diversity.

Convergency of our most significant votes to management recommendations is 7.90% in 2023 (9.30% in 2022 and 25.13% in 2021). The convergency of our most significant votes with recommendations of our proxy advisor is 42.68% in 2023 (43.63% in 2022 and 52.31% in 2021).

APPENDIX

LIST OF VOTING ENTITY ABBREVIATIONS

AllAss	Alleanza Assicurazioni S.p.A.
AllAssPF	Almeglio – Fondo pensione aperto Alleanza a contribuzione definita
AG	Assicurazioni Generali S.p.A.
CajaVid	Cajamar Vida S.A. de Seguros y Reaseguros
CajaPF	Each of the following: Fondocajamar III, Fondo de Pensiones Fondocajamar IV, Fondo de Pensiones Fondocajamar V, Fondo de Pensiones Fondocajamar VI, Fondo de Pensiones Fondocajamar IX, Fondo de Pensiones Fondocajamar X, Fondo de Pensiones Fondocajamar XI, Fondo de Pensiones
DifAutSin	D.A.S. Difesa Automobilistica Sinistri - S.p.A. Di Assicurazione
EurAssFr	Europ Assistance S.A.
EurAssIt	Europ Assistance Italia S.p.A.
GenEsp	Generali Espana S.A. de Seguros y Reaseguros
GenEspPF	Each of the following: Generali Uno, Fondo de Pensiones Generali Dos, Fondo de Pensiones Generali Cuatro, Fondo de Pensiones Generali Empleo Uno, Fondo de Pensiones Generali Empleo Tres, Fondo de Pensiones Generali Previsión, Entidad de Previsión Social Voluntaria
GenIar	Generali Iard S.A.
GenIta	Generali Italia S.p.A.
GenItaPF	Generali Global - Fondo pensione aperto a contribuzione definita
GenVie	Generali Vie S.A.
Gtel	Genertel S.p.A.
GTellif	Genertellife S.p.A.
GFACar	GFA Caraibes
GenResFund	Generali reserved funds
Lequ	L'Equite SA Cie d'Assurances et Reass. Contre les risques de toute nature

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GLOSSARY

Active Ownership

The use of the rights and position of ownership to influence the activities or behaviour of investee companies. Active ownership can be applied differently in each asset class. For equity investments, it includes engagement and voting activities.

Activist investor

Individual or group that buys a significant stake in a public company in order to influence how the company is run.

Agenda

The proposals presented by an Issuer to be voted on by shareholders.

Annual Report

Report that is prepared annually to display summary of financial information.

Asset owner

Who owns investments and bears the related risks.

Beneficial Owner

True owner of securities that may be issued or registered in the name of another, such as a nominee.

Carbon footprint

Carbon emissions for a portfolio normalized by the market value of the portfolio, expressed in tons CO₂e/€ million invested.

Carbon offsetting

Broadly refers to a reduction in greenhouse gas emissions – or an increase in carbon storage (e.g., through land restoration or the planting of trees) – that is used to compensate for emissions that occur elsewhere.

Carbon credits

Any tradable certificate or permit representing the right to emit one tonne of carbon dioxide or the equivalent amount of a different greenhouse gas.

Climate Action 100+

Investor initiative to ensure the world's largest corporate greenhouse gas emitters take necessary action on climate change. Investors are calling on companies to improve governance on climate change, curb emissions and strengthen climate-related financial disclosures.

Climate change

ESG factor material to the Group's strategy and considering stakeholders' expectations; it refers to global warming due to the emissions rise of greenhouse gases coming from human activities, which is intensifying extreme natural events such as floods, storms, rise in sea level, drought, wildfire and heat waves, with repercussions on the natural ecosystems, human health and the availability of water resources. The policies and efforts required to limit global warming to below 1.5 °C through the decarbonisation of the economy will lead to radical changes in the production and energy systems, transforming especially carbon-intensive activities, sectors and countries and encouraging the development of clean technologies. As effective as these efforts may be, some changes will be inevitable, therefore making strategies to adapt and to reduce the vulnerability to the changing climate conditions necessary.

