

# **Agenda**

## BUSINESS OVERVIEW

- Generali 2021 new strategy
- Sustainability journey and governance
- Generali for the environment and climate
- Sustainability goals in Generali 2021
- Responsible Investments and Active Ownership
- Life-time partner
- Cyber Security
- The Human Capital
- Governance & Compliance
- The Human Safety Net



# Generali Group: one of the world's leading insurers





#### **GROSS WRITTEN PREMIUM**

+4.9%

€ 66,691 million

of which € 12,420.4 million premiums from social and environmental products





**OUR DISTRIBUTORS** 

-0.8%

70,734

38.5% Board gender quota

92% local actions implemented following Global Engagement Survey

155 thousand

## **OUR CUSTOMERS**

+7.0% **61** million

### TOTAL ASSETS UNDER MANAGEMENT (AUM)

+0.4%

€ 488 billion

## THE GROUP'S VISION

Our purpose is to actively protect and enhance people's lives

### THE GROUP'S MISSION

Other countries in which Global Business Lines

or Asset & Wealth Management operate

Our mission is to be the first choice by delivering relevant and accessible insurance solutions.

## **NET PROFIT**

+9.4%

**€ 2,309** million

## REGULATORY SOLVENCY RATIO

+9 pps

216%



t 107,394 co<sub>2</sub>

(-13.8% vs base year 2013)

Fortune Global 500 - Ranked 59th











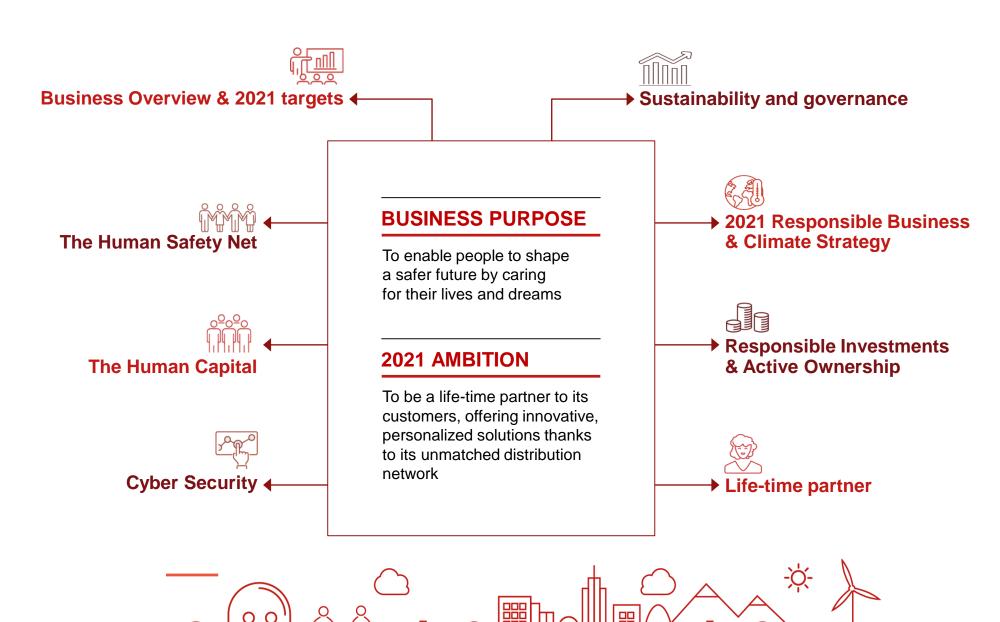








# Generali's purpose, new 2021 strategy & sustainability summary





- Business Overview
- GENERALI 2021 NEW STRATEGY
- Sustainability journey and governance
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# Generali 2021: strategic pillars and financial targets

## STRATEGY PILLARS

## **PROFITABLE GROWTH**

- Strengthen leadership in Europe
- Focus on high potential insurance markets
- Develop a global Asset Management platform

## **CAPITAL MANAGEMENT** AND FINANCIAL OPTIMIZATION

- Increase capital generation
- Enhance cash remittance
- Reduce debt amount and cost

#### INNOVATION AND DIGITAL TRANSFORMATION

- Become a life-time partner to customers
- Enable digital transformation of distribution
- Transform and digitalize operating model

## **FINANCIAL TARGETS**

GROWING EARNINGS PER SHARE

6%-8%

EPS CAGR RANGE<sup>1</sup>

2018-2021

**GROWING** DIVIDEND

55%-65%

DIVIDEND PAY-OUT RANGE<sup>2</sup>

2019-2021

>11.5%

**HIGHER RETURNS** FOR SHAREHOLDERS **AVERAGE RETURN ON EQUITY**<sup>3</sup>

2019-2021

ENABLED BY EMPOWERED PEOPLE, STRONG BRAND, SUSTAINABILITY COMMITMENT



<sup>3</sup> year CAGR; adjusted for impact of gains and losses related to disposals

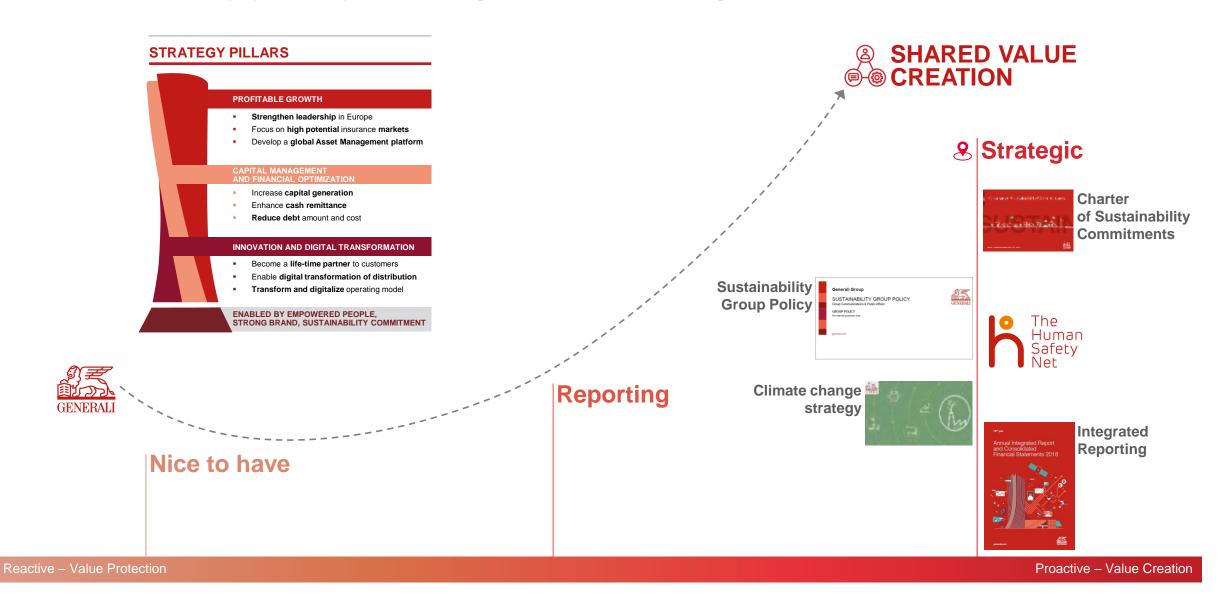
Adjusted for impact of gains and losses related to disposals

