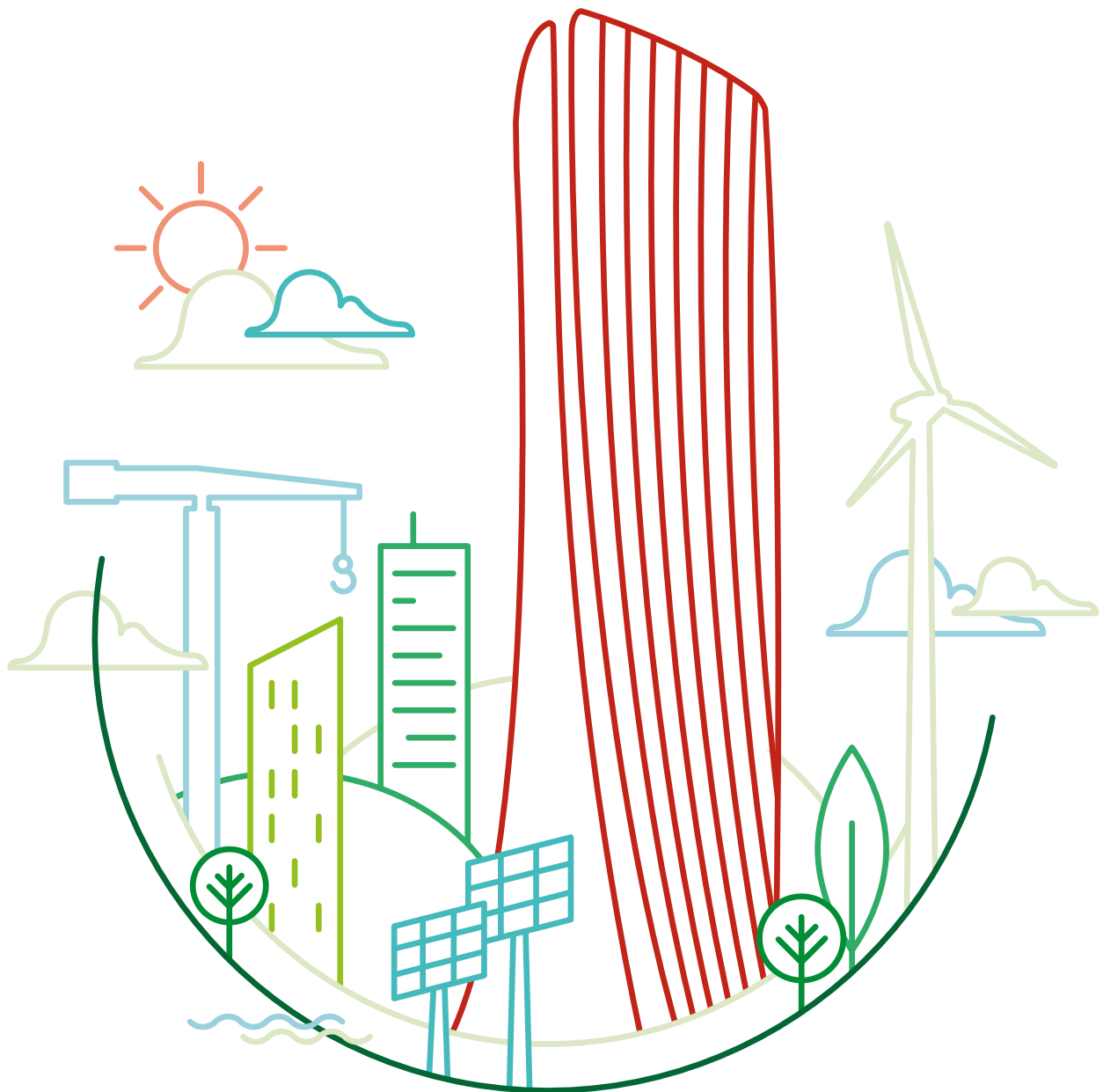


190th year

Green Bond Report 2021

Issuance 2020



190th year

Green bond Report 2021

Issuance 2020

This document has been prepared by Assicurazioni Generali (“Generali”) for information purposes only. The data and information contained therein may be limited or incomplete and, in this regard, Generali makes no representations or warranties regarding the accuracy and completeness of the same, nor there is any obligation on Generali to rectify or update such data and information. This document also contains information relating to securities issued by Generali which are of a purely informative in nature and does not constitute, nor it can be interpreted as, an offer to subscribe or to sell, or as an offer to purchase or exchange, nor as a solicitation or invitation to purchase, sell or subscribe any security, or to negotiate any financial product, expressly including the securities mentioned in this document; nor shall there be any sale of such securities in the United States of America and in any other jurisdiction in which such offer, solicitation or invitation to purchase would be unlawful.

Furthermore, please note that the information referred to in this document is not provided for, or intended to be directed at, any person in the United States of America or any U.S. person, or any person in any other jurisdiction (such as Canada, Japan and Australia) where the dissemination of such information is not authorized without the specific approval of the local authorities or is otherwise unlawful.

Finally, we inform you that in no circumstance Generali or its affiliates will be liable for any losses, damages, liabilities or costs suffered by third parties which are supposed to have resulted from the use of the information contained in this document, including, without limitation, direct, indirect, special or consequential damages.



www.generali.com for investor presentations, financial statements and any other relevant document for further information on Generali

Index

8 Generali at a glance

9 Generali's approach to sustainability

11 Our strategy on climate change

13 Focus on Generali Real Estate**15 Focus on Generali Global Infrastructure****18 Allocation of the Green Bond proceeds**

18 Generali Sustainability Bond Framework in a nutshell

20 Process for asset evaluation and selection

21 Overall Allocation

22 Allocation - Real Estate

30 Allocation - Infrastructure

32 Impact Evaluation**33 Methodological notes**

33 Methodological note - Generali Real Estate

34 Methodological note - Generali Global Infrastructure

35 Independent Auditors' Report on the Green Bond Report

37 Contacts

“

Sustainable practices are real and tangible, and at Generali, we embed them into everything we do. In 2020, we moved forward with our commitment to sustainability by issuing a second Green Bond that was well-received by investors, replicating the success of the previous one - the first Green Bond ever issued by a European insurer.

”

Philippe Donnet - Group CEO

Our Sustainable finance journey

25 MAY 2018

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

19 SEPTEMBER 2019



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

14 JULY 2020



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

16 SEPTEMBER 2019

The Generali Group published its **first Green Bond Framework**. Elaborate in the first part of 2019, the Green Bond Framework is a complementary and consistent step, to further support the tangible development of the green bond market in Europe.

24 FEBRUARY 2020

The Generali Group developed its **first Green Insurance Linked Securities Framework**, in line with the Group sustainability strategy.



<https://www.generali.com/investors/debt-ratings/sustainability-bond-framework>
for the Generali Sustainability Bond Framework

13 NOVEMBER 2020

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

24 JUNE 2021



The Generali Group issued its first Sustainability Bond worth € 500 million, issued in the form of a “sustainability bond” in accordance with its Sustainability Bond Framework. This new format confirms Generali’s leading position on sustainability matters.

15 JUNE 2021

The Generali Group developed its first Sustainability Bond Framework¹. The Generali’s Sustainability Bond Framework represents a new umbrella framework for issuing future Green Bonds, Social Bonds and Sustainability Bonds. It embeds our previous Green Bond Framework. The Sustainability Bond Framework enhances Generali’s Sustainability commitments and highlights its leadership role.