Companies of the coal sector

If identified as issuers of the coal sector:

- companies for which over 20% of revenues derive from coal;
- companies for which over 20% of electricity's production derive from coal;
- companies for which the installed coal electricity generation capacity is greater than 5 GW;
- companies that extract more than 10 million tons of coal per year;
- companies actively involved in building new coal capacity (coal plants) for an output exceeding 0,3 GW.

If identified as customers of the coal sector:

- companies for which over 30% of revenues derive from coal;
- companies for which over 30% of electricity's production derive from coal;
- companies that extract more than 20 million tons of coal per year;
- companies actively involved in building new coal capacity (coal plants) as identified by Urgewald in its Top 120 Coal Plant Developers' list.

Companies of the tar sand sector

Companies whose revenues are at least 5% derived from tar sands' extraction or operators of controversial pipelines dedicated to tar sands' transportation.

COP15

Shorthand for the 15th meeting of the Conference of the Parties to the UN Convention on Biological Diversity (CBD), a two-week summit that took place in Montreal, Canada, from December 7-19, 2022. At COP15, nations adopted the Kunming-Montreal Global Biodiversity Framework agreeing to conserve and manage at least 30 percent of the world's lands, inland waters, coastal areas and oceans. With emphasis on areas of particular importance for biodiversity and ecosystem functioning and services.

COP26

The 2021 United Nations Climate Change Conference, more commonly referred to as COP26, was the 26th United Nations Climate Change conference, held at the SEC Centre in Glasgow, Scotland, United Kingdom, from 31 October to 13 November 2021.

COP27

On 2022 the 27th Conference of the Parties to the United Nations Framework Convention on Climate Change (COP27) took place in November in Sharm el-Sheikh, Egypt.

Corporate bondholders meeting (or noteholders meeting)

Meeting among the holders of a corporate bond, convened pursuant to the terms of the debt.

Digital revolution and cybersecurity

ESG factor of high relevance to the Group's strategy and considering stakeholders' expectations; it refers to the technological innovations introduced by the fourth industrial revolution, including big data, artificial intelligence, the Internet of Things, automation, and block chain which are transforming the real economy and the social habits with the spread of services featuring a high level of customization and accessibility. The digital transformation requires new know-how and skills, resulting in a radical change of traditional jobs and in the appearance of new players on the market. The growth in complexity, interdependence, and speed of innovation of the new digital technologies are posing challenges associated with the security of IT systems and infrastructures.

Director

Individuals elected by the shareholders of a corporation who carry out certain tasks established in the charter.

Diversity and Inclusion Index, D&I Index

It measures the progress of the Group compared to Diversity & Inclusion 2021 ambitions, i.e. objectives set internally on gender, generations, cultures and inclusion through eight indicators: female managers, female talent, talent under the age of 35, new hired employees with average age less than 30 years, *Turn to The New Index*², talents with international experience, organizational entities with smart working policy and organizational entities with local action plans on disability.

Employees

All the Group direct people at the end of the period, including managers, employees, sales attendant on payroll and auxiliary staff.

Engagement

Long-term active interaction between investors and companies on environmental, social and governance factors. The outcome of the engagement efforts is communicated to analysts, portfolio managers and clients, enabling them to incorporate this information into their investment decisions.

² The training effort offered to employees by the Group is measured through the Turn to the *Turn to The New Index*.

Equal pay gap

Difference between females' and males' median base salary for comparable roles, comparing females and males belonging to the same job function and organizational level. It is calculated applying a Group common methodology as a percentage of the difference between females' salary minus males' salary for comparable roles, divided by the males' salary. If the result is positive, the gap shows that the gender female is the most compensated; vice-versa, if the result is negative, the gap shows that the gender male is the most compensated.

Equity investments

Direct investments in quoted and unquoted equity instruments, as well as investment funds, including private equity and hedge funds.

ESG

Acronym which qualifies aspects related to the environment, social and corporate governance.

