





# SUSTAINABILITY REPORT

2010

## PHOTO ILLUSTRATIONS

As in the past, the photos selected to illustrate the report are once again drawn from initiatives that have received support from the Group and that are, in particular, aimed at children and youngsters, in various environments and with various goals.

Through these images we would like to give a snapshot representing synthetically the extremely varied nature of the interventions, as well as their geographic distribution throughout the various areas in which the Group operates. Insofar as it is not possible to find space for everything, it has been decided to make use of pars pro toto, with various parts being shown to represent the whole.

First of all, it is important to make it clear that the aforementioned goal has guided the selection of the photos that were given the most visibility and that, in trying to present the different types of initiatives carried out and the choral participation of the Group, certain projects and countries that were just as important as those illustrated have been excluded from the graphic layout. As a confirmation of this, it could be added that the choice was at times simply due to chromatic or quality considerations regarding the images at disposal.

Many images refer to aid interventions in the medical field, which at times also take on the purpose of integrating underprivileged persons. This is the case of the photos taken in the hospitals of Slovenia, where healthcare providers and other volunteers members of the Red Noses association go to serve those children bound for long hospital stays, dressed up as clowns to entertain and amuse them with smile therapy, and of the photos taken in Israel at the Wheel House association, which supports children and youngsters with serious psychic and motor disabilities with the goal of inserting them as active members in the community.

The numerous educational projects, covering a wide range of fields, make use of games and direct experience to involve children in the learning process.

Out of consideration for the close ties to the insurance business, the Group companies carry out numerous initiatives, often in collaboration with the police forces, to educate children

regarding traffic, involving the children in various ways. They can be found for example in Serbia, with the Alma-Citrom initiative, where they walk the streets with apples and lemons to give prizes to drivers who follow the rules and to punish those who commit violations under the watchful eyes of the traffic policemen or, in Argentina, with the Onda Calle project, which falls within the wide-ranging Alerta Vial programme, where the children are overwhelmed in the streets by the colourful wave of traffic educators, accompanied by jugglers and street artists, to learn the importance of wearing a safety belt and the ban on mobile phone use when driving, through games and signs.

Meanwhile in Italy, Salvagranaio - Le origini agricole dell'economia (Salvagranaio, The Agricultural Origins of the Economy), at one of the Group's historical agricultural companies, students are taught the agricultural origins of our culture and the close correlation between man's progress on an economic, social and cultural level and the use of ever more powerful and available energy sources, including through a series of direct experiences.

Alternatively, in China, Generali has enabled secondary school students to participate in the Shanghai EXPO Summer Camp, to help them expand their knowledge and gain an international perspective through their learning experience.

Throughout the entire world, employees have played an active role cooperating, either upon the invitation of the Company or spontaneously, with numerous projects, often aimed at the youngest and poorest. As a representation of them all, we have taken Panama, where the Generali employees have collected books and uniforms which they donated to the Padrino Escolar project, an effort promoted by the Pro Niñez Panameña association that provides schooling and support to poor children of indigenous communities in rural areas.

Lastly, the company nurseries, still small in numbers and only present in some countries, are on the increase, showing the attention that the Group is giving to the combination the work and family commitments of their employees. The lens has captured two of them in the report: the first in Nyon,

in Switzerland, where the little cooks are busy preparing delicious biscuits, and the second one in the premises of Mogliano Veneto, inaugurated in 2010, which was built making use of avant-garde technologies which respect the environment, thanks to which the new building has received an A energy efficiency classification.



## CHAIRMAN'S LETTER



It gives me great satisfaction to be able to state that, notwithstanding the economic situation that is still characterised by persistent uncertainty and market volatility, the Group continues to show robust growth, with an especially strong increase in life insurance collection. The choice of directing the latter towards more financially-rewarding products and the high performance obtained from investment management, combined with the rigorous cost control, has allowed us to achieve a growth in net results that ranks among the best in the sector. This was possible thanks to the positive technical result also in the non-life segment, despite numerous catastrophic events. The result obtained goes to confirm the validity of our distribution model which is strong thanks to the proprietary networks, and a strategy of geographic diversification. The increase in net assets confirms the strength of the capital structure. We can therefore state that we continue to successfully carry out our job as insurers, enabling the generation of wealth, however we are aware that our success is also the result of the ability and commitment of our employees, and the faith our clients and investors continue to have in us. This is the reason why we direct our strategic choices towards the constant search of coherence between the interests of the Group and the general public, and why we inform all our stakeholders regarding our results. The added value generated by our business has once again increased this

year and not only to the benefit of the Company: in fact, we have been able to distribute increasing sums to everyone, beginning with the shareholders, who were given a unit dividend of 0.45 euro per share compared to 0.35 euro last year.