25 JUNE 2021

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

The **Generali Sustainability Bond Framework**, based on the Green Bond Framework, illustrates the commitment to sustainability, which is a crucial focal point of the business. It outlines that the use of proceeds is governed both by green eligibility and ESG exclusion criteria, which are consistent with the Generali SRI Guidelines. An amount equivalent to the net proceeds of the Green Bond issuance was exclusively used to refinancing or financing real estate assets and renewable energy infrastructures projects. The Green Bond contributed to avoid GHG emissions of 28,514 tCO₂e per year. The Generali Green Bond Report alignment with the Generali Green Bond Framework, included in the Sustainability Bond Framework was verified by EY (external auditor).

¹ For more details see page 18 of this report.

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

#1 European insurance company

having issued two Green Bonds, one in 2019 and one in 2020

€ 600 mln Green Bond maturing in 2031

Green Bond included in the Bloomberg Barclays MSCI Green Bond Index

Net proceeds

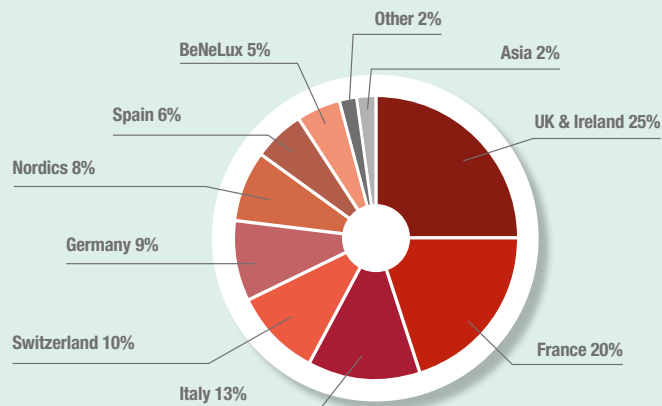
from the issuance in July 2020

Fully allocated to:

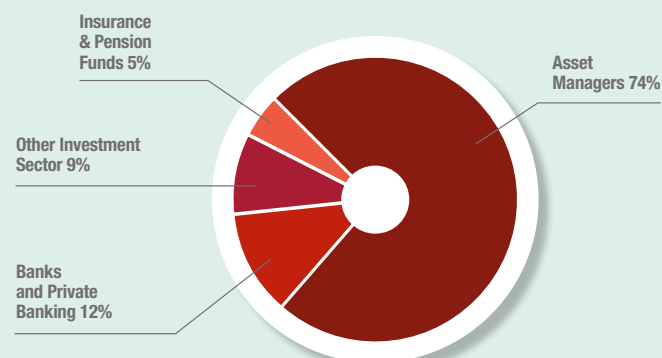
- *Green Buildings*
Acquisition and retrofitting projects
- *Renewable energy projects*
Wind and Solar

GHG emissions avoided 28,514 tCO₂e
Avoided emissions per € mln invested: 47.5 tCO₂e/€ mln

Investors' allocation by geography



Investors' allocation by investor type



ACQUISITIONS ALLOCATION

Sono West
Frankfurt, Germany

LEED Gold



COEUR Marais
Paris, France

HQE Excellent



Fhive
Paris, France

HQE Excellent



RETROFITTINGS ALLOCATION

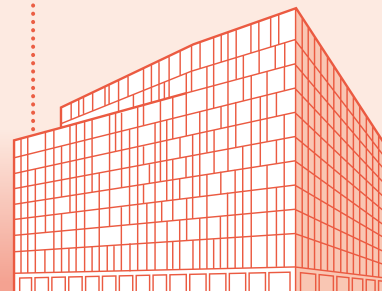
Palazzo Berlam
Triest, Italy

Verified by SIMM



Viale della Liberazione, 16
Milan, Italy

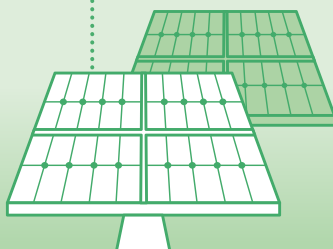
Verified by RINA



INFRASTRUCTURE ALLOCATION

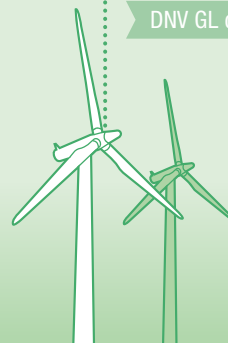
**Solar
Projects Portfolio**
Spain

S&P certification



**Wind
Projects Portfolio**
Portugal

DNV GL certification

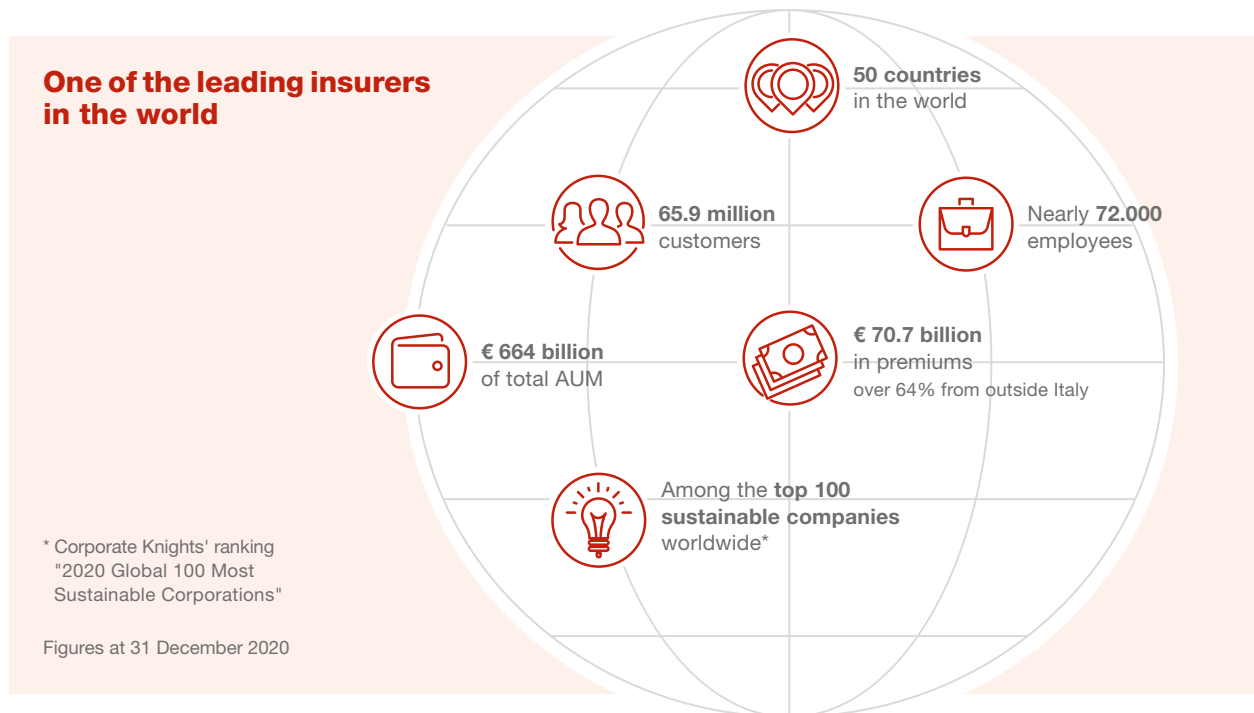


Please refer to the section "Impact Evaluation" for further information on Green Bond impacts

Generali at a glance

Generali is a major player in the global insurance industry, a strategic and highly important sector for the growth, development and welfare of modern societies. In almost **200 years of history**, Generali has built a multinational group that is present in **50 countries**, with more than **400 companies** and over **70,000 employees**. The Generali Group aims to become the standard setter and industry leader in the European retail insurance market.