Based on IFRS Equity excluding OCI and on total net result

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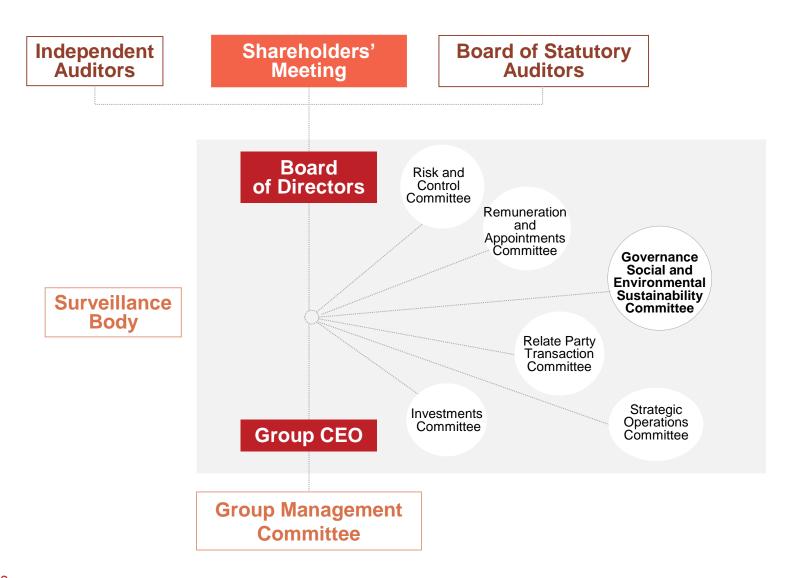


# Our Sustainability journey: creating value in the long term





## **Our Governance: the Board**

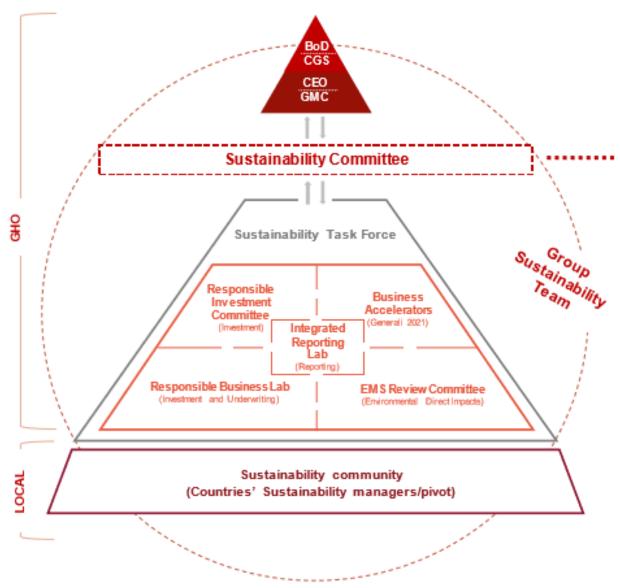


## **BOARD IN CHARGE**

- 13 members, 2 elected from the minority slate
- 61.5% independence
- 38.5% gender quota
- Average Age: 59.3
- Chair: Non Executive Non CEO
- No Lead Independent Director, in accordance with Italian Corporate Governance Code
- Clear Overboarding rules



# Our Governance: the Management Sustainability Committee



## MANAGEMENT SUSTAINABILITY COMMITTEE

#### Members

- Group Investments, Asset and Wealth Management CEO
- General Manager
- Group Chief Financial Officer
- Group Chief HR and Organization Officer
- Group Chief Risk Officer (Member)
- Group Communications & Public Affairs Director
- Group Chief Marketing & Customer Officer
- Group Strategy & Business Accelerator Director
- Head of Corporate Affairs
- Italy & Global Business Lines CEO
- Austria, CEE & Russia CEO

The Committee supports the GCEO in the decisions regarding the integration of ESG matters into the core business:

- Defining the strategic vision regarding sustainability
- Giving priorities to relevant themes
- Monitoring processes and results
- Participating both internal and external initiatives



# Our rules for running business with integrity







Diversity Policy for Members of the Corporate Bodies



Group Policy for the Environment and Climate



Responsible Underwriting Group Guideline

**Sustainability** 

**Group Policy** 

SUSTAINABILITY GROUP POLICY

Reputational Risk Group Guideline

Responsible Investment Guideline



# Our approach to sustainability

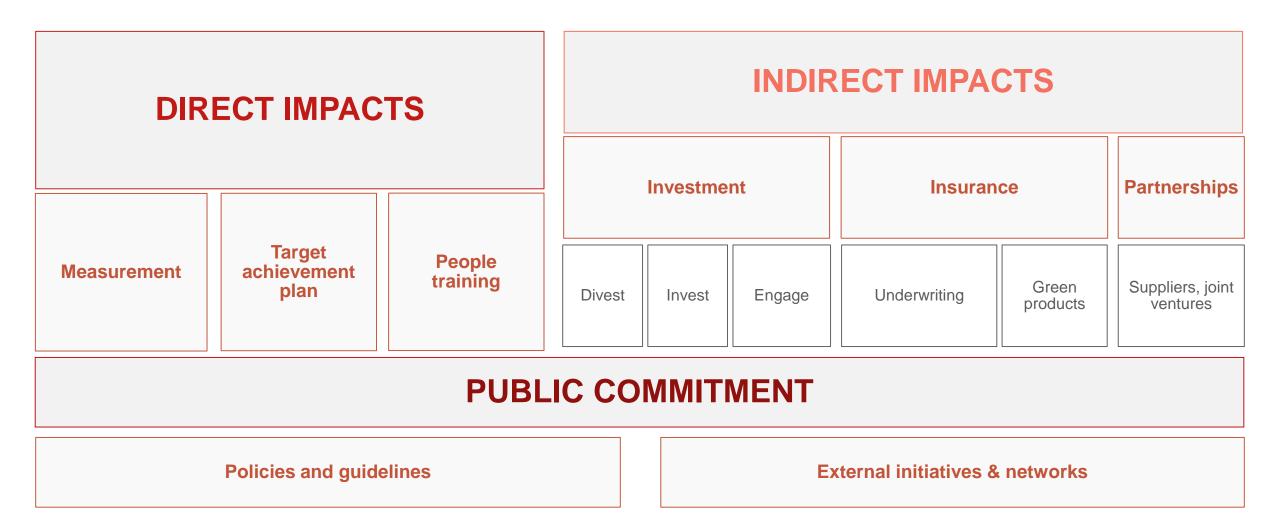




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# **Climate Change roadmap at a glance**





# **Generali commitments on Climate Change**

## **DIRECT IMPACTS**



Reduce our greenhouse gas emissions by 20% by 2020 (base year 2013)

## **ROADMAP TO TARGET**

- In 2018: 107,394 tCO<sub>2</sub>e (-13.8% vs 2013)
- Space optimization
- Travel policy
- 100% green electricity (88% in 2018)

## **INDIRECT IMPACTS**



- € 4.5 billion new investments in green and sustainable sectors by 2021
- Divestment of € 2 billion from coal-related activities
- Increase the offer of green insurance products
- Restrictions for coal mines and plants

## **CLIMATE STRATEGY**

- Responsible Investment Guideline
- Responsible Underwriting Guideline
- Engagement with coal-related clients and issuers
- Green bond & Infrastructures
- Green Real Estate
- Sycomore AM for ESG skills

## Climate change and the just transition:

A guide for investor action





## PUBLIC COMMITMENT AND DISCLOSURE



- Invest in research and innovation
- Dialogue and engagement with national and international institutions
- Transparency and disclosure

## **ENGAGEMENT**















# Taking action on climate change: Generali strategy under different scenarios





Global warming by 2100

PHYSICAL RISKS



HOW WE UNDERWRITE A WARMING WORLD

- Concentration in Life&Health segment and in less risky geographies
- Internal modelling and annual repricing of Cat Nat coverages
- Proving loss prevention/risk management solutions and swift assistance in post disaster
- Innovation and diversification in risk transfer solutions (e.g. Lion II Re cat bond)



Inadequacy of actuarial models: historical data unlikely to be a good predictor of future risks

HOW WE INVEST IN A WARMING WORLD

- Development of climate risk metrics
- Portfolio diversification

Increasing losses due to higher frequency/severity of natural catastrophes

Un-insurability, increasing protection gap with reputational implications







Global warming by 2100

TRANSITION RISKS & OPPORTUNITIES

Financial and reputational risks from portfolio concentration in carbon intensive sectors