However it is important to point out that from a broader point of view, where the creation of value for all stakeholders is at the core of the corporate strategies, the value generated for the latter is not only measured in monetary terms. For example, we create value for our clients by constantly updating the products offered and improving the services provided, so they will continue to meet their ever-changing needs. We create value for our employees by offering professional and career growth opportunities, and tools to reconcile their work and family needs, such as nurseries for their children or improving their well-being in the workplace. We create value for the environment by adopting responsible criteria in the management of corporate mobility and in the use of natural resources.

The seriousness of our approach to sustainable development and the value of the results we have obtained since the day, seven years ago, when we decided to publish our first Sustainability Report and to introduce policies and practices to tackle and manage the most relevant social and environmental issues, have been proven by the recognition attributed to us particularly this past year by rating agencies which assess social, environmental and corporate governance performance. We are proud to have succeeded in improving all ratings assigned to us, and have been entered in important indices such as the ASPI Eurozone, FTSE ECPI and, in March this year, the FTSE4Good. Our environmental performance linked to the mitigation of climate changes has been awarded a score of 69/100, at the threshold of excellence, by the Carbon Disclosure Project, which we joined only one year ago.

Environmental protection is a priority for us. The environmental policy we have defined and the environmental management system we are implementing aim to use commitment and effective tools to contain the impact of corporate activity on the environment and the accompanying risks by means of a preventive approach, aimed at acting in the management of critical situations in manners that go beyond the regulatory prescriptions and by

forestalling the manifestation of serious damage.

In addition to environmental protection, we are also committed to the respect and promotion of fundamental human and labour rights and the fight against corruption, honouring the commitment we made a few years ago in joining the United Nations Global Compact initiative. The principles it promotes are now part of our strategies, policies and daily operations and, with the 2010 review of the Ethical Code of the Generali Group, these have been inserted among the fundamental principles upon which our Group draws inspiration.

The level of integration achieved by the social and environmental considerations in our business has led us, for the first time this year, to insert a number of "green pages" into our Consolidated Financial Statement, which show not only descriptive information on our sustainability strategy and governance, but also a set of quantitative indicators on the related performance.

The satisfaction for the goals achieved and the increasing appreciation shown by our stakeholders towards our commitment in this field confirm the validity of our strategies and stimulate us to continue along this path, striving to seize all opportunities that arise so as to inspire sustainable development in our business activity.

***Gabriele Galateri di Genola***

# METHODOLOGICAL NOTES

The 2010 Generali Group Sustainability Report (SR), its seventh such report, is based on the same structure as previous reports but contains some new features intended to place greater emphasis on key issues for the various stakeholders.

Those aspects that have remained the same include:

- the decision to publish the SR as a stand-alone document, unlike the Group's other information tools, despite ever closer **integration with the consolidated financial statements**. This year, for the first time, in addition to the usual qualitative information on sustainability principles, policies and governance, these financial statements also contain a set of key quantitative indicators which, like the technical indicators for the Group's insurance activities, measure the results obtained throughout the year in relation to the social and environmental issues that are most important to the Company. This decision was primarily due to the wish to focus attention on social and environmental issues, which would not be adequately addressed by the financial statements.
- the reference to the **international standards**: in terms of reporting standards, structure and content, the document is based on edition 3 (G3) of the Global Reporting Initiative (GRI) Sustainability Reporting Guidelines, as well as the GRI Supplement on Financial Services, which is aligned with the Guidelines; as regards the information-gathering process, the AccountAbility1000 principles were applied;
- the focus on insurance and banking activities, including related service activities;
- the vast **geographical area** covered, which includes the main countries in which the Group operates (Italy, Austria, France, Germany, Israel, the Czech Republic, Spain and Switzerland), representing **67.9%** of the Group's workforce and **85.2%** of its total gross direct premiums. The coverage of key performance indicators (KPIs) has also increased, although there are still some deficiencies in certain countries/companies. More specifically, the Czech Republic is included in the SR area only with regard to information on employees, sales force, the size and characteristics of clients,