EU Taxonomy

Classification system, establishing a list of environmentally sustainable economic activities. It could play an important role help the EU scale up sustainable investment and implement the European green deal. The EU taxonomy would provide companies, investors, and policymakers with appropriate definitions for which economic activities can be considered environmentally sustainable. In this way, it should create security for investors, protect private investors from greenwashing, help companies to become more climate-friendly, mitigate market fragmentation and help shift investments where they are most needed.

Gender pay gap

Difference between females' and males' median base salary across the entire organization regardless of the roles. It is calculated applying a Group common methodology as a percentage of the difference between females' salary minus males' salary, divided by the males' salary. If the result is positive, the gap shows that the gender female is the most compensated; vice-versa, if the result is negative, the gap shows that the gender male is the most compensated.

Generali Insurance Asset Management S.p.A. Società di gestione del risparmio (GIAM)

Generali Group asset manager specialized in the asset management of the insurance companies belonging to Assicurazioni Generali and pension funds.

Geopolitical and financial instability

ESG factor of high relevance to the Group's strategy and considering stakeholders' expectations; it refers to the weakening of multilateralism and of the traditional global governance mechanism that are leading to increased tension between countries and to the resurgence of trade protectionism and populism. Associated with the changing geopolitical balance - with complex cause and effect relationships - is the worsening of macroeconomic conditions and a scenario of a continuing lowering of interest rates. The weakening of the initiative of the traditional political institutions is compensated by the emergence of coalitions and global coordination mechanisms promoted by the private sector and civilian society.

Glass Lewis (Glass, Lewis & Co.)

An American proxy advisory services company. Glass Lewis provides governance services that support engagement among institutional investors and corporations through its research, proxy vote management and technology platforms.

Green and sustainable investments

Investments that support green and/or social projects, with the explicit aim of creating a positive impact and contributing to the United Nations Sustainable Development Goals.

Greenhouse gases, or GHGs

Compound gases that trap heat or longwave radiation in the atmosphere. Their presence in the atmosphere makes the Earth's surface warmer.

Increasing inequalities

ESG factor of high relevance to the Group's strategy and considering stakeholders' expectations; it refers to the growing gap in the distribution of wealth between social groups and - more in general - the polarisation in accessing self-determination opportunities. These trends are accompanied with a decline in social mobility, leading to a protracted permanence in the state of poverty and exclusion, mainly related to the socio-economic conditions of the household of origin.

Insurance exposure to fossil fuel sector

It refers to the underwriting of P&C risks related to companies of the coal sector and/or related to oil and gas exploration/extraction if not residual with respect to the main activity of the client.

Integrated report

Concise communication that illustrates how the strategy, governance, and future prospects of an organization, in the external environment in which it operates, are used to create value in the short, medium and long term.

International Energy Agency (IEA)

Paris-based autonomous intergovernmental organization established in the framework of the Organization for Economic Co-operation and Development in 1974 in the wake of the 1973 oil crisis.

Investor Leadership Network (ILN)

Launched at the 2018 G7 to facilitate and accelerate collaboration by leading global investors on key issues related to sustainability and long-term growth. As the leading network of investors taking action for people, planet and prosperity, the CEO-led group is composed of 13 global institutional investors representative of six countries, with over US\$9 trillion in assets under management.

Management proposal or resolution

An agenda item, submitted by management of a company.

Materiality Matrix

The Group Materiality Matrix (the "Matrix"), lastly updated in November 2020, identifies macro-trends that can have a significant economic, social, and environmental impact not only on Group's activities, but also that are perceived relevant by stakeholders, and therefore are addressed through strategic initiatives across Generali Business Units and functions.

Meeting date

Date a company holds its shareholder meeting.

Mathematical provisions

It is the amount that shall be set aside by the insurance company to meet its future obligations to policyholders.