Growing expectations for supporting a "just transition"

Increasing costs for reflecting clients' ESG/climate related preferences in retail offering

New business opportunities in green, clean tech and Carbon Capture and Storage sectors



### HOW WE UNDERWRITE THE TRANSITION TO A LOW-CARBON WORLD

- Increased focus on renewable energies sector and on green insurance products (target Generali 2021)
- Minimal exposure to coal sector, stop underwriting new clients and engagement for a "just transition"



#### HOW WE INVEST IN THE TRANSITION TO A LOW-CARBON WORLD

- +4.5 billion € in green bonds and in sustainable infrastructure (target Generali 2021)
- Minimal exposure to coal sectors (ca. 2 billion €), no new investments and divestment plan
- Continuous investments in green real estate
- Increased purchase of green electricity (88% in 2018)



# **Generali Insurance-Linked Securities (ILS)**

Strategic solutions to achieve finance needs

## € 190 million

Lion I Re Limited
Europe Windstorm

## € 255 million

Horse I DAC Europe Motor Third Party Liability

## € 200 million

Lion II Re DAC Europe Windstorm, Italy Earthquake, Europe Flood

#### **APRIL 2014**

- First cat bond on European Windstorm indemnity under 144A rule
- First cat bond form an Italian Sponsor

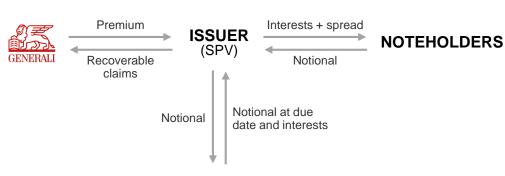
## **DECEMBER 2016**

- First motor bond on European MTPL indemnity under 144A rule
- First motor bond in a risk transfer format
- First motor bond to protect Generali P&L

#### **JUNE 2017**

- First in the market European Flood Cat bond based on indemnity-trigger
- First cat bond to combine three top European perils

## ILLUSTRATIVE TRANSACTION STRUCTURE



**COLLATERAL TRUST** (invested in EBRD/IBRD notes or "risk-free" assets)

## SUSTAINABILITY THROUGH FINANCIAL INNOVATION

Generali

**Business** 

Stakeholders ILS market

- Best underwriting risk quality
- Sharing of knowledge at BUs and GHO level on specific issues
- Applied Innovation
   in structures as replicable solution
- Delivery on Key strategic financial targets

- CAT Bonds can protect the Group against Climate Change
- Demonstration of Flexibility in capital management
- Strengthen of business resilience
- Consolidation of Group reputation with financial community



# **ESG** features in the new revolving credit facilities (RCF)

The first Sustainable RCF subscribed by an Italian financial institution

	AMOUNT	DURATION	GLOBAL COORDINATOR	LINKED TO
Green	€ 2 billion	<b>3</b> years	Unicredit	New green bonds investments according to the Climate Change strategy
Sustainable	€ 2 billion	<b>5</b> years	Santander	MSCI ESG rating

- In May 2018, Generali renewed its outstanding revolving credit facilities
- The size and terms reflects Generali's strong credit standing. Primary Italian and international banks participated in the syndication with significant commitments
- The facilities are an efficient tool whose main purpose is to protect the Group's financial flexibility in case of adverse scenarios
- They have innovative sustainable and green features: their cost is linked both to targets on green investments and to progress made on sustainability initiatives

## **FEATURES**

#### **PUBLIC RECOGNITION**

Highlight GENERALI's strategy to improve its ESG performance

## **MARKETING VISIBILITY**

Be the Italian corporate company which have arranged sustainable bank financings worldwide

## POTENTIAL COST REDUCTION PER YEAR

Potential cost reduction on both drawn and undrawn borrowing costs

## **LIMITED LEGAL CONTRAINTS**

No triggering of any draw-stop, mandatory prepayment or event of default clauses if borrowers decided to stop the annual assessment

#### **USE OF PROCEEDS FLEXIBILITY**

No change in the general corporate purpose of its RCFs



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# A strong commitment on Sustainability in the new strategic plan: Generali 2021



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ENABLED BY EMPOWERED PEOPLE, STRONG BRAND, SUSTAINABILITY COMMITMENT





#### MAIN TARGETS FOR RESPONSIBLE BUSINESS

+7-9%

**GWP GROWTH IN GREEN AND SOCIAL PRODUCTS** 2018-2021

€ 4.5 billion

**NEW GREEN AND SUSTAINABLE INVESTMENTS** BY 2021

#### INITIATIVES WITH STRONG SUSTAINABILITY FOOTPRINT AND POSITIVE IMPACT ON THE BUSINESS

#### The Human Safety Net

Generali global community support initiative already in progress in 18 countries

#### **EnterPrize**

Award the best sustainable SMEs

#### **Responsible Consumers**

Create distinctive and customized product offering for responsible consumers



# Main Generali 2021 targets for responsible business

#### MAIN TARGETS FOR RESPONSIBLE BUSINESS

+7-9%

## **GWP GROWTH IN GREEN AND SOCIAL PRODUCTS**

2018-2021

## **PRODUCTS WHICH**



 Promote responsible behaviour with positive impact on the environment and reduce environmental impact



 Promote responsible behaviour with positive impact on people and Health products

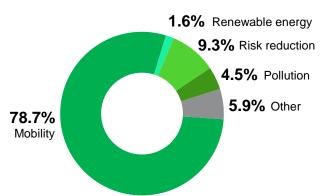




 Protect specific categories of people (i.e young families, children, the elderly) GREEN

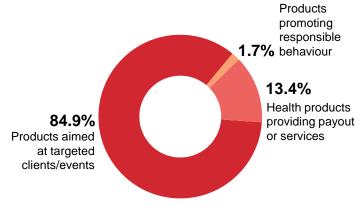
10.6% of P&C GDWP

Total GWP FY 2018 from Green Products: € 1,769.2 million



SOCIAL 17.4% of Total GDWP

Total GWP FY 2018 from Social Products: € 10,651.2 million



## € 4.5 billion

## **NEW GREEN AND SUSTAINABLE INVESTMENTS**

BY 2021

#### **GREEN AND SUSTAINABLE INVESTMENTS**



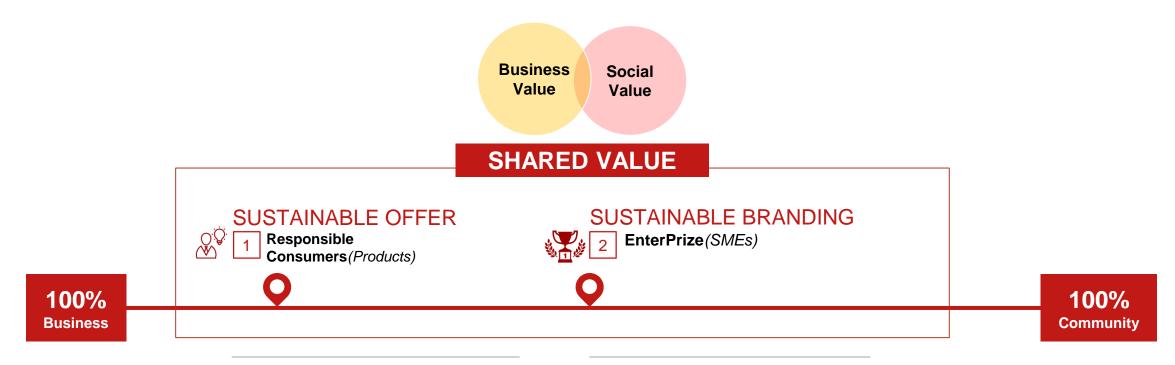
 Investments which support Green and/or Social projects, with the explicit purpose to create a positive impact and contribute towards the UN Sustainable Development Goals