the community and environmental initiatives. The Group has decided to gradually extend coverage of the key performance indicators until 2012, so as not to place excessive demands on company structures. Certain information is not available for Israel for confidentiality reasons or because its inclusion may put the company at a competitive disadvantage, since similar information has not been published by its competitors. The data for France include information relating to Europ Assistance France companies in the sections on employees and suppliers only. The quantitative data in the Environment chapter refer exclusively to companies included in the Environmental Management System of the Group so that significant comparisons can be made against the Group's targets for the System;

- the organisation of the information based on key **stakeholders**, divided into the usual three categories: direct stakeholders (employees and sales force, shareholders), competitive stakeholders (clients, contractual partners and issuing companies) and social-environmental stakeholders (community and environment);
- the inclusion in the Group chapter of a section containing all significant data available for the Generali Group as a whole, unless otherwise specified; in the chapters dedicated to individual stakeholders, unless otherwise indicated, the data refers only to the SR area;
- the updating of quantitative data at the end of 2010, while the descriptive aspects are correct up to the time of going to press;
- the **time period** considered, which is usually two years due to the difficulty of recalculating previous comparable data for a longer period. The Shareholders chapter is the only exception, providing available information relating to a four-year period. The data for 2009 may differ from those previously published, since the figures have been recalculated with the **same criteria** used for the corresponding data for 2010 whenever changes have occurred, in order to enable an accurate comparison.
- the rounding of figures to the first decimal place, unless otherwise indicated, with the result that the sum of the rounded figures is not always exactly the same as the rounded total;
- the decision not to require external assurance of the SR from an

assurance provider. This choice was based on the Group's desire to focus its available resources on improving its social and environmental performance and maintaining an effective reporting system in order to provide extensive, high-quality information and meet stakeholders' needs.

The 2010 SR also contains a number of new features due to the Group's desire to constantly update the document based on the recommendations made during a number of occasions and forms of dialogue with key stakeholders. More specifically, the changes have been made in order to better comply with the reporting standards adopted, provide the necessary information to the various organisations and initiatives in which the Group is involved, and respond to the specific requests of certain stakeholders. The main **changes** are as follows:

- the removal of the GRI-UN Global Compact table, drawn up in accordance with the guidelines set out jointly by the two organisations in the publication Making the Connection, which includes the annual Global Compact Communication on Progress for 2010. The table will be published and highlighted in the next few months in the Sustainability section of the Group website, [www.generali.com](http://www.generali.com), alongside the section on the management's approach to various key topics. The decision to delay publishing the table was taken primarily so that the Group could have time to fully define at Group level the various elements of this section;
- the further streamlining of the sections containing less important information or information that can be obtained from other sources within the Group, with a view to expanding the sections that are more important to stakeholders;
- the addition of a new section in the Group chapter that details external recognition of the Group's commitment to various areas of sustainability.

## SR AREA 2010

### ITALY

Alleanza Toro S.p.A.  
Assicurazioni Generali S.p.A.  
Augusta Assicurazioni S.p.A.  
Augusta Vita S.p.A.  
DAS - Difesa Automobilistica Sinistri S.p.A.  
Europ Assistance Italia S.p.A.  
Europ Assistance Service S.p.A.  
Europ Assistance Vai S.p.A.  
Fata Assicurazioni Danni S.p.A.  
Fata Vita S.p.A.  
Generali Business Solutions S.c.p.a.  
Generali Gestione Immobiliare S.p.A.  
Generali Immobiliare Italia SGR S.p.A.  
Generali Investments Italy SGR S.p.A.  
Generali Investments S.p.A.  
Genertel S.p.A.  
Genertellife S.p.A.  
Gruppo Banca Generali  
INA Assitalia S.p.A.  
SIMGENIA S.p.A.