Migrations and new households

ESG factor monitored by the Group; it refers to the migration phenomena and increased international mobility that are broadening the cultural diversity of the modern globalised societies and are transforming the preferences and market of the consumers, the workplace and the political debate. Also the profile of modern family is profoundly changing with a significant increase in households made up of only one person and in single-parent families due to greater women emancipation, growth in separations, longer life expectation and urbanisation. As a result, consumption habits, the distribution of resources and the social risk mitigation mechanisms are changing, and the vulnerability of the single-person households to situations of hardship - such as loss of employment or disease - is growing.

Net-Zero Asset Owner Alliance (NZ AOA)

International group of 69 institutional investors with US\$ 10.4 trillion assets under management, delivering on a bold commitment to transition their investment portfolios to net-zero greenhouse gas emissions by 2050, consistent with a maximum temperature rise of 1.5C degrees above pre-industrial temperatures.

Open pension fund

Scheme which provides retirement income, with no restriction on membership.

Pandemics and extreme events

ESG factor material to the Group's strategy and considering stakeholders' expectations; it refers to the fact that the population concentration and the deficiencies in population protection and emergency management mechanisms are increasing the risks associated with extreme events, such as earthquakes and tsunamis, pandemics and health emergencies as well as other man-made catastrophes such as technological, radiological incidents, and terrorism. A strengthening of the system to prevent, prepare for and respond to these events is required in order to increase the resilience of the affected territories and communities.

Principal Adverse Impacts (PAI)

A cornerstone of reporting under Sustainable Finance Disclosure Regulation (SFDR) 2019/2088 is the principal adverse impact (PAI) indicators, which are a set of metrics that intend to show how certain business investments affect the environment and broader community. PAIs are the most significant negative impacts of investments on the environment and people. When a financial market participant considers principal adverse impacts, it means that it should seek to reduce the negative impact of the companies they invest in.

Paris Agreement

International treaty on climate change, adopted in 2015. As of November 2021, 193 members of the United Nations Framework Convention on Climate Change (UNFCCC) are parties to the agreement. The Paris Agreement's long-term temperature goal is to keep the rise in mean global temperature to well below 2 °C (3.6 °F) above pre-industrial levels, and preferably limit the increase to 1.5 °C.

Polarization of lifestyle

ESG factor of high relevance to the Group's strategy and considering stakeholders' expectations; it refers to the enhanced awareness of the connection between health, living habits and the environmental, which is favouring the spread of healthier lifestyles, based on the prevention and proactive promotion of well-being, especially in the higher income and higher education social groups. Examples of this are the growing attention to healthy eating and to physical activity. However, amongst the more vulnerable social brackets, unhealthy lifestyles and behaviours at risk are continuing, if not actually increasing, with the spread of different forms of addiction (drugs, alcohol, tobacco, compulsive gambling, Internet and smartphone addiction), mental discomfort, sleep disorders, incorrect eating habits and sedentariness, with high human and social costs related to healthcare expenditure, loss of production and early mortality.

Proposal or resolution

An agenda item, submitted by management or by shareholder.

Proxy or agent

In law, substitute authorized to act for another entity or a document which authorizes the agent so to act and to put a person in place of them.

Proxy advisor (or proxy firm)

Provides services to shareholders to vote their shares at shareholder meetings of, usually, listed companies. The typical services provided include agenda translation, provision of vote management software, voting policy development, company research, and vote administration including vote execution.

Proxy fight (or proxy contest, proxy battle, proxy war)

Effort by the shareholder or group of shareholders of a corporation to convince other shareholders to cast their corporate votes the way the urging shareholders prefer, often in opposition to other shareholders or to management recommendations.

Proxy solicitor

Specialist a firm hired to help issuers gather proxy votes. Proxy Solicitors utilize shareholder lists to proactively contact shareholders to explain proposals and encourage voting. Ultimately, the solicitor's job is to increase the shareholder vote.

Proxy voting

Form of voting whereby a member of a decision-making body may delegate his or her voting power to a representative, to enable a vote in absence.

Regulatory complexity

ESG factor of high relevance to the Group's strategy and considering stakeholders' expectations; it refers to the increase in the production of laws and regulatory mechanisms especially for the financial sector, to regulate its complexity and to share the fight against illegal economic activities with the sector's participants. Therefore, the costs for guaranteeing regulatory compliance and the need for greater integration and simplification of the governance systems are increasing.