# Initiatives with strong sustainability footprint and positive impact on the business



## **RESPONSIBLE CONSUMERS**

 Distinctive offer dedicated to responsible consumers who want to have a positive impact on the environment and society

## **ENTERPRIZE**

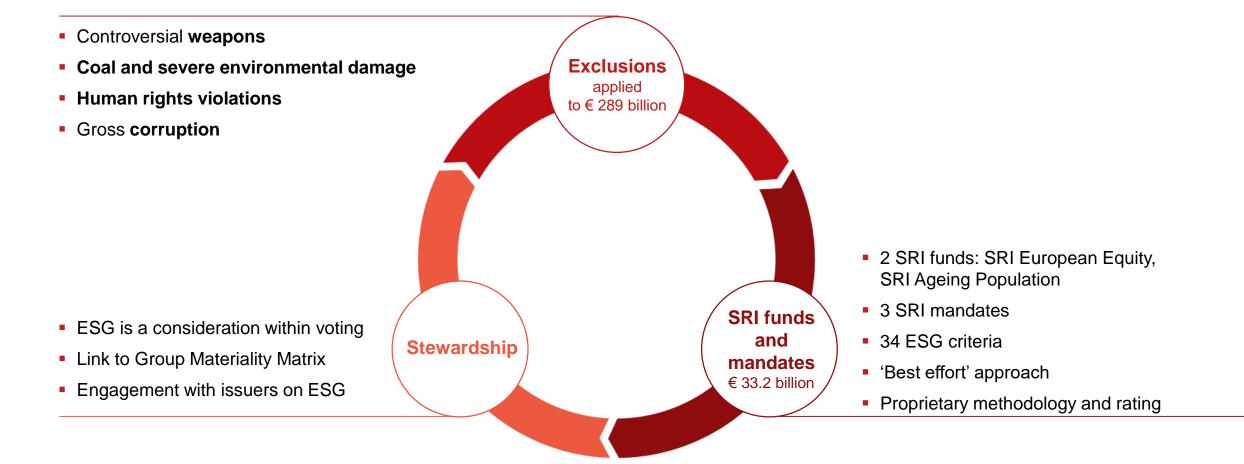
 Award at national and international level the most sustainable SMEs based on their performance with respect to environmental and social matters



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# Responsible Investments activities









# **SRI Funds product offering & Sycomore Asset Management**

 Generali Investments, the main asset management arm of Generali Group, leverages its established SRI expertise to provide a range of investment solutions for its internal and external clients via funds or dedicated mandates.

# GENERALI INVESTMENTS SICAV (GIS) SRI AGEING POPULATION TRANSFORM A MAJOR TREND INTO AN INVESTMENT OPPORTUNITY

€ 321 MILLION AS OF 31/12/2018



Exposure to European Companies that will benefit from the fundamental & accelerating demographic phenomenon of the ageing of the population through three investment pillars of Healthcare, Pension & Savings and Consumers. Based on cash flow analysis.



• 100% SRI compliant strategy based on our proprietary methodology.

# GENERALI INVESTMENTS SICAV (GIS) SRI EUROPEAN EQUITY MAKING SENSE OF INVESTING

€ 214 MILLION AS OF 31/12/2018



- Invest in a 100% SRI compliant strategy getting exposure to sustainable European companies identified through our proprietary methodology. Based on cash flow analysis, with a focus on companies with solid balance sheets and interesting growth perspectives.
- Benefit from our high conviction approach to generate a total return above the MSCI Europe index over time.

 Generali's acquisition of a majority stake in Sycomore Asset Management finalised in February 2019 enriches Generali's SRI offering.



## € 6.7 BILLION AS OF 30/04/2019

- Leading company in sustainable investments. Pioneer in ESG oriented approach in Europe and active contributor to its development.
- Focus on human capital as the main lever to generate and share high conviction investment ideas
- Integrated extra-financial analysis applied to all managed assets.
- Autonomous in terms of governance, strategy and fund management



# **Active ownership: Proxy Voting and Engagement**



## **PROXY VOTING**



## PROVIDING VOTING RECOMMENDATION

 We perform independent analysis to determine the most suitable voting decision, according to the relevant voting policy



#### **CASTING VOTES**

• We vote via electronic platforms or physically, on behalf of Clients



## **ENGAGING WITH ISSUERS ON PROXY VOTING**

We promote the principles included in the Group Voting Guideline



## REPORTING ON THE VOTING ACTIVITY

 Yearly external reporting, periodic client reporting, internal reporting analysis

MEETINGS VOTED DURING 2018

1,201

% NEGATIVE OPINION

13%

## **ENGAGEMENT**



#### **PLANNING**

 Based on inputs from the Group Engagement Committee, we define engagement priorities based on identified risks



## **EXECUTION**

 We perform direct and collaborative engagement with issuers on key ESG topics



#### **MONITORING**

 We monitor the action plans shared with the issuers and escalate in case of not satisfactory response



#### REPORTING

 We provide feedback to internal teams and to the clients and report annually in our Active Ownership report

ENGAGEMENTS IN 2018

37

% OF DIRECT ENGAGEMENTS

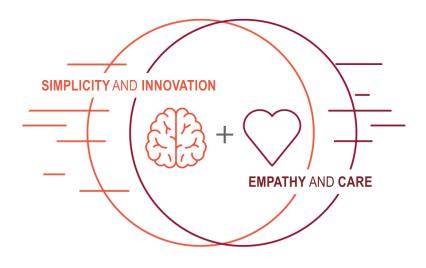
35%



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# Generali to become a Life-time partner for its 61 million Customers



## WE WANT TO BE A LIFE-TIME PARTNER TO OUR CUSTOMERS

The purpose "be a life-time partner" starts with our 155,000 agents who are at the core of this transformation. Thanks to data and technology, our agents will personalize and tailor the offer, bundling products that offer protection combined with prevention. Our unmatched distribution network will provide advisory services with caring interaction – personal and digital – that distinguishes us from our competition.

## **CUSTOMER NEEDS**



## SIMPLICITY / INNOVATION

- Simple propositions tha fit my lifestyle
- Employees and agents who are solutions oriented
- Reward client behaviors



## EMPATHY / CARE



- Treats clients as human beings not as policy numbers
- Demonstrate care and compassion for customers and their needs
- Easy to reach when needed



## REACTIVE

**TRANSACTIONAL** 

**PROTECTION** 

"I need insurance"



## PROACTIVE

## **RELATIONSHIP**

PROTECTION, PREVENTION AND ASSISTANCE

"I WANT insurance"



# We'll continue to listen and act on customer feedback and deliver service improvements across all touchpoints

LISTEN AND ACT

1,028 IMPROVEMENT

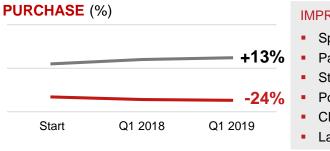


20% INCREASE IN

24% DECREASE IN DETRACTORS

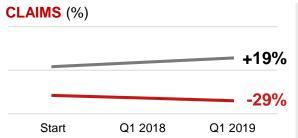
17.6 **MILLION SURVEYS** 

**59 BUSINESS UNITS** 



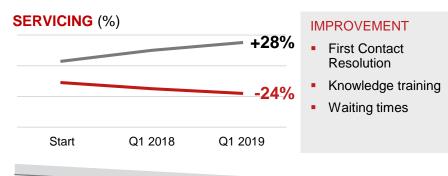
#### **IMPROVEMENT**

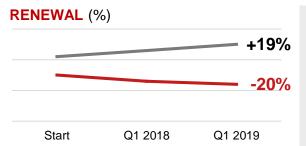
- Speed
- Payment process
- Status Update
- Policy docs
- Clarity of explanation
- Lack of contact



#### **IMPROVEMENT**

- Status Update
- Empathy training
- 3<sup>rd</sup> Party monitoring
- Speed
- Claims Letters