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



Since the very beginning, our strong international vocation has set us apart and is one of our greatest strengths. Generali is geographically diversified with a balance between mature markets in Western Europe, markets with high growth prospects (Eastern Europe), emerging markets in Asia and Latin America. Generali³ is the largest insurer in Italy, the second largest in Germany, the third largest in Austria and in France ranked eighth in both life and P&C segments. In Central and Eastern Europe, Generali is an undisputed leader in terms of profitability, with a combined ratio among the best in the sector, and occupied top three positions in the Czech, Hungarian and Slovakian markets. Generali also has a significant presence in Asia, especially in China, India, Vietnam and Indonesia, where the Group is pursuing further growth and commercial development. The Group is one of the largest foreign insurance operators in Latin America, mainly in Argentina.

Over time, the Group has broadened its activities from the insurance business to the full range of savings management, real estate and financial services. The Banca Generali group is a key player in the Italian personal financial services market. The Generali Group is also a key player in the real estate sector via Generali Real Estate S.p.A. (GRE), one of the world's leading real estate asset managers.

Furthermore, the acquisition of the majority stake in Sycomore Factory SAS was closed in 2019. This strategic partnership, that is another step forward in the execution of Generali's asset management strategy, will allow to enrich the offering with innovative investment solutions and to strengthen focus and capabilities on sustainability and responsible investments for clients.

³ Source: Group Annual Integrated Report 2020.

Generali's approach to sustainability

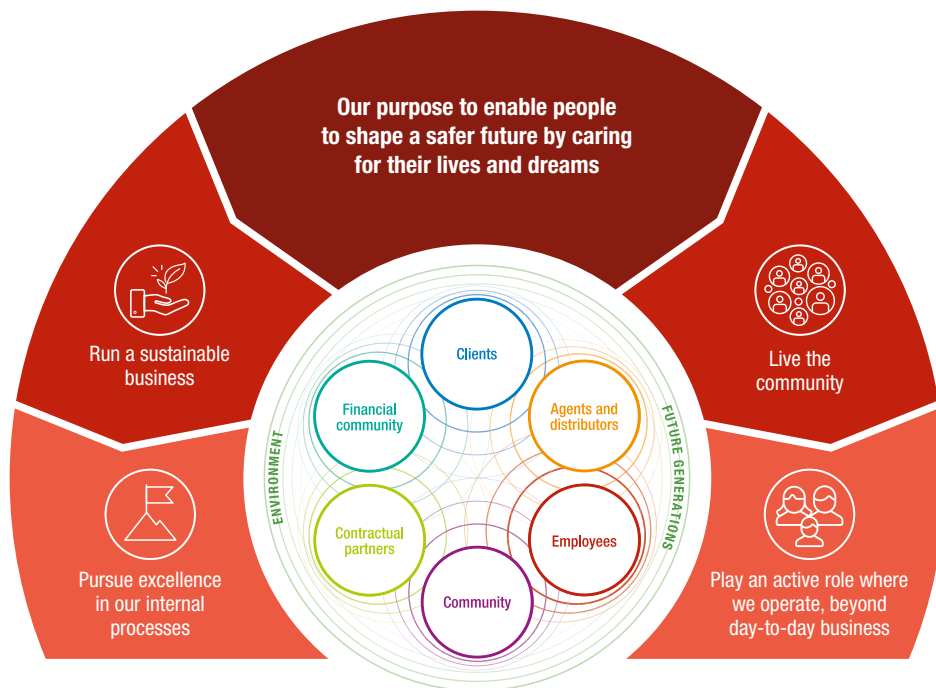


The fight against the climate crisis requires immediate and measurable responses. Generali is aware of playing a key role in guiding and supporting the transition to a decarbonized economy and that is why it adopts environmental sustainability criteria in all its activities. The issuance of Green Bonds represents an important innovation in the field of the financial management and contributes to the achievement of the objectives set by the Paris Agreement.



Gabriele Galateri di Genola - Chairman

Generali is conscious of its strategic role and responsibility in promoting the growth, development and welfare of modern societies. Therefore, sustainability is the foundation of our long-term vision for success.



As a demonstration of this approach, in the three-year strategic plan **Generali 2021** we set specific goals that strengthen the link between sustainability and our core business. We are committed to increase premiums from green and social products by 7%-9% and allocate € 4.5 billion to green and sustainable investments between 2018 and 2021.



Sustainability is a shared path and the issuance of our second Green Bond, which confirmed the strong interest from investors, is another step forward.



Cristiano Borean - Group CFO

As part of our sustainability strategy, we launched **The Human Safety Net** in 2017, a global movement to empower disadvantaged people in the communities where we work. It aims to activate both financial and technical resources, as well as the skills of Generali's employees and agents to unlock human potential by inspiring people to help people. It is designed to share goals, favour the interaction with local communities and ultimately build long-term changes and benefits for the beneficiaries.

With respect to the environment, we want to play an active role in supporting the **Just Transition** towards a more sustainable society and we support the goals adopted under the **Paris Agreement** through our products, services and investments. We also participate in public debate and we collaborate with Governments and sector associations to promote the development of system solutions.

GENERALI HAS BEEN INCLUDED IN THE FOLLOWING SUSTAINABILITY INDICES

- Dow Jones Sustainability World and Europe
- MSCI ESG Leaders
- FTSE4Good Developed e Europe
- Euronext Vigeo Europe 120
- STOXX ESG Leaders 50

AND ACHIEVED THE FOLLOWING RATINGS AND RESULTS

- MSCI ESG Research: AA
- ISS ESG: C Prime
- SAM Sustainability Yearbook 2021: bronze medal
- 2020 Corporate Knights' Global 100 Most Sustainable Corporations in the World of Corporate Knights

Our strategy on climate change

OUR COMMITMENTS TO FIGHT CLIMATE CHANGE

PROMOTE THE DEVELOPMENT OF THE GREEN ECONOMY

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

Increase green products offering for retail and SMEs segments.

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

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

DECARBONIZE THE INVESTMENTS AND CLIENT'S PORTFOLIOS

General account investments to be climate neutral by 2050.

No new investments in coal and tar sand sectors and disinvestment of the residual exposure.

No underwriting of new customers in the coal sector, no increase of minimal insurance exposure to coal-related activities and no insurance exposure to tar sands sector.

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

REDUCE DIRECT IMPACTS

25% reduction of GHG emissions by 2025 related to office management and business travel compared to base year 2019.

OUR STRATEGIC PARTNERSHIPS



THE NET-ZERO ASSET OWNER ALLIANCE



TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES



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

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

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

As for **underwriting**, we do not underwrite risks related to oil and gas exploration and extraction – both conventional and not – and since 2018 we no longer offer insurance coverage for the construction of new coal-fired power plants and new coal mines as well as we do not offer insurance coverages for damages of existing coal-fired power plants operated by new customers. Thus, we have not increased our already negligible insurance exposure to coal-related businesses, which represent roughly 0.1% of all P&C premiums. We have committed to phase out from coal by 2030 for OECD countries and 2040 for non-OECD countries. For the renewable energy sector, we set up a competence center to develop and share the best practices for underwriting the specific risks of these technologies. Furthermore, we increased product offering of insurance solutions with environmental value for the retail market and the SMEs.



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

To date, the engagement has resulted in the termination of the business relationship with 4 companies, while it continues with 4 others.