### AUSTRIA

Allgemeine Immobilien-Verwaltungs GmbH  
BAWAG P.S.K. Versicherung AG  
Care Consult Versicherungsmakler GmbH  
Europ Assistance Gesellschaft  
Europäische Reiseversicherung AG  
Generali Bank AG  
Generali Capital Management GmbH  
Generali FinanzService GmbH  
Generali Holding Vienna AG  
Generali Immobilien AG  
Generali IT-Solutions GmbH  
Generali Leasing GmbH  
Generali Sales Promotion GmbH  
Generali Telefon- und Auftragservice GmbH  
Generali Versicherung AG  
Generali VIS Informatik GmbH  
Risk-Aktiv Versicherungsservice GmbH

### CZECH REPUBLIC

Česka Pojišťovna, a.s.  
Generali PPF Holding B.V.

### FRANCE

E-Cie Vie S.A.  
Europ Assistance France S.A.  
Européenne de Protection Juridique S.A.  
Generali Epargne Salaire SA  
Generali France Immobilier S.A.  
Generali France S.A.  
Generali IARD S.A.  
Generali Investments France S.A.  
Generali Vie S.A.  
L'Equité S.A. Cie d'Assurances et Réass.contre les risques de toute nature

### GERMANY

AachenMünchener Lebensversicherung AG  
AachenMünchener Versicherung AG  
AdvoCard Rechtsschutzversicherung AG  
AM Gesellschaft für betriebliche Altersversorgung mbH  
AM Vertriebsservice-Gesellschaft für Personenversicherungen mbH  
AM Vertriebsservice-Gesellschaft Sachversicherungen mbH  
ATLAS Dienstleistungen für Vermögensberatung GmbH  
Central Krankenversicherung AG  
Cosmos Finanzservice GmbH  
Cosmos Lebensversicherungs AG  
Cosmos Versicherungs AG  
Deutsche Bausparkasse Badenia AG  
Dialog Lebensversicherungs-AG  
Europ Assistance Services GmbH  
Europ Assistance Versicherung AG  
Generali Deutschland Holding AG  
Generali Deutschland Immobilien GmbH  
Generali Deutschland Informatik Services GmbH  
Generali Deutschland Pensor Pensionsfonds AG  
Generali Deutschland Schadenmanagement GmbH  
Generali Deutschland Services GmbH  
Generali Deutschland SicherungsManagement GmbH  
Generali Investments Deutschland Kapitalanlagegesellschaft mbH  
Generali Lebensversicherung AG  
Generali Private Equity Investments GmbH  
Generali Seminarzentrum GmbH  
Generali Versicherung AG  
Schloss Bensberg Management GmbH  
Volksfürsorge AG Vertriebsgesellschaft für Vorsorge- und Finanzprodukte