- Renewal letters
- Reminder process
- Payment process
- Renewal notifications

— Promoters **Detractors** 



# **Digital Capabilities**

**CONSOLIDATED** 



## Mobile and Web Hub Agent Hub

Groupwide consistent web and mobile experience for our customers and agents



## **Jeniot**

The Italian telematic platform at the next level to better serve group connected insurance scenario



## **Robotic Process Automation**

Groupwide program to accelerate digital transformation through Robotics technology



## **Advanced Analytics and Artificial Intelligence**

From initial experiments to the embedding of new capabilities across the value chain



## **Blockchain & Distributed Ledger Technologies**

Distributed platforms to accelerate insurance and reinsurance ecosystem standardization





# Generali started the innovation journey years ago by progressively creating an ecosystem of innovation partners

Selected initiatives

		Founding Partner of Munich InsurTech Hub (4 years commitment)
	PLUGANDPLAY	<ul><li>Privileged access to a global ecosystem of InsurTech StartUps</li></ul>
		<ul><li>Early stage ("scale up") focus</li></ul>
PROCESS INNOVATION (input)		<ul> <li>Sponsoring 5-6 observatories on various digital innovation topics</li> </ul>
	POLITECNICO MILANO 1863	<ul> <li>Insights about InsurTech market trends and StartUp scouting</li> </ul>
		<ul> <li>Seed / post-seed focus, Italian ecosystem play</li> </ul>
	Efma	<ul> <li>Partnership providing intelligence and benchmarking on groundbreaking technologies in the FS sector (including Insurance and AM), also through a library of notable innovations / StartUps</li> </ul>
CONTENT INNOVATION (output)		Building a pan-European mobility platform (as highlighted in ID)
	Motor	<ul> <li>Successfully launched Telematics and behavioral pricing (PAYD / PHYD) in several countries (1.5+ million connected cars / black boxes)</li> </ul>
	~9	<ul> <li>Several smart home insurance projects launched in the last 3y across Europe</li> </ul>
	Home	• 100.000+ customers on boarded
	Life &	• Robo4Advisory propositions for Life Insurance / Savings / Pensions, with live platforms in SWI and
	Savings	Banca Generali (partnership w/ UBS)
		<ul> <li>Other countries in pipeline, especially in Asia (WIP)</li> </ul>



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# Cyber: our strategy is to develop solutions to enhance the security posture of the Group on 4 key dimensions



## **BUSINESS INITIATIVES ENABLEMENT**

be prepared for new cyber threats affecting new digital technology



## **NEW CYBER THREATS**



be resilient to security incidents if cyber attack exploits vulnerabilities and be able to monitor new threats

## **GOVERNANCE**

be efficient to manage information security processes and to address cyber risk

Fully compliant with the new GDPR regulation

## PEOPLE, SKILL & EDUCATION



be aware of cyber risks and acquire skills and competences to face the emerging security threats



# Increased protection and measures to cover different areas: technical controls, compliance, risks, awareness and governace











## THREATS DETECTION AND SECURITY INCIDENT MANAGEMENT

- Central security monitoring system (SIEM)
- Security Operation Center (SOC)
- Group Computer Emergency Response Team (CERT)
- Threat intelligence integrated solutions and services

## GDPR FRAMEWORK

- Regulation and standard
- Technical controls to cover GDPR relevant applications and databases

# CYBER INSURANCE

- Majorana tool to support the cyber insurance business, estimating the cyber risk of customers
- Partner and processes to support security incident of customers

## SECURITY AWARENESS MONITORING AND SOCIAL ENGINEERING FOR INTERNAL EDUCATION

- USB & Phishing campaigns
- Communication and adv campaigns
- Educational course

## GUIDELINES, POLICY, STANDARD AND SECURITY MINIMM REQUIREMENTS

- Standards and controls
- Regulations
- External Certifications



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# Our People are always at the heart of our Strategy

## OUR PEOPLE



**70,734** employees



49.2% (-1 pps)

# THE GENERALI PEOPLE STRATEGY

- Is part of the Business Strategy and enables our transformation towards a Simpler, Smarter Generali. Faster
- Is based on four priorities, that provide us a clear direction and the right approach so that we can make a difference to the success of our company and to the lives of our customers in a sustainable way

# OUR PRIORITIES

- 1 Promoting Engagement and Empowerment
- 2 Strengthen our Leadership and Talents
- Build an Agile Organization and New Capabilities
- 4 Shift mindset towards Customer Centricity



# In 2018, we continued delivering on key initiatives in coherence with 2015-2018 Group People Strategy (1/2)

#### **ILLUSTRATIVE**

## GROUP PEOPLE STRATEGY PRIORITY

1

#### **INITIATIVE**

## **Global Engagement Survey**

In June 2017 we carried out the 2<sup>nd</sup> Generali Global Engagement Survey; since January 2018, more than 390 local actions were planned, initiated and communicated.

#### **KEY HIGHLIGHTS**



86% GROUP RESPONSE RATE



80%
GROUP ENGAGEMENT
SCORE



+390

local engagement actions designed globally



**92%** local follow up

actions launched

June 2019
3rd edition of Global
Engagement Survey



MAP
Managerial Acceleration Program



8,900

People Managers trained by certified Generali Managers by 2019

We have identified the 8 key managerial principles to empower our people: the Generali Empowerment Manifesto (GEM)



## **Group Performance Management**

GPM is a key priority to sustain our Business Strategy and foster a meritocratic and transparent feedback culture.



99%

Group employees involved in performance management activities in 2018

In 2018, 99%¹ of our people participated in a program involving: defining objectives, assessing performance, feedback and individual development plans



## In 2018, we continued delivering on key initiatives in coherence with 2015-2018 Group People Strategy (2/2)

#### **ILLUSTRATIVE**

**GROUP PEOPLE** STRATEGY PRIORITY

#### INITIATIVE

#### **Global Leadership Programs**

We develop the managerial skills of our leaders and talents to favor their development and internal growth

#### **KEY HIGHLIGHTS**

Global mentoring program

The third edition of the program was launched in October 2018 and involved 82 participants, including members of the GLG and young managers from across

the Group

Step Up

A 4-day residential program in collaboration with IMD and dedicated to equip 70

Group Talent Directors to with the leadership skills necessary for the digital age

Strategic Study

**Tour 2018** 

An immersive 5 days study tour in Singapore on the topic of digital innovation

and business model transformation, supporting Generali 2021 strategic cycle

panning dedicated to a select group of 35 senior leaders

#### **Training**

Developing and continuously improving excellent technical skills in all of our people, and spreading a distinct insurance culture through common approaches, metrics and languages has always been one of our key objectives

96.6%

**EMPLOYEES TRAINED** (+7.9% pps)

35

**AVERAGE HOURS** EMPLOYEE TRAINING (+6.4% Training hours)

€ 55.8 million

**TRAINING COSTS** (+2.0%)

#### Develop a more customer-centric culture

We believe it is fundamental to build an organization focused on the customer, with a limited number of decision-making level and strong inter-functional transversality. We implemented a NPS program in 58 Group's business units, which facilitated reimagining key processes for the end customers benefit.