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

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

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



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

Focus on Generali Real Estate



I am particularly pleased to highlight how GRE is committed to the upgrading of its portfolio in a green perspective with major refurbishment projects. It is for us a great opportunity for ensuring health and well-being conditions, energy optimization, reduction of environmental impacts while at the same time positively affecting the requalification of urban areas. I am glad that this sustainable approach embedded in our strategy made our assets eligible for the Generali Green Bond.



Aldo Mazzocco - CEO

Generali Real Estate is the specialized asset manager in the Generali Group, with around **€ 32 billion of assets under management (as of year-end 2020)**.

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

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

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

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

Generali Real Estate commitments

NET-ZERO ASSET OWNER ALLIANCE (NZAOA)

It was launched in September 2019 by the United Nations. In the view of NZAOA, asset owners have a key role in driving the **decarbonization** of the economy through their investments. **Generali Group** joined in January 2020 aiming to decrease emissions in investment portfolio by 2050. For real estate, GRE set a specific target to achieve this goal.

GREEN BOND

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

CERTIFICATION AND ASSESSMENT

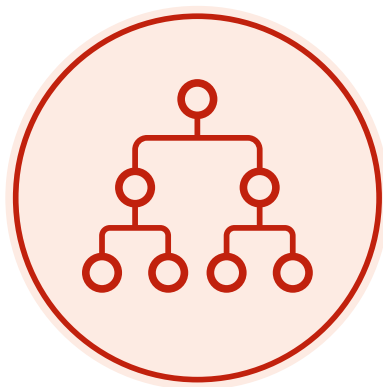
All **new investments must undergo a sustainability KPI assessment**, in order to ensure the acquisition of assets with high sustainability certifications, to increase the portfolio credentials through certification and/or assessment. For this purpose, GRE developed and implemented an own assessment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

INVESTORS COMMITMENT

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

TENANCY ENGAGEMENT

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



How we work

The **GRE CEO** has overall responsibility and accountability for sustainability. **GRE Sustainability Steering Committee** is responsible for overseeing and supporting the implementation of the Responsible Property Investment Guidelines across the organization.

Sustainability Officers from each country have been appointed to oversee sustainability aspects in their respective geographies. Together they form the **Sustainability Working Group**, a collaborative platform for best practices and implementation of cross border initiatives.

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

Focus on Generali Global Infrastructure

Generali Global Infrastructure (GGI) is the boutique asset management company, a subsidiary of the Generali group, specialized in infrastructure investments on behalf of the Generali group and third-party institutional investors. GGI is a pioneer impact investing firm in the infrastructure sector, generating long-term sustainable performance across a wide range of infrastructure sectors and geographies. GGI main investment themes are central to address global challenges, and fundamental to our societies and the fostering of inclusive economies, with a particular focus on the energy transition, green mobility, digital transition and social infrastructures in the health and education sectors.

The energy transition is a key theme within GGI's investment strategies. The energy sector is the source of 75% of global greenhouse gas emissions (source: IEA) and still highly reliant on fossil fuels. It is critical, in order to reach the objective of the Paris Agreement to limit global warming to less than +2 °C by 2050, to accelerate the mobilizing of private capital alongside public-sector funding in favor of the massive investment needs to reaching GHG emissions reduction target. The International Energy Agency estimates that emissions of the electricity and heat sectors should decrease from 13.5 Gt of CO₂eq today to -0.4 Gt in 2050 (meaning 0.4Gt of CO₂eq to be absorbed). In its recent report "Net zero by 2050"⁴, the IEA highlights that this pathway requires huge investment in clean energy, starting with renewables. Investment in electricity generation should increase from \$0.5 trillion/year in the last five years to \$1.6 trillion in 2030 of which \$1.3 trillion in renewables. According to their scenario, in 2050 68% of all electricity generation globally should stem from solar PV and wind (from 9% in 2020).

GGI is committed to take part in mobilizing significant capital to the energy transition and notably through investments in solar PV and wind farms portfolios whose **low-carbon power leads to avoided emissions**. Some of these investments have been selected to contribute to the allocation of the proceeds of the second Generali Green Bond, in line with the categories defined in the Sustainability bond framework of Generali. Further detailed information on the selected assets is available in the allocation report section of the following document.

More broadly, GGI seeks to align its investment **portfolios on a climate trajectory compatible with the Paris Agreement**, and extends its contribution to sustainability to beyond the climate challenge, including through investments targeting wider environmental and social goals through their contributions to the UN Sustainable Development Goals. In particular, we view renewable energies contributing to SDG 7 (Affordable and Clean Energy), SDG 9 (Industry, Innovation and Infrastructure), and SDG 13 (Climate Action), with our broader portfolio of investments contributing to other goals such as SDG 3 (Good Health and Well-being), SDG 6 (Clean Water and Sanitation), SDG 10 (Reduced Inequalities), SDG 11 (Sustainable Cities and Communities).



Finally we have a holistic vision of sustainability and ensure that all our investments are underpinned by robust ESG standards to support their potential for **positive impact**.

GGI's sustainable investment strategy is underpinned by the following objectives:

- Favoring assets with potential to contribute to the United Nations Sustainable Development Goals.
- Combatting climate change by seeking to align our portfolios with a climate trajectory compatible with the Paris Agreement.
- Ensuring good environmental, social and governance standards through a systematic ESG rating of investments and the application of strict exclusion policies in relation to controversies and controversial sectors.

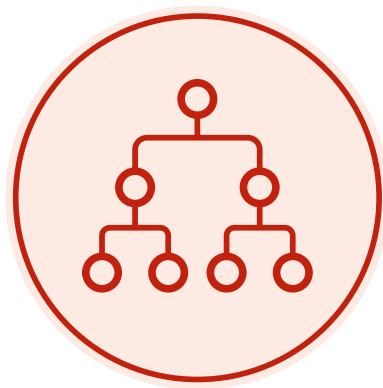
⁴ "Net Zero by 2050 - A Roadmap for the Global Energy Sector", International Energy Agency, May 2021.



Generali Global Infrastructure has been founded with the belief that our role, as an asset manager specialized in infrastructure investments, is to unlock the asset class potential for positive impact. Combatting climate change is one of our key sustainability objectives, and we are very proud to contribute to the Group's Green Bond Framework through our long-term renewable energy investments.



Gilles Lengaigne - Managing Partner of GGI



How we work

A **Managing Partner of GGI** has accountability, and the Head of Sustainability has responsibility, for sustainability.

GGI's Sustainability Committee is responsible for overseeing and supporting the implementation of the ESG policy throughout the organization.

ESG considerations are fully integrated in GGI's investment process from the screening to the monitoring of, and reporting on, investments.

The Investment Team is trained on ESG issues and is directly involved in deploying **GGI's sustainable investing strategy** through ESG due diligence and analysis of assets, as well as engagement with investee companies, with the support of the Head of Sustainability.

An ESG rating is assigned, and an ESG opinion is provided by the Head of Sustainability, with respect to each investment opportunity in order to support GGI's Investment Committee's decisions and the **reaching of sustainability objectives**.

ESG performance is monitored and where possible enhanced, throughout the life of investments.

Favoring assets with potential to contribute to the United Nations Sustainable Development Goals

- We base our approach on the United Nations Sustainable Development Goals, a framework developed in 2015 which allows to identify the main stakes for a global and universal sustainable development.
- We work with expert consultants in order to select the infrastructure sectors that will bring a contribution to these goals. In particular, renewable energy assets contribute strongly to 3 SDGs : SDG 7 “Affordable and Clean Energy”, SDG 9 “Industry, Innovation and Infrastructure”, SDG 13 “Climate Action”.
- We review regularly our sectoral approach with experts to keep it up to date.
- We exclude assets which show a potential to significantly obstruct any UN SDGs.