### ISRAEL

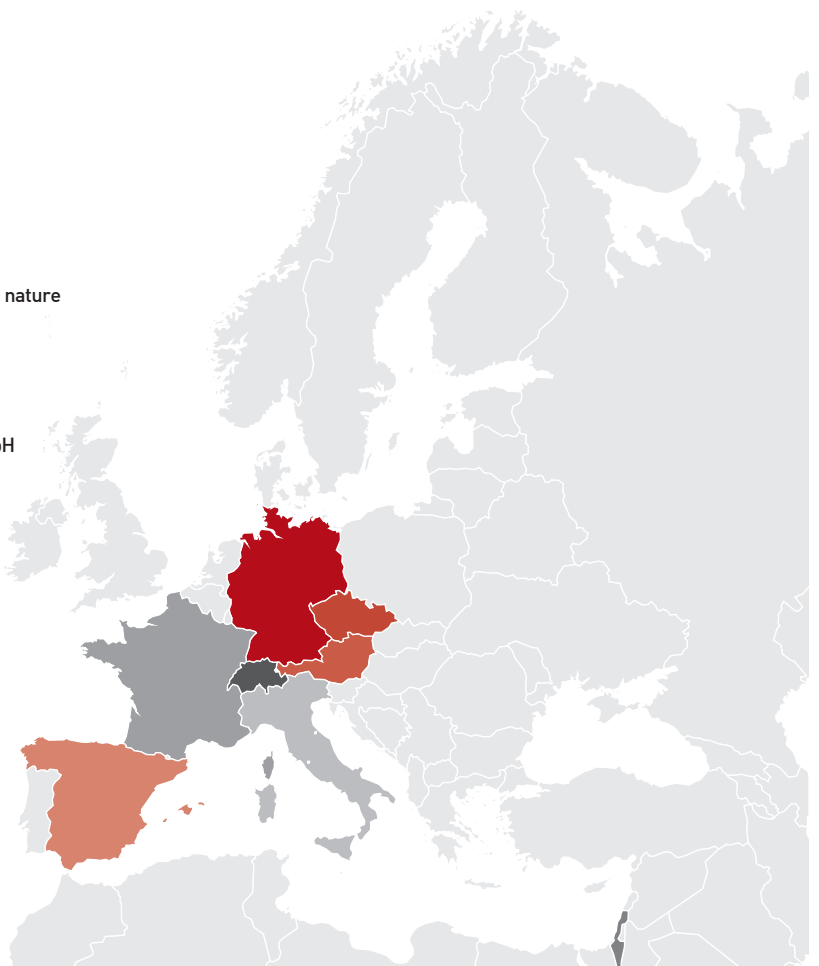
Migdal Insurance Company Ltd

### SPAIN

Cajamar Seguros Generales, S.A. de Seguros y Reaseguros  
Cajamar Vida S.A. de Seguros y Reaseguros  
Coris Gestión de Riesgos, S.L.  
Europ Assistance España S.A. de Seguros y Reaseguros  
Europ Assistance Servicios Integrales de Gestión, S.A.  
Generali España, S.A. de Seguros y Reaseguros  
Generali España Holding de Entidades de Seguros S.A.  
Gensegur Agencia de Seguros S.A.  
Grupo Generali España Agrupación de Interés Económico  
Hermes Sociedad Limitada de Servicios Inmobiliarios y Generales  
Vitalicio Torre Cerdà S.L.

### SWITZERLAND

BSI S.A.  
Europ Assistance (Suisse) Assurances S.A.  
Europ Assistance (Suisse) Holding S.A.  
Europ Assistance (Suisse) S.A.  
Fortuna Investment AG  
Fortuna Investment AG, Vaduz  
Fortuna Lebens-Versicherung AG, Vaduz  
Fortuna Rechtsschutz-Versicherung-Gesellschaft AG  
Generali (Schweiz) Holding AG  
Generali Assurances Générales  
Generali Personenversicherung AG