Resolution or proposal

An agenda item, submitted by management or by shareholder.

Resource scarcity and sharing economy

ESG factor of high relevance to the Group's strategy and considering stakeholders' expectations; it refers to the increase in world population and the excessive exploitation of natural resources such as soil, land water, raw materials and food resources that make the transition to circular and responsible consumption models necessary as they reduce the resources use and the waste production. Technological innovation and the spread of more sustainable lifestyles encourage the spread of new consumption and production patterns based on reuse and sharing, such as car sharing, co-housing, co-working and crowdfunding.

Science Based Target initiative (SBTi)

Collaboration between the Carbon Disclosure Project (an international non-profit organisation based in United Kingdom), the United Nations Global Compact, World Resources Institute and the Worldwide Fund for Nature. Since 2015 more than 1,000 companies joined the initiative to set a science-based climate target.

ShareAction

ShareAction is a UK registered charity that promotes Responsible Investment. ShareAction aims to improve corporate behaviour on environmental, social and governance issues. The charity has launched numerous campaigns, building capacity among savers, charities, unions, faith groups and other civil society organisations to engage with investors to bring about change. ShareAction's work recognises that the money individuals and organisations put into the investment system funds global corporations, who in turn have the power to change business practices that are harmful to people or the environment.

Shareholder

Individual(s) owning securities in a company.

Shareholder proposal or resolution

A resolution submitted by a shareholder, to be voted in the agenda.

Shareholder Rights Directive II (SRD II)

European Union (EU) directive, which sets out to strengthen the position of shareholders and to reduce short termism and excessive risk taking within companies traded on EU regulated markets (Directive (EU) 2017/828 of the European Parliament and of the Council of 17 May 2017 amending Directive 2007/36/EC as regards the encouragement of long-term shareholder engagement).

Sustainability

Broad policy concept in the global public discourse and is thought to consist of at least three main "dimensions" or "pillars": the environmental, economic and social dimension.

Sustainable Finance Disclosure Regulation (SFDR)

EU Regulation 2019/2088 is a transparency framework established by the European Union. Its purpose is to ensure that financial market participants and advisers disclose information related to sustainability risks, impacts, and objectives to end investors. This regulation applies to various types of financial products and services, including UCITS, AIFMs, IORPs, PEPPs, insurance, and investment advice. By setting out these disclosure requirements, the SFDR assists investors who seek to make informed choices by putting their money into companies and projects that support sustainability objectives.

Taxonomy

See EU Taxonomy.

Transparency and purpose-driven businesses

ESG factor of high relevance to the Group's strategy and considering stakeholders' expectations; it refers to the fact that key stakeholders of companies - such as investors, consumers and employees, especially in Europe and with particular reference to the Millennial - are ever more attentive and demanding on the purpose and the sustainability practices of companies. Also, the regulatory requirements for companies in terms of reporting and transparency are increasing, making it increasingly essential that a company demonstrate its ability to create value for all of its stakeholders, going beyond the shareholders. The growing number of benefit companies, cooperatives and social enterprises stands as proof of this trend.

Third-Party Assets Under Management, TP AUM

Assets managed by the Group on behalf of its institutional and retail clients, insurance companies and pension funds.

Unmediated access to information

ESG factor monitored by the Group; it refers to the increasing speed, ease and amount of information shared between people, governments and companies thanks to the diffusion of new communication technologies, social media and web platforms. In this way, knowledge is increasingly accessible, multi-directional, intergenerational and on a global scale, and is transforming how people form opinions and mutually influence each other. The traditional sources of information, such as newspapers, schools, parties and religious institutions, are undergoing a resizing of their role in mediating knowledge, with consequences for control of the reliability of the information circulated and for manipulating public opinion, as evidenced by the fake news phenomenon.

Unit-linked fund

Investment fund that is linked to a plan issued by an insurance company, divided into equal units. When policyholders put money into their investment, they buy units from the company. When policyholders withdraw money from the fund, they sell their units back to the company.