Combatting climate change by seeking to align our portfolios with a climate trajectory compatible with the Paris Agreement

- We are a sponsor of the 2 Infra Challenge initiative providing a tool to measure the climate trajectory of infrastructure assets. The description of this methodology and more details can be found on the Carbone 4 website⁵.
- We systematically perform a high-level analysis of the climate impact of investment opportunities to inform investment decisions.
- We seek to align our portfolio with a climate trajectory compatible with the Paris Agreement.
- We perform a detailed assessment of the climate trajectory of each of our assets and review it yearly. Renewable energy assets are typically well aligned with the Paris Agreement and allow to avoid CO₂ emissions by replacing carbon-intensive power generation.
- We report to our investors on the carbon footprint and the avoided (or added) emissions of our assets with respect to a 2°C world scenario. This methodology allows to determine whether an asset will add or avoid emissions compared to what would be necessary to align with the Paris Agreement.

Ensuring good environmental, social and governance standards through a systematic ESG rating of investments and the application of strict exclusion policies in relation to controversies and controversial sectors

- We perform an ESG analysis of our assets with our proprietary methodology developed with expert consultants.
- We exclude assets which do not exhibit sufficient ESG standards, including assets linked to controversies.
- We monitor our asset's ESG performance regularly during the holding period.
- We engage with investee companies and exercise our rights.
- We report regularly to our investors on the ESG performance of our assets.
- We are a signatory of the UN Principles for Responsible Investment.
- We support the CDC Biodiversité⁶ initiative to create a Global Biodiversity Score⁷ which provides a tool for companies to measure their biodiversity footprint.
- We are a member of Finance for Tomorrow⁸, the Paris-based organization, launched by Paris Europlace⁹ in 2016 to promote sustainable finance.

⁵ 2-infra challenge - Carbone 4

⁶ CDC BIODIVERSITE.

⁷ Comprendre le Global Biodiversity Score | CDC Biodiversité (cdc-biodiversite.fr).

⁸ Finance for Tomorrow - The Sustainable Future Begins in Paris.

⁹ Paris Europlace | Your Hub to the Eurozone (paris-europlace.com).

Allocation of the Green Bond proceeds

Generali Sustainability Bond Framework in a nutshell

The Generali's Sustainability Bond Framework represents a new umbrella framework for issuing future Green Bonds, Social Bonds and Sustainability Bonds. It embeds our previous Green Bond Framework.

01

USE OF PROCEEDS

An amount equivalent to the net proceeds of the Green Bond, Social and Sustainability issuance will be exclusively used to finance or refinance, in whole or in part, through project bonds or equity investments, Eligible Assets that meet the Eligibility criteria as outlined below:

Financial Eligibility Criteria

Eligible Assets are assets for which the disbursement has occurred no more than two calendar years prior to the year of issuance of the Bond or assets acquired post issuance of the Bond.

Exclusion Criteria

For the avoidance of doubt, financings related to the following activities are excluded from Green Bonds eligibility:

- Fossil-Fuel energy
- Nuclear energy
- Large Hydro > 20MW
- Gambling
- Tobacco
- Alcohol
- Weapons

Green and Social Eligibility Criteria

They are defined for each of the following categories:

- Green buildings
- Renewable energy
- Energy efficiency
- Clean transportation
- Sustainable water management
- Recycling, re-use and waste management
- Access to Essential Services / Social Infrastructure
- Affordable Housing
- SME financing, socioeconomic advancement and employment generation
- Response to Health and Natural Disaster Crisis

02

ASSET EVALUATION AND SELECTION

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

Analysis of eligibility

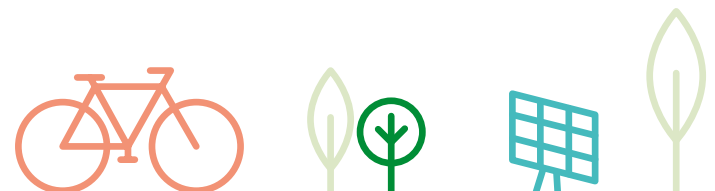
The persons in charge of Real Estate and Infrastructure investments / financings are trained, within each selected area, to evaluate from the inception of each project its compliance with the criteria for Eligible Assets.

Confirmation of eligibility

The identified assets are then subject to a second analysis with respect to their conformity to the criteria. This examination is carried out by the Sustainability Bond Committee.

Allocation decision

The Sustainability Bond Committee takes the final decision on the selection of designated assets to the bonds. Once the pool of Eligible Assets is identified, the Committee also examines twice per year the pool of assets already allocated to verify their continued compliance and absence of significant controversy, regardless of its nature, can lead to a retraction, temporary or permanent, of a project from the list of Eligible Assets. A new asset would then be identified as a substitute in case the pool of Eligible Assets is lower than the amount of proceeds raised through the issue of Green, Social and Sustainability Bonds.





<https://www.generali.com/investors/debt-ratings/sustainability-bond-framework>
for the Generali Sustainability Bond Framework

03

MANAGEMENT OF PROCEEDS

Generali commits on a best effort basis to reach full allocation within one year following Green, Social and Sustainability Bond issuance.

The Group will monitor and track the net proceeds through its internal accounting system. Pending full allocation, unallocated proceeds may temporarily be invested in accordance with Generali's investment guidelines in cash, deposits and money market instruments or SRI Investment.

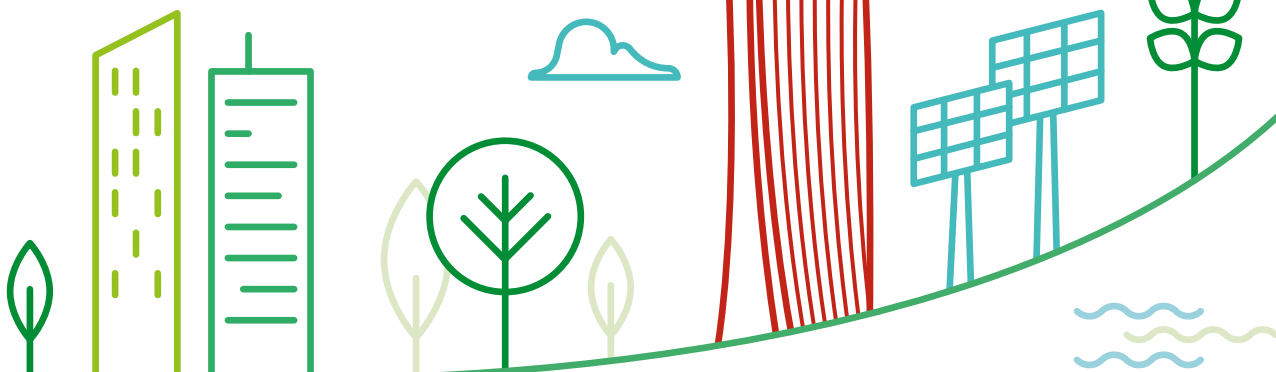
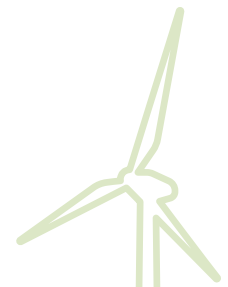
Generali intends to designate sufficient investments in Eligible Assets to ensure that the outstanding balance related to the portfolio of Eligible Assets is always equal to or higher than the total balance of Green, Social and Sustainability Bond proceeds.