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Red Noses  
Slovenia



Red Noses  
Slovenia



Red Noses  
Slovenia

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# GROUP

# IDENTITY

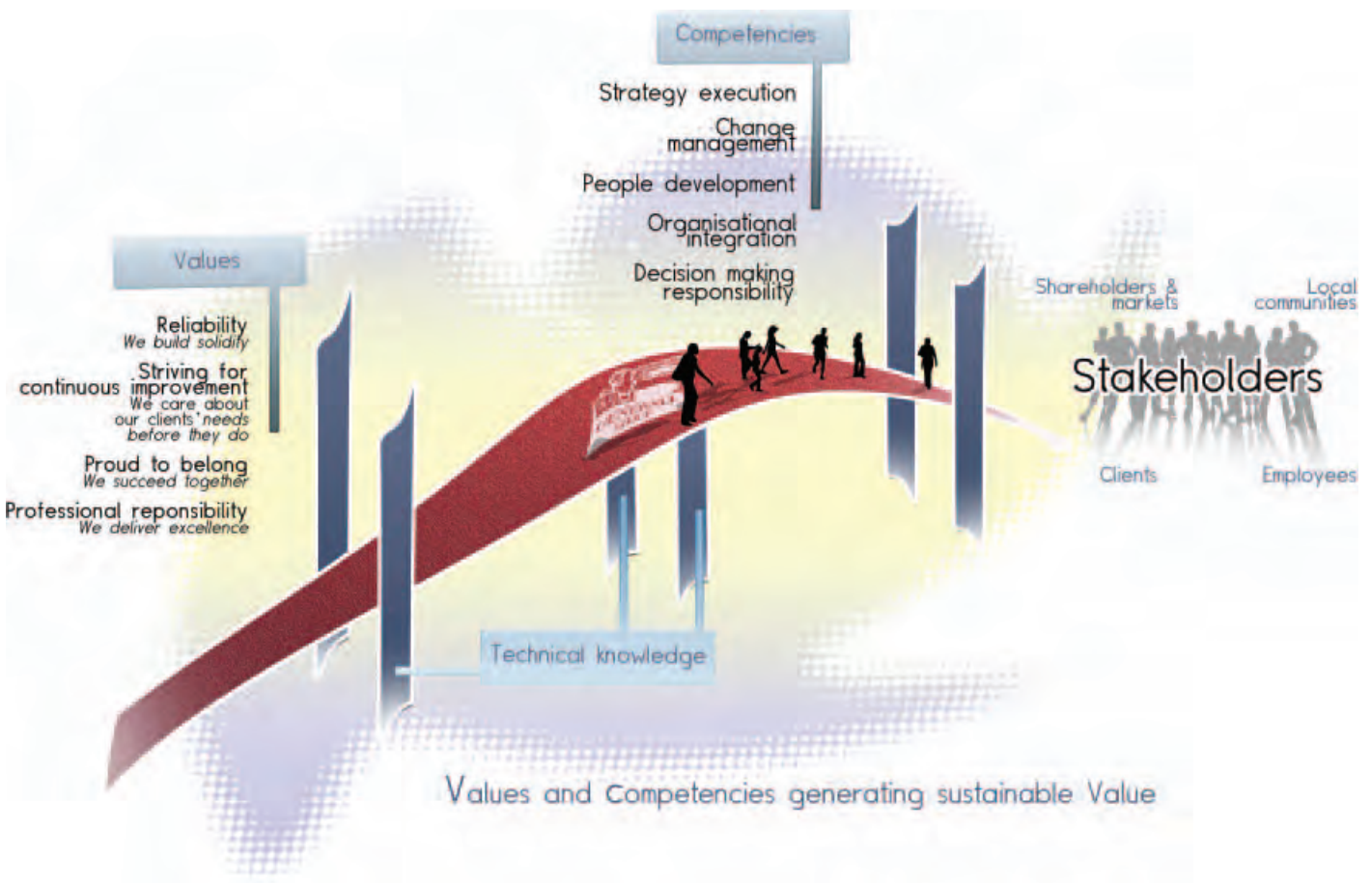
## Vision, values, competencies and mission

The Generali Group **vision** can be best expressed as follows:

- we are committed to being a leading international team that produces consistent, excellent results for our stakeholders in the short and long-term;
- we believe in the value of our people and we build our competitive advantage through the commitment of every individual. We will therefore seek to produce and to leverage constantly a pioneering spirit, innovation and excellence;
- we are committed to becoming the most attractive company for the best performing people;
- we will work constantly to enhance our Group identity, proud of our history and of the richness of our diversities;
- we are committed to promoting mutual respect and social responsibility.

In line with the above vision, the international project Group Values and Competencies was launched in mid 2009 in order to define a new Generali Way, namely a shared managerial culture and style compliant with the increasingly international soul of the Group and supporting its strategy for growth. Through the involvement of HR experts and 130 line managers from different countries, a Group values and competencies model has thus been developed, which integrates, rather than overlaps local models.

This model was formally presented by the Group CEO, Giovanni Perissinotto, to 150 senior managers of the Group in November 2010.



The image of a bridge, symbolising the link between the various cultures and contexts of the Generali Group, was chosen to represent the model. The bridge also represents a route to the future, a call to business and growth. The pillars on which it rests represent the Group's **values** that are expressed through the slogans:

- **Reliability:** we build solidity.
- **Striving for continuous improvement:** we care about our client's needs before they do.
- **Proud to belong:** we succeed together.
- **Professional responsibility:** we deliver excellence.

The Group's **competencies**, on the other hand, are identified as:

- **Strategy execution** - To effectively communicate the Company's objectives and decisions to facilitate a common vision of the strategy. To define plans coherently, to assign goals and responsibility and to monitor performance against expected results.
- **Change management** - To understand and to respond to the internal and external needs of change. To foster innovation of processes, procedures and products/services to anticipate and promote change. To manage the uncertainty and to support people in the change process.
- **People development** - To ensure the professional development of people to sustain top performances, by encouraging and leading them in their achievement. To facilitate and to promote knowledge sharing and competency development to guarantee business continuity.
- **Organisational integration** - To understand and to balance the needs and goals of the role with those of other functions or of the Company. To develop effective relationship with different people and groups, by cooperating in the common interest.
- **Decision-making responsibility** - To deal with issues/situations in relation to the role. To make decisions and to take responsibility for the consequences over the future. To promote cohesion on decisions.