## **Diversity & Inclusion in Generali**

Global and local - Ambitions and action plans



Best D&I employer



## **GROUP AMBITIONS**

2017 - 2021

## Gender

 Accelerate with concrete actions the presence of women in senior leadership positions and in the pipeline

## Age

 Ensure the coexistence of different generations, with a strong focus on young talents

## Culture

 Ensure the attraction, on-boarding and retention of different backgrounds and new skills to foster and sustain the transformation

## Inclusion

- Keep investing and monitoring the real inclusion of each individual, focusing on the creation of a flexible environment where each person is respected and valued
- Ensure inclusion of people with different sexual orientations







## **GROUP ACTION PLAN**

## Gender

- Women leadership acceleration programs
- Mentorship programs
- Gender Pay Gap analysis and mitigation plan
- Sexual Harassment & Discrimination Awareness Campaign

## Age

- Graduate program for young lions
- Young talent career acceleration program

## Culture

- Strategic Sourcing Process
- Hiring and training of people on new, critical roles through SWP and training
- Completion of Unconscious Bias Training for GLGs/ExCo teams
- UB training for whole population

## Inclusion

- Disability Communication plan and training for managers
- Policies to enable and support Smart Working
- Design of LGBT action plan



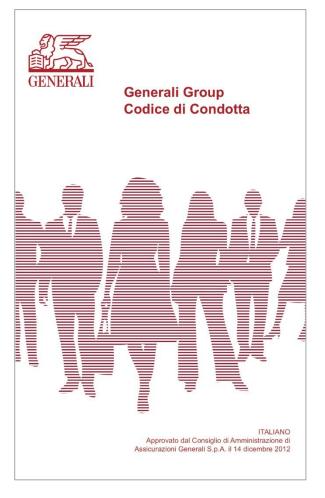


- Business Overview
- Generali 2021 new strategy
- Sustainability journey and governance
- Generali for the environment and climate
- Sustainability goals in Generali 2021
- Responsible Investments and Active Ownership
- Life-time partner
- Cyber Security
- The Human Capital
- GOVERNANCE & COMPLIANCE
- The Human Safety Net



## Our values within the Code of Conduct

The "Code of Conduct" sets minimum standards of behaviour that all of us, as part of Generali, have to follow in the relationships with colleagues, customers, shareholders, suppliers and the other stakeholders



## **GROUP RULES**

- The Generali Group is focused on maintaining the highest integrity and reputation at all times
- Each company of the Group must ensure a widespread culture of ethics and compliance and an effective management of compliance risks, according to Group requirement and gudelines
- The Group Rules focus on specific provisions and provide internal implementing rules that apply to every employee





## **Internal Control Framework & Risk Management**

The set of company rules, procedures and structures that ensure the effective operation of the Company and enable it to identify, manage and monitor the main risks to which it is exposed

## 

#### INTERNAL CONTROL FRAMEWORK

Group entities must establish the Actuarial, Compliance and Risk Management functions as second line of defence and the Internal Audit Function as third line of defence according to the provisions of the relevant Group Policies

The Control Functions are to be considered key functions in the system of governance of each Group Legal Entity

#### GENERALI INTERNAL REGULATIONS SYSTEM(GIRS)

The Generali Internal Regulations System has the aim of supporting a sound and effective Group system of governance. It defines the hierarchy of Group internal regulations and outlines the roles and accountabilities within the process governing their life-cycle

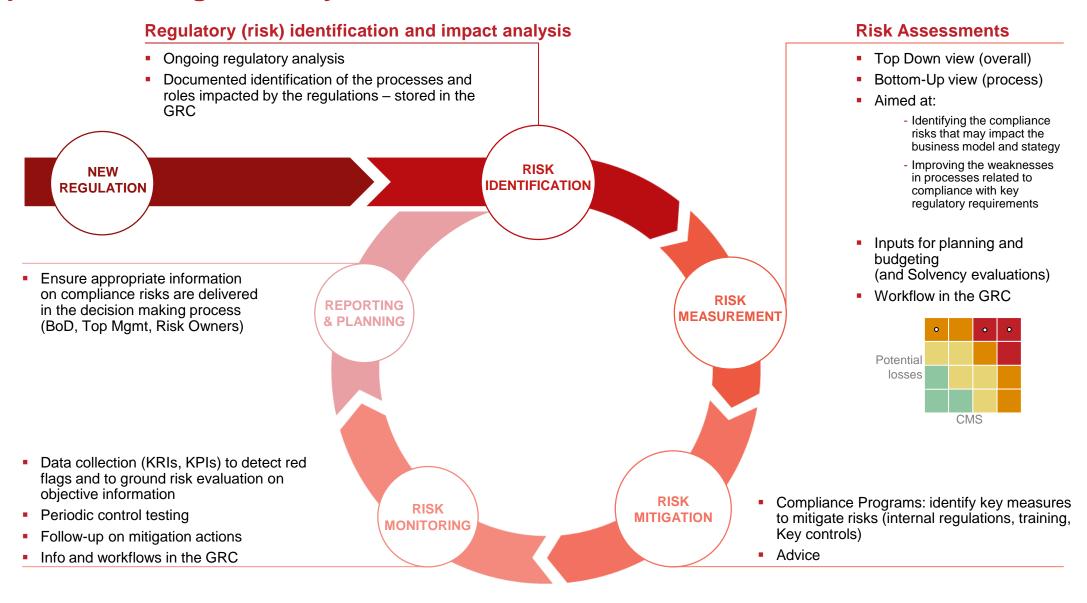
**GROUP POLICIES** 

**GROUP GUIDELINES** 

**GROUP TECHNICAL MEASURES** 



## **Compliance Management System**





## Tax and transparency

Our approach to tax compliance

 Generali is committed to the principles of openness and transparency in its dealing with tax authorities

 Generali companies operating for business purposes in black list jurisdictions are subject to tax in Italy on a look-through approach under Italian CFC rules or otherwise obtained a positive tax ruling from the Italian Revenue Agency  Generali has implemented a Tax Control Framework in order to identify, measure, manage and control the tax risk with respect to its Italian operations

At Generali
we seek to comply with
all relevant tax laws, rules
and regulation as well as
reporting and disclosure
regulations,
wherever we operate

 We aim to ensure that all our tax affairs are reported accurately and in a timely manner

 Generali companies mainly operate in high tax jurisdictions, such as Italy, France and Germany, and are subject to tax therein by paying their fair share of income taxes in full compliance with applicable tax laws



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- Governance & Compliance
- THE HUMAN SAFETY NET



## **The Human Safety Net**

Goals





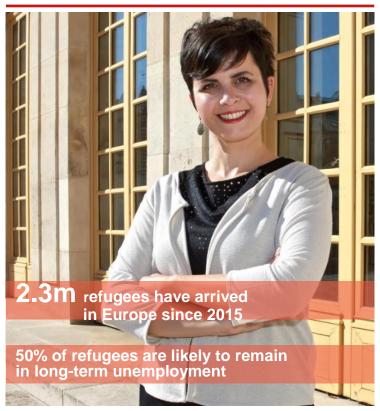
## **FOR FAMILIES**



Support 30,000 parents during the first six years of their child's life, which has been scientifically proven as the most formative period in children's development

Italy, Germany, France, Spain, Switzerland, Austria, Serbia, Romania, Slovakia, Slovenia, Indonesia, Vietnam, Malaysia, India, Argentina

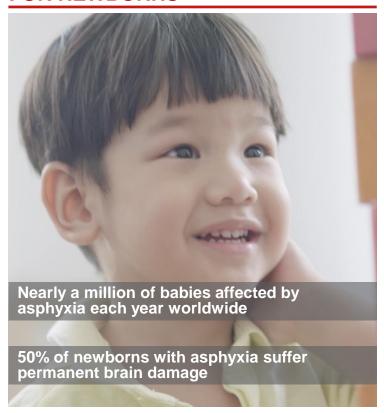
## FOR REFUGEE START-UPS



Empower refugees to enhance 500 new businesses, creating jobs and opportunities for work