If any Eligible Assets exit Generali's Portfolio or cease to fulfil the Eligibility criteria, Generali will strive to substitute those assets with replacement Eligible Assets that comply with the Eligibility Criteria, as soon as reasonably practicable.

04

REPORTING

In accordance with market best practices such as the Joint International Financial Institution communication on a Harmonized Framework for Impact Reporting, Generali will endeavour to produce a report annually until full allocation and to update it upon any material changes that would affect the portfolio of Eligible Assets.



Process for asset evaluation and selection

In line with the Generali Group Green Bond Framework, included in the Sustainability Bond Framework issued in 2021, an amount equivalent to the net proceeds from the issue of green bonds to refinance the acquisition, retrofitting and development of eligible assets. Generali ensures that eligible assets comply with official national and international environmental and social standards and local laws and regulations on a best effort basis.

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

- Group Sustainability Policy;
- Code of Conduct;
- Responsible Investment Guideline.

As an integral part of its governance for green, social and sustainability bonds, Assicurazioni Generali has set up a **Sustainability Bond Committee**¹⁰, bringing together various departments within the Group to supervise the activities preceding and following the issue of green, social e sustainability bonds, the selection and monitoring of the pool of the eligible assets and to ensure the compliance of the green, social and sustainability bonds with best practices. More specifically, the role of the Sustainability Bond Committee is:

- to review and validate the existing pool of Eligible Green Assets;
- to review and validate the new investments/financing to be included in the pool of Eligible Assets;
- to regularly update the Framework;
- to monitor any on-going evolution related to green, social and sustainability bond market practices in terms of disclosure/reporting, harmonization.



4 MEETINGS
in 2021

The Sustainability Bonds Committee is made up of eight organizational units permanently present and other organizational units that may vary according to the assets financed or refinanced through the proceeds collected through the issuance of green, social and sustainability bonds.

The activities related to the second issue were managed by the Sustainability Bond Committee, that include also all the members of the previous Green Bond Committee assisted by representatives of Generali Global Infrastructure, the organizational unit responsible for the management of some assets refinanced by part of the proceeds collected.












¹⁰ The Sustainability Bond Committee, as reported in the Sustainability Bond Framework, is based upon the Green Bond Committee and represents its extension. For more information, see the Sustainability Bond Framework published in 2021.



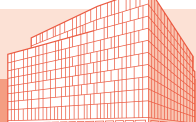


Overall Allocation

In line with the Generali Group Green Bond Framework, included in the Sustainability Bond Framework issued in 2021, an amount equivalent to the net proceeds has been fully allocated to refinance some different type of green assets owned by the Group.

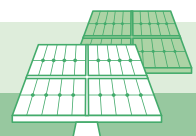





ACQUISITIONS

	Sono West	 Germany (Frankfurt)	8,265 sqm	
	15.2% of allocated net proceeds		Avoided Emissions (tCO ₂ e/year): 121	
	Coeur Marais	 France (Paris)	13,228 sqm	
	38.9% of allocated net proceeds		Avoided Emissions (tCO ₂ e/year): 222	
	Fhive	 France (Paris)	8,412 sqm	
	24.2% of allocated net proceeds		Avoided Emissions (tCO ₂ e/year): 72	

RETROFITTINGS

	Palazzo Berlam	 Italy (Triest)	4,713 sqm	Costruction Year: 1928	
	2.2% of allocated net proceeds		Avoided Emissions (tCO ₂ e/year): 329		
	V.le Liberazione	 Italy (Milan)	18,056 sqm	Costruction Year: 1964	
	5.6% of allocated net proceeds		Avoided Emissions (tCO ₂ e/year): 539		

INFRASTRUCTURE

	Solar Projects Portfolio	 Spain	Capacity (MW): 4.2	
	3.6% of allocated net proceeds		Avoided Emissions (tCO ₂ e/year): 1,402	
	Wind Projects Portfolio	 Portugal	Capacity (MW): 52.8	
	10.3% of allocated net proceeds		Avoided Emissions (tCO ₂ e/year): 25,829	

Allocation - Real Estate



ACQUISITION

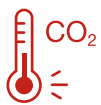
Sono West



Frankfurt (Germany)



The 8,200 square meters Generali property in Frankfurt is the German headquarter of Jones Lang LaSalle SE, who occupies the entire building.



The **heating system is powered by district heating**, so minimizing the CO₂ impact into the atmosphere.



There are **charging stations for e-cars** in the underground car park.



The project has **reduced potable water use by 41%**.



The building is located directly on the **opposite side of the Westend subway station**.



Bicycle storage, changing and shower facilities are present in the building.



Building's **flexibility to enhance internal design, connect teams** and promote a sense of community and new ways of working.



Extensive roof greening reduces the necessary cooling performance and the associated energy consumption of the building.



The property has a **Building Management System (BMS)** that automatically controls the heating, cooling and water supply and adjusts it to consumption.





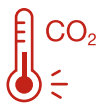
ACQUISITION

Fhive / Coeur Marais



Paris (France)

Two historical assets built in the 1800s, located close to each other in the heart of Marais district in Paris. After a major renovation both obtained HQE certification, EXCELLENT and the BBC Effinergy renovation label, which attests their high energy performance. More recently, the assets obtained the BREEAM IN USE certification, EXCELLENT, showing also high commitments as regards health and wellbeing.



Connection to **district heating** for Cœur Marais.



CO₂-free electricity supply for both Coeur Maris and Fhivie since beginning of 2018.



Building Management System (BMS) in both buildings: connecting to HVAC system, lighting and comfort control (Heating, Air conditioning, Ventilation), regulation according to the outside temperature.



Electric car **charging stations** in the underground car park.



Rainwater collection tank in Coeur Marais, water-saving sanitary equipment's in both buildings (infrared detection + aerators).



4 waste streams are separated on site.



Extremely well connected with public transportation in Paris city centre.



Several free **public bicycle stations** located in the neighbourhood (<50 m), secure bike storage, **changing rooms and showers**.



Co-working space and **co-living** at work in Coeur Marais.



Green roof and green courtyard to improve tenants' thermal comfort.





RETROFITTING

Palazzo Berlam



Triest (Italy)

Palazzo Berlam, one of the Generali premises in Trieste, was built in 1900s and is known as the first skyscraper of the city. Modernist asset identifiable for its red bricks coating was the former Generali Real Estate HQ until 2017 while now, after a major refurbishment lasting 3 years, it hosts the Generali Academy and offices. Thanks to the renovation works and the technical equipment the energy saving is up to 56% while also the CO₂ emissions in operation are reduced by more than 50%. The EPC of the building improved from D to B (169 kwh/m²).



The **heating system is powered by renewable sources**, by using the water sea and groundwater in order to enhance energy **performance** and minimize the consumption.



The **thermal comfort** is guaranteed by the synchronization/integration between ceiling radiant panels and active chilled beams.



The **lighting system** is LED with automatic control.



Building consumptions reduced, although the occupancy is now up to 500 people vs 191 people before intervention.