The values and competencies are functional to the creation of value for stakeholders.

The **mission** of the Generali Group intends:

- to consolidate a leadership position on its key markets;
- to achieve a key position on markets with growth potential;
- to establish itself as leader in profitability.

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

## Ethical Code of the Generali Group

In 2010, six years after the introduction of the Ethical Code, it has been considered time to partially review the contents, in order to confirm the principles in the light of the social-economic changes that have occurred in the meantime, which are also reflected in the Group's strategies. Over the years, the Group has joined new markets that are very different indeed from Western markets, and far less regulated; it has made significant progress in its sustainability process. In view of this, alongside the principles that have always informed the Group's ethics, the document - which applies to the whole Group - invokes the **fundamental human and labour rights** that Generali is committed to safeguarding and promoting in all of its spheres of influence.

The new Ethical Code of the Generali Group was approved by the Parent Company's Board of Directors on 12 May 2010.

The document contains the key guidelines for the conduct of all those who work within the Group in its relations with various categories of stakeholders. In particular, reference is made to relations with political parties, trade unions and associations as well as with the Public Administrations and independent Authorities. More specifically, the Group does not support any event or initiative the objective of which is exclusively or predominantly political, and it refrains from any direct or indirect pressure on political representatives and does not make any contribution to trade unions or associations with which conflict of interests may arise. Relations with Public Institutions, mainly kept up through trade associations, are inspired by principles of correctness, transparency, cooperation and non-interference. As such, the Group refuses any conduct which might be interpreted as collusion or might be prejudicial to such principles.

The Ethical Code of the Generali Group also establishes the methods by which the document shall be applied. In particular, in order to confirm its relevance, it is established that the Code and all future reviews of such must be approved by the Parent Company's Board of Directors. The Code is published in Italian and English and translated into all languages of the countries in which the Group operates. It is published on the website [www.generali.com](http://www.generali.com) and on the respective websites of the Group companies. The Code is disseminated to all categories of stakeholders. On this regard, the Group undertakes to prepare and develop suitable training programmes by which to ensure correct comprehension and implementation. In 2010 in particular, an e-learning course was developed, to be delivered to all



employees of the Group companies. Towards the end of the year, the training schedule was drawn up, which should reach a conclusion by the end of 2013, and the course was launched to employees of the companies in Asia. Further details on this are provided in the chapter Direct Stakeholders - Employees.

Disciplinary provisions are in place in the event of violation of the Ethical Code, and these may also entail removal of people responsible for violations from the company. Reports of violations, or alleged violations must be notified to the Corporate Social Responsibility department of Assicurazioni Generali S.p.A. in written and not anonymous form. People who trustfully reports violations remain anonymous and are protected against any form of retaliation, discrimination or other such penalisation. The Corporate Social Responsibility department analyses the reports and contacts the management of the company where the event occurred, in order that all suitable measures shall be taken if the violation is ascertained.

In 2010, a total of **5 reports of violation** of the Ethical Code were received, of which two are still being assessed and three were considered as without grounds. Reports came from sales force, damaged parties and suppliers and refer to an alleged lack of compliance with the principles of correctness, honesty and transparency. Additionally, the year saw two of the three reports received in previous years rejected due to lack of grounds, both relating to an employment dispute; one is still pending.

In 2011, a working group was set up to define a new procedure by which to manage reports of violation, with a view to guaranteeing greater transparency and impartiality in processes. To this end a Commission has been established - consisting of the Manager of the Corporate Social Responsibility department, the Human Resources Manager of the Group and an academic - which shall establish whether or not the violation reported is grounded on the basis of the elements emerging during the investigation. The process will also entail the possibility of asking the Group Internal Audit department to carry out extemporaneous checks on specific elements revealed during the preliminary investigation, which may be of particular importance in terms of making a decision.