France, Germany, Switzerland

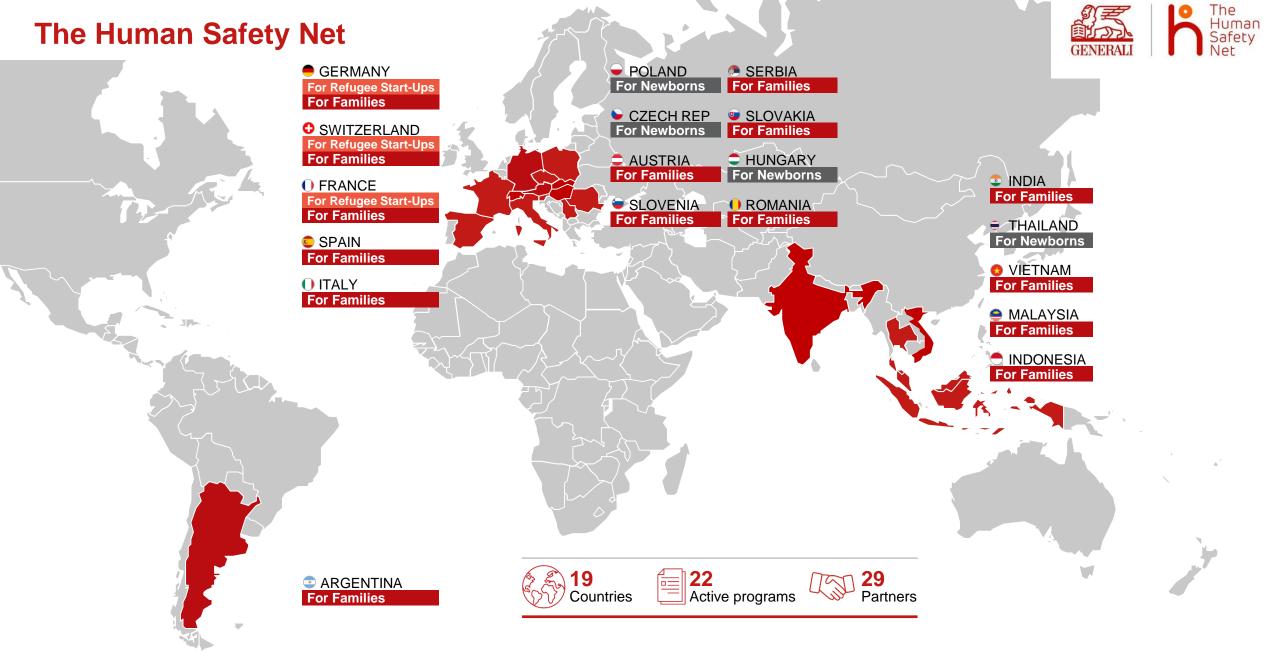
## **FOR NEWBORNS**



Train and equip professionals to support 1,000 babies from this potentially fatal condition

Poland, Hungary, Czech Republic and Thailand



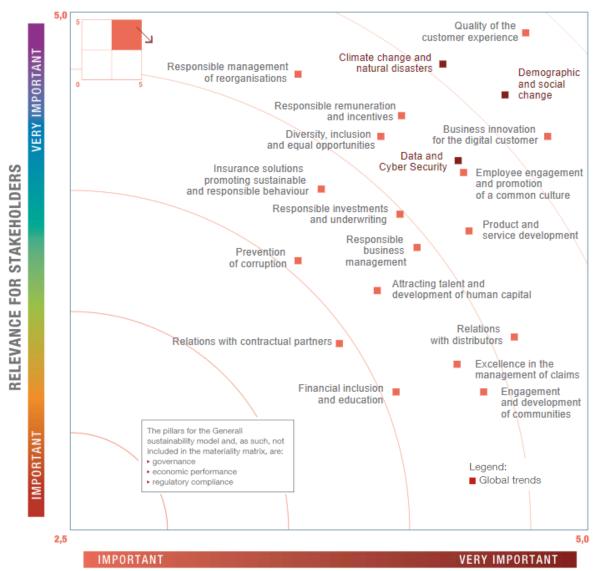




## Annex

## Our sustainability priorities

## Generali Materiality Matrix



#### **OUR SUSTAINABILITY PRIORITIES**

- 1 Governance
- 2 Economic performance
- 3 Regulatory compliance
- 4 Quality of customer experience
- 5 Demographic and social change
- 6 Business innovation for the digital customer
- 7 Climate change and natural disasters
- 8 Data and cyber security
- 9 Employee engagement and promotion of a common culture
- 10 Responsible remuneration and incentives
- 11 Diversity, inclusion and equal opportunities
- 12 Product and service development
- 13 Responsible management of reorganisations
- 14 Relations with distributors
- 15 Responsible investments and underwriting
- **16** Responsible business management
- 17 Engagement and development of communities
- 18 Excellence in the management of claims
- 19 Insurance solutions promoting sustainable and responsible behavior
- 20 Attracting talent and development of human capital
- 21 Prevention of corruption
- 22 Financial inclusion and education
- 23 Relations with contractual partners



## **Our Policies and Codes**



sustainable Running business. excellence in our internal pursuing processes, and living the community, an active role where we playing operate, beyond day-to-day our business, represent our commitments to stakeholders and the society as a whole. We have renewed them in the Charter of Sustainability Commitments



The Sustainability Group Policy define the process, the roles and the responsibilities to identify, evaluate, manage, monitor and report the risks and opportunities related to Environmental, Social and (ESG) Governance factors coherence with Generali's goal to foster the sustainable development of business activities and generate value lasting over time



"Code of Conduct" minimum standards of behavior that all of us, as part of Generali, have to follow in the relationships with colleagues, customers. shareholders, suppliers and the other stakeholders. The "Code of Conduct" applies to all employees of Generali Group, including members of supervisory and management bodies. In addition, third parties (consultants, suppliers, agents, etc.) who act on behalf of the Group are expected to adhere to the principles set out in the Code



**Policy** The Group the **Environment and Climate** reiterates commitment Generali in of safeguarding the environment and includes the guiding principles by which the strategies and goals of Group environmental comapnies' management must abide, in order to ensure: protection of the environment; prevention of pollution; protection and biodiversity: conservation appropriate response to the challenges posed by cliamte change



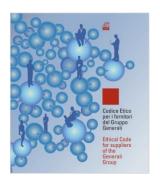
## **Our Policies and Codes**



The Responsible Investment Guideline outline the principles to which the Group shall adhere to ensure the adoption of a responsible conduct in the investment process, by incorporating Environmental, Social and Governance (ESG) factors into the investment decision-making practice, and reduce the exposure to Issuers whose behaviours are not aligned with Group's principles



The Responsible Underwriting Group Guideline outline the principles and rules aimed at assessing environemntal, social and governance features of the prospective/insured clients in the P&C underwriting process. The respect of such principles ensures the adoption of a responsible conduct of underwriting Group level aimed management at minimizing/avoiding potential reputational risks

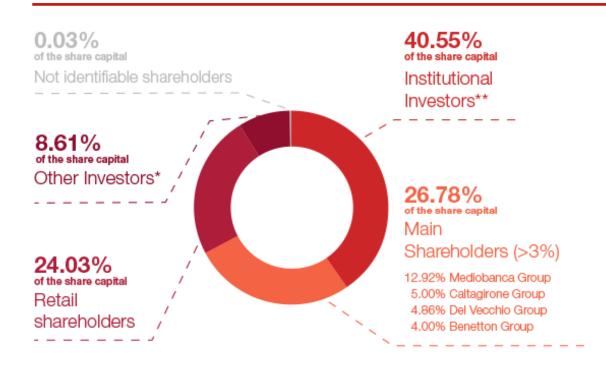


The Ethical Code for suppliers of the Group Generali outlines the general principles that have to underpin fruitful relations with contract partners. The Group requires its contract partners to align with its policies while performing business and to ensure compliance with all the levels of the relevant supply chain. The Generali Group is committed to performing its business with contract partners by complying with the following principles: 1. Correctness and honesty 2. Transparency and impartiality 3. Avoiding conflict of interests