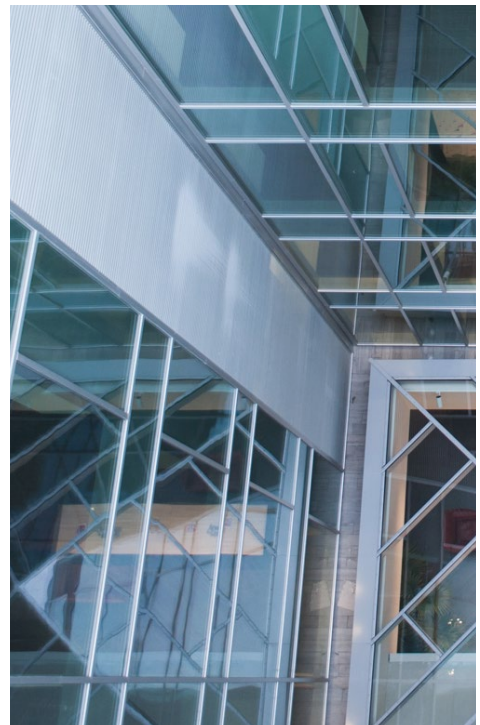
High level standards followed for **façade insulation** and **thermal break joinery**, low consumption lifts.



The building is located directly in front of the sea and the relevant rooms provide with the **view of a natural outdoor environment**.



Building's design (including a roof terrace and a public Caffetteria at ground floor) to **enhance social events, connect teams** and promote a sense of community and new ways of working.





RETROFITTING

Viale della Liberazione, 16



Milan (Italy)

The works carried out have kept unchanged the intended use of the building (offices), expanding the surface with the raising of a floor. The intervention resulted in an improvement in energy performance, thanks to the complete renovation of the building envelope (facades and roofing) and systems. Due to the renovation works and the technical equipment the energy saving is estimated at 61% while also the CO₂ emissions in operation are reduced by 58% (without considering the potential purchase of CO₂-free electricity). The EPC of the building improved from D to A2 (97 kwh/m²), obtaining the qualification as “Nearly Zero Energy Building”.



Old oil-fired boilers replaced by **ground water condensed multipurpose heat pumps** that feed a 4-pipe system with radiant ceiling panels, floor fan coils and radiators in the bathrooms.



Each module is managed by a **dedicated controller** complete with temperature probe, presence sensor and anti-condensation probe.



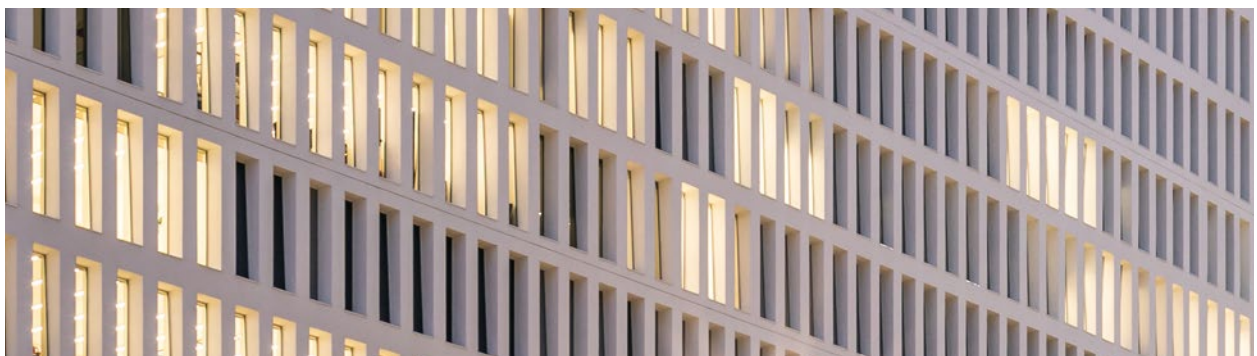
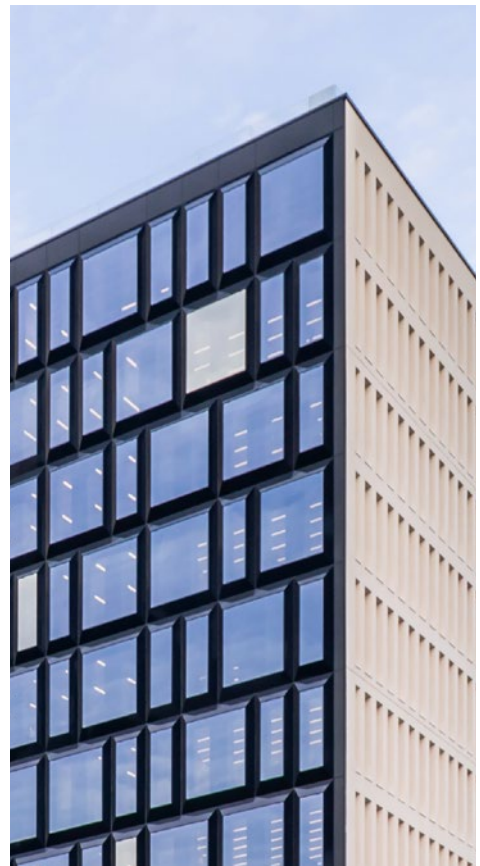
Air handling units with cross flow recovery device, steam humidification and fans equipped with inverters.



LED lighting has replaced fluorescent lamps.



Renewable energy production through **photovoltaic system** and use of ground water.



Allocation - Infrastructure



Solar energy allocation

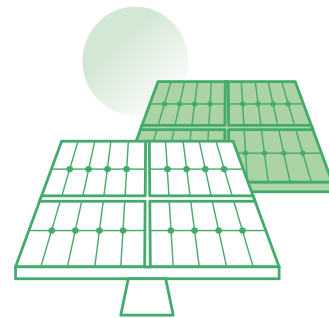
Spain



Solar Projects Portfolio

Solar PV portfolio in Spain

- The allocated capacity of the portfolio is 4.2 MW in operation.
- Impact studies and compensation measures are implemented for each project when relevant.
- Community-oriented commitments (to improve lives through employment and training and the provision of a safe workplace).
- Social action regarding integration of disabled people in the workplace.



Certified as Green Loan Eligible by **S&P**



Wind energy allocation

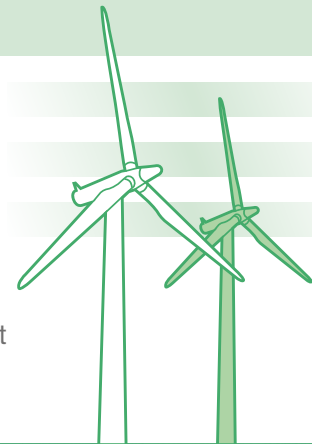
Portugal



Wind Projects Portfolio

Onshore wind farm portfolio in Portugal

- The allocated capacity of the portfolio is 52.8 MW in operation.
- Impact studies and compensation measures are implemented for each project when relevant.
- Proactive contribution to specific biodiversity initiatives (eg. protection of Iberian wolf and bat populations).
- ISO certifications for quality management (ISO 9001), environmental management (ISO 14001) and health and safety management (ISO 45001).



Certified as Green Loan Eligible by **DNV GL**

Impact Evaluation

OVERALL GREEN BOND PORTFOLIO

Total GHG emissions produced	816 tCO ₂ e
Emission intensity	0.015 tCO ₂ e/m ²
Energy Installed Capacity	57 MW
Avoided emissions	28,514 tCO ₂ e
Avoided emissions per € mln invested	47.5 tCO ₂ e/€ mln

OF WHICH REAL ESTATE PORTFOLIO

Total GHG emissions produced	816 tCO ₂ e
Emission intensity	0.015 tCO ₂ e/m ²
Avoided emissions	1,282 tCO ₂ e
Avoided emissions per € mln invested	2.5 tCO ₂ e/€ mln



OF WHICH INFRASTRUCTURE PORTFOLIO

Energy Installed Capacity	57 MW
Avoided emissions	27,232 tCO ₂ e
Avoided emissions per € mln invested	325.9 tCO ₂ e/€ mln



Methodological notes

Methodological note - Generali Real Estate

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

We report the impact of the assets financed or refinanced by the Green Bond on an aggregate portfolio level. Calculations refer to the period 01.01.2020-31.12.2020, thus reflecting the annual energy consumption, GHG emissions produced and avoided.