UNEP FI Principles for Sustainable Insurance Initiative)

Launched at the 2012 UN Conference on Sustainable Development, the United Nations Environment Programme Finance Initiative (UNEP FI) Principles for Sustainable Insurance (PSI) serve as a global framework for the insurance industry to address environmental, social and governance risks and opportunities. Endorsed by the UN Secretary-General, the Principles have led to the largest collaborative initiative between the UN and the insurance industry—the PSI Initiative. Over 200 organisations worldwide have adopted the four Principles for Sustainable Insurance, including insurers representing more than 25% of world premium volume and USD 14 trillion in assets under management. The Principles are part of the insurance industry criteria of the Dow Jones Sustainability Indices and FTSE4Good. The vision of the PSI Initiative is of a risk aware world, where the insurance industry is trusted and plays its full role in enabling a healthy, safe, resilient and sustainable society. The purpose of the PSI Initiative is to better understand, prevent and reduce environmental, social and governance risks, and better manage opportunities to provide quality and reliable risk protection.

United Nations Framework Convention on Climate Change (UNFCCC)

The convention established an international environmental treaty (effective: 21 March 1994) to combat “dangerous human interference with the climate system”, in part by stabilizing greenhouse gas concentrations in the atmosphere. The 2021 United Nations Climate Change Conference, more commonly referred to as COP26, was the 26th UNFCCC conference, held at the SEC Centre in Glasgow, Scotland, United Kingdom, from 31 October to 13 November 2021 (and the third meeting of the parties to the 2015 Paris Agreement, and the 16th meeting of the parties to the Kyoto Protocol).

United Nations Global Compact (UNGC)

Non-binding United Nations pact to encourage businesses and firms worldwide to adopt sustainable and socially responsible policies, and to report on their implementation.

United Nations Global Compact Women’s Empowerment Principles (WEPs)

Set of Principles offering guidance to business on how to promote gender equality and women’s empowerment in the workplace, marketplace, and community.

United Nations Intergovernmental Panel on Climate Change (UN IPCC)

Intergovernmental body of the United Nations responsible for advancing knowledge on human-induced climate change.

United Nations Principles for Responsible Investment (UN PRI or PRI)

United Nations-supported international network of investors working together to implement Principles for Responsible Investment, often referenced as “the Principles”. Its goal is to understand the implications of sustainability for investors and support signatories to facilitate incorporating these issues into their investment decision-making and ownership practices. In implementing these principles, signatories contribute to the development of a more sustainable global financial system.

United Nations Sustainable Development Goals (or Global Goals, or UN SDGs)

17 objectives contained in the 2030 Agenda for sustainable development, launched by the United Nations.

Urbanization

ESG factor monitored by the Group; it refers to the trend of human population concentrating in urban areas. Today over 70% of Europeans live in cities, and the amount should rise to above 80% by the year 2050. At the same time, over the years land consumption to convert natural land into urbanised areas has accelerated. Together with their expansion, the cities find themselves having to take up increasingly urgent challenges, such as social inclusion in the outskirts and the lack of adequate housing, congestion and air pollution. Considerable investments will therefore be necessary for urban regeneration and to modernise infrastructure and mobility systems based on a more sustainable planning.

Women and minorities inclusion

ESG factor of high relevance to the Group’s strategy and considering stakeholders’ expectations; it refers to the growing demands for greater inclusion and empowerment of the diversities related to gender, ethnic group, age, religious belief, sexual orientation and disability conditions in the various areas of social life, from the workplace to that of political representation and public communication. The topic of women empowerment and reducing the gender pay and employment gaps has taken on particular emphasis. However, in the face of these trends an increase in forms of intolerance, social exclusion and violence is noted, particularly against women, ethnic and religious minorities, immigrants and LGBTI+ people and those with mental-physical disabilities, especially in the lower income and lower education social brackets.

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The document is available on
www.generali.com

Concept, design & illustrations
Loud Adv