## **Our Shareholder structure**

## HIGHLIGHTS ON SHAREHOLDERS STRUCTURE<sup>1</sup>

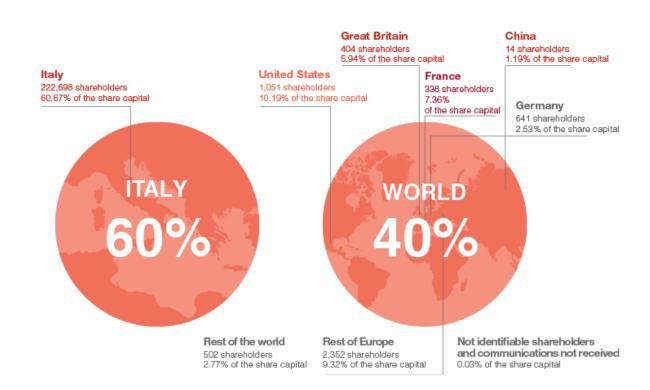




<sup>\*\*</sup> Asset Managers, Sovereign Funds, Pension Funds, Insurers

52

## SPLIT BETWEEN ITALIAN AND FOREIGN SHAREHOLDERS



1. Update as of May 20, 2019

## The Board Committees and the GMC

# Mandatory Committees by the Corporate Governance Code or Italian legislation

Risk & Control
Committee

Related Party Transactions Committee Appointments & Remuneration Committee

## Other Voluntary Committees

Corporate Governance, Social and Environmental Sustainability Committee Investments Committee Strategic Operations
Committee

## **GROUP MANAGEMENT COMMITTEE**

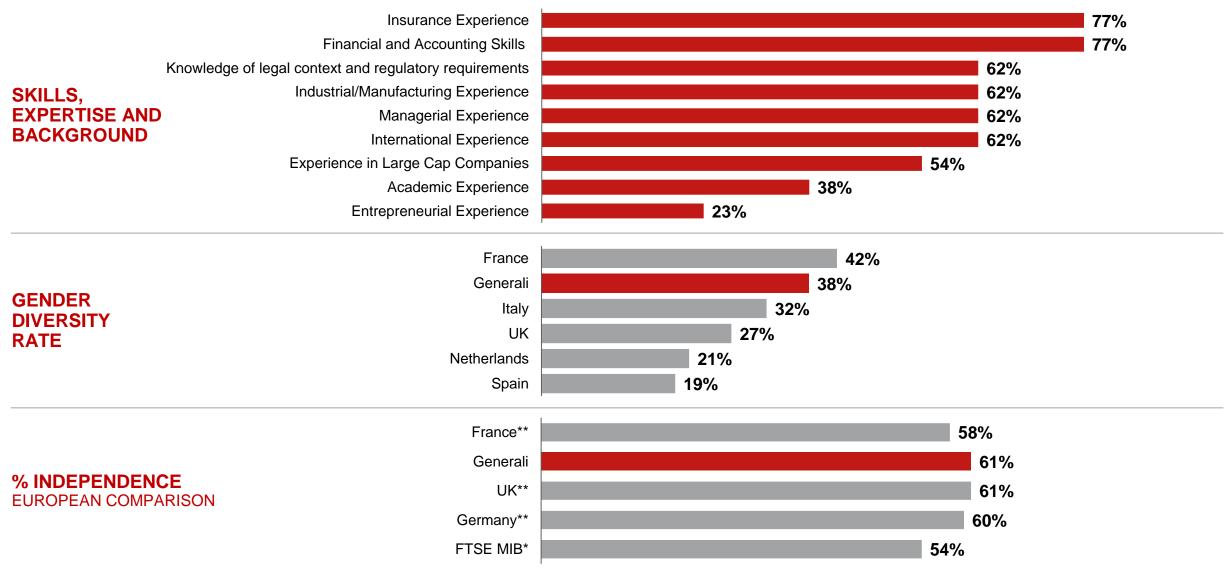
#### Responsible for:

- Supporting the Group CEO
- Discussing essential decisions for the Group
- Examining proposals to the Board of Directors
- Conveying the decisions and policies adopted to the entire Group, through its members

- With the aim of improving alignment with the Group's strategic priorities and increasing the efficacy and approval of the decision-making process, a Group Management Committee (GMC) has been instituted
- The GMC introduces a team approach to the management of the business at international level, ensuring group-wide operational cohesiveness
- The GMC is a supportive body to the CEO in his decision process on business



## **Our Board of Directors (2/2)**



<sup>\*</sup> Assonime «La Corporate Governance in Italia», 2018



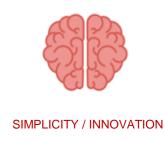
<sup>\*\*</sup> Spencer Stuart «Italia Board Index 2018»

## **Remuneration: Approach & Metrics**

Approach (CEO target	)	FIXED	(22%)	VARIABLE (78%)					
(0_0 090	,	Base \$	Salary + A	ANNUAL S	SHORT-TERM INCENTIV (yearly basis)	E (29%) + L		LONG-TERM INCENTIVE (71%) (multi-year basis)	
Short-term	PERSPECTIVES	<b>3</b>							
metrics	Economic and Fina Adjusted Performa	エカロツ	_	<ul> <li>Core business Key Performance Indicators (KPIs)</li> <li>RORC as mandatory risk adjusted KPI</li> </ul>					
	2019 – 2021 Strategic Projects/KPIs  * KPI linked to the implementation of Group Strategic Projects at global level for all leaders/sponsors of the prospective of the implementation of local strategic plans, including Sustainability initiatives / KPIs Customer/Brand KPI based on specific KPIs evidence								
	People Value	10 - 15	<b>5% -</b> Manageria	l assessmeı	nt based on specific KPIs evide	nce			
Long-term metrics	•	40% PROSPECTIVE SHARES	40% PROS		+ 20% PROSPECTIVE SHARES		No p	payout if TSR is below lower quartile	
	% LTI vesting	Avg. Net ROE	EPS G	rowth	rTSR	_	Cubi	Subject to additional deferral periods for GMC	
	0%	≤ 10%	≤ 3	≤ 3%	Lower quartile		and holding periods GMC, GLGs and other beneficiaries  Presence of malus and clawback provisions		
	target	11.5%	69	%	Median ranking				
	maximum	≥ 12%	≥ 8	3%	Top ranking			sence of malus and clawback provisions	



# Simplicity & Innovation combined with Empathy & Care throughout the entire customer journey







#### **GENERALI 2021**

## PROTECTION, PREVENTION AND ASSISTANCE

- Bundling protection, prevention and assistance services through IoT connected devices
- Prevention advice built around life, health, home, mobility and business

## PERSONALISED & TAILORED

- 360º needs based assessment
- Modular propositions tailored to customers' needs
- Customer life-time value segmentation
- Reward behaviour

#### SEAMLESSLY CONNECTED

- Real time data and updates on mobile-hub
- Self service transactions (address change, claims etc.)



#### **DELIGHTING EXPERIENCES**

- Seamless experiences across all key touchpoints
- Listen & Act on customer feedback

RELATIONSHIP

150K Agents: SELL, SERVE & ADVISE



## **Contacts**

## **Assicurazioni Generali**

Piazza Duca degli Abruzzi 2 34132 Trieste, Italy Fax: +39 040 671338 ir@generali.com csr@generali.com media@generali.com

## www.generali.com

## Lucia Silva

Group Head of Sustainability and Social Responsibility

lucia.silva@generali.com +39 040 671060

## **Barbara Morgan**

Group Sustainability and Social Responsibility

barbara.morgan@generali.com +39 02 48248659

## Michele Amendolagine

Head of Shareholder & Governance

michele.amendolagine@generali.com

## **Rodolfo Svara**

Investor & ESG Relations

rodolfo.svara@generali.com +39 040 671823



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#### www.generali.com

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The user of such information should recognise that actual results, performance or events may differ materially from such expectations because they relate to future events and circumstances which are beyond our control including, among other things, general economic and sector conditions.

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## Thank you.