For the German asset "Sono West", data refer to 01.09.2019 – 31.08.2020, in order to report 1 full year of consumption based on available actual data.

For the green buildings acquired (78% of the portfolio), actual data on energy consumption were used (i.e. verified through bills and electronic measurements of the energy consumed). Accordingly, the GHG emissions produced by the buildings have been calculated deriving the emission factors applied by the individual suppliers, as envisaged by the "market-based" method of the GHG Protocol or, if not available, they have been calculated using the last available emission factors issued by the International Energy Agency.

As regards the retrofitting projects (8% of the portfolio), the impacts have been estimated by professional consultants. Based on the real consumption data available before the intervention, the energy efficiency improvement has been estimated and all the concerned works that led to such a reduction in energy consumption have been duly described in the documentation. The achievements are certified by the new EPCs delivered after the intervention. Accordingly, the GHG emissions produced by the buildings have been calculated deriving the emission factors applied by the individual suppliers or, if not available, they have been calculated using the national energy mix.

Total GHG emissions are reported as the sum of the emissions produced by all the buildings in scope and in accordance with the debt financing share: 100% for all the buildings in scope.

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

- GHG emissions, expressed in CO₂e, induced by a "Baseline scenario"
- GHG emissions, expressed in CO₂e, induced by the Eligible Assets

GHG emissions avoided (in CO₂e) = Baseline GHG emissions CO₂ – Eligible Assets actual GHG emissions.

In order to establish a "Baseline scenario", a benchmark study was conducted with a large real estate portfolio to determine the typical energy per square meters consumption of office buildings. The study was carried out considering parameters such as buildings sector, typology and location, in 2019.

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

GHG emissions = total floor area * typical_ floor area _consumption * (X% * CO₂ electricity + Y% * CO₂ gas)

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

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

The benchmark study was conducted by Deepki¹¹, a green-tech SaaS solution for the real estate sector, with a portfolio of more than 650 building references.

The avoided emissions for the retrofitting projects result from the difference between GHG emissions produced before and after the intervention in the same building.

¹¹ <https://www.deepki.com/en/>

Methodological note - Generali Global Infrastructure

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

We report the impact of the assets financed or refinanced by the Green Bond on an aggregate portfolio level. Calculations generally refer to 2019 portfolio information, at the date of investment, with the exception of one asset for which emissions data are calculated based on 2020 energy production as the investment was made at the end of December 2019.

For all assets in the portfolio, the actual electricity generation is used as base for calculations of avoided emissions.

Avoided emissions are then calculated by comparing the 0-carbon renewable energy with the average electricity mix of the country considered (specific emissions factors used are those provided by the European Energy Agency for 2019).

GHG emissions avoided (in CO₂e) = Electricity generated by the asset (GWh) x specific emissions factor of the electric mix of the country (tCO₂/GWh).

Total GHG emissions are reported in accordance with the debt financing share of Generali, dependent on the asset considered, in line with the Harmonized Framework for Impact Reporting of ICMA.

Independent Auditors' Report on the Green Bond Report



EY S.p.A.
Via Meravigli, 12
20123 Milano

Tel: +39 02 722121
Fax: +39 02 722122037
ey.com

Independent auditors' report on the "Green Bond Report 2021. Issuance 2020"

(Translation from the original Italian text)

To the Board of Directors of
Assicurazioni Generali S.p.A.

We have been appointed to perform a limited assurance engagement on "Green Bond Report 2021. Issuance 2020" (hereinafter "Green Bond Report 2021") of Generali Group (hereinafter the "Group") prepared to comply with the reference principles established in the Green Bond Framework, included in the Sustainability Bond Framework, and in accordance with the "Methodological Note" section of the Green Bond Report 2021.

Managements responsibility

The Management is responsible for the preparation of the Green Bond Report 2021 in accordance with the "Methodological Note" and in line with the Green Bond Framework, included in the Sustainability Bond Framework.

The Management is also responsible, within the terms provided by law, for that part of internal control that it considers necessary in order to allow the preparation of the Green Bond Report 2021 that is free from material misstatements caused by fraud or not intentional behaviors or events.

Auditors' independence and quality control

We are independent in accordance with the ethics and independence principles of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, based on fundamental principles of integrity, objectivity, professional competence and diligence, confidentiality and professional behavior.

Our audit firm applies the International Standard on Quality Control 1 (ISQC Italia 1) and, as a result, maintains a quality control system that includes documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable laws and regulations.

Auditors' responsibility

It is our responsibility to express, based on of the procedures performed, a conclusion about the compliance of the Green Bond Report 2021. Our work has been performed in accordance with the principle of "International Standard on Assurance Engagements ISAE 3000 (Revised) - Assurance Engagements Other than Audits or Reviews of Historical Financial Information" (hereinafter "ISAE 3000 Revised"), issued by the International Auditing and Assurance Standards Board (IAASB) for limited assurance engagements. This principle requires the planning and execution of work in order to obtain a limited assurance that the Green Bond Report 2021 is free from material misstatements. Therefore, the extent of work performed in our examination was lower than that required for a full examination according to the ISAE 3000 Revised ("reasonable assurance engagement") and, hence, it does not provide assurance that we have become aware of all significant matters and events that would be identified during a reasonable assurance engagement.



The procedures performed on the Green Bond Report 2021 were based on our professional judgment and included inquiries, primarily with Group's personnel responsible for the preparation of the information included in the Green Bond Report 2021, documents analysis, recalculations and other procedures in order to obtain evidences considered appropriate.

We have performed the following procedures:

1. virtual interviews with the personnel of Generali Group involved in the preparation of the Green Bond Report;
2. assessing, through interviews with the personnel of Generali Group, the procedures followed to collect, aggregate and report allocation and impact indicators included in the Green Bond Report;
3. in particular, regarding the significant information contained in the Green Bond Report 2021, with reference to quantitative data, we have conducted both limited documentary evidences and analytical procedures, in order to collect information about the processes and procedures that support the collection, elaboration, processing and transmission of indicators. With reference to qualitative information, we have collected supporting documentation to verify consistency with the available evidence.

Conclusion

Based on the procedures performed, nothing has come to our attention that causes us to believe that the Green Bond Report 2021 of Generali Group has not been prepared, in all material aspects, in accordance with the "Methodological Note" of Green Bond Report 2021 and in line with the Green Bond Framework, included in the Sustainability Bond Framework.

Milano, 10th September 2021

EY S.p.A.
Matteo Brusatori
(Auditor)

This report has been translated into the English language solely for the convenience of international readers.

Contacts

Group Debt and Treasury

debt&financing@generali.com

Manager: Alexandru Popescu

Group Integrated Reporting

integratedreporting@generali.com

Manager: Massimo Romano

Corporate Affairs

corporateaffairs@generali.com

Manager: Giuseppe Catalano

Group Media Relations & Channels Management

media@generali.com

Manager: Roberto Alatri

Group Sustainability & Social Responsibility

csr@generali.com

Manager: Lucia Silva

Investor & Rating Agency Relations

ir@generali.com

Manager: Giulia Raffo

Shareholders & Governance

governance@generali.com

Manager: Michele Amendolagine

Green Bond Report 2021

prepared by
Group Integrated Reporting
in collaboration with
Group Debt and Treasury

Coordination

Group Communication & Public Affairs

The document is available on
www.generali.com

Concept & Design

Loud adv