The preparation of the Ethical Code naturally assumes the existence or subsequent preparation of specific codes, which - in compliance with the regulations, standard practices and cultures of each country - provide more detailed regulations for relations entertained by the Group companies with the main interlocutors in all countries of operation. One example of this comes in the form of the Group Environmental Policy, explained in the chapter Social-environmental stakeholders - Environment, which recalls that stated in the Ethical Code on the protection of the environment in defining the objectives the Group intends to pursue and the commitments it makes in this field.

Moreover, the Group companies almost always have their own codes of conduct or internal regulations, which define the rights and duties of employees and sales force, conduct to be applied and disciplinary provisions to be taken in the event of breach or violation. Companies involved in the banking sector also have codes governing relations with customers, investors and the media.

## Adhesion to external social and environmental initiatives

The progress made during the route to sustainability has confirmed and consolidated the belief within the Group that competitiveness is fundamentally linked not only to ethic sensitivity but also to social involvement and respect for the environment. As proof of this belief, in recent years the Generali Group has adhered to various social and environmental initiatives.

As noted, in 2007 the Generali Group joined the **UN Global Compact** initiative, which aims to promote and disseminate sustainable development practices. With this adhesion, the Group adopted the following principles:

- I. Support and respect the protection of internationally proclaimed human rights.
- II. Make sure that they are not complicit in human rights abuses.
- III. Uphold the freedom of association and the effective recognition of the right to collective bargaining.
- IV. Uphold the elimination of all forms of forced and compulsory labour.
- V. Uphold the effective abolition of child labour.
- VI. Uphold the elimination of discrimination in respect of employment and occupation.
- VII. Support a precautionary approach to environmental challenges.
- VIII. Undertake initiatives to promote greater environmental responsibility.
- IX. Encourage the development and diffusion of environmentally friendly technologies.
- X. Work against corruption in all its forms, including extortion and bribery.



The adhesion involves the Group undertaking to supplement these fundamental principles of human rights, working standards, environmental protection and fight against corruption in its strategies, policies and everyday activities and to apply them in its scope of influence.

The actions taken and progress achieved in relation to each of these principles are described in the relevant sections of this document and will be mapped in the GRI Table of Identification - UN Global Compact, prepared according to the guidelines drawn up jointly by the two organisations in the publication entitled Making the Connection, which supplements the Annual Communication on the activities implemented in 2010. This table will be published over the forthcoming months with due disclosure of this, in the Sustainability section of the Group website [www.generali.com](http://www.generali.com).

In 2011, the Group joined the working groups on human rights and on the environment, established under the scope of the **Global Compact Network Italy**.

In 2009, the Generali Group signed the **Kyoto Statement of The Geneva Association**, making a series of commitments on the steps to be taken, in order to cope with and mitigate climate change. The Geneva Association is an international non-profit association for economic insurance studies, in which Generali participates along with all major companies of the sector dealing with the identification of fundamental trends and strategic matters in which insurance plays a key role or which affect the insurance sector, in order to understand them and spread awareness.

In 2010, the Generali Group also signed the **Carbon Disclosure Project (CDP)**, an initiative by which to commit to meeting the challenges linked to climate change and to limit the scope of the latter through the adoption of environmentally-friendly behaviour. The CDP is an independent organisation with 551 institutional investors for a total of 71,000 billion dollars of assets managed. It provides investors sensitive to climate change matters with information on the strategies adopted and the environmental performance of the companies in which they invest, or intend to invest, collected through an extremely articulated questionnaire sent once a year to the major listed companies of all sectors of business.

In January 2011, the **CDP Water Disclosure** was also signed. This is a similar initiative with the aim of collecting data on water management by the most important companies using it intensively, in order to make it available to the market and direct investments towards businesses making sustainable use of this valuable asset. Just a few months after its launch, 354 investors have already adhered to the initiative for a total of 43,000 billion of assets managed.

Since 2009, the Generali Group has been accredited as an Organisational Stakeholder under the scope of the **Global Reporting Initiatives (GRI)**, the international organisation that defines the most widespread sustainable reporting standards on an international level.

Generali participates at the **CRO Forum**, a forum that looks to develop and promote best practices in terms of risk management in the insurance sector, within which, in the latter part of 2009, a working group on social, environmental and governance risks (ESG) has also been established.

In May 2011, the Generali Group adhered to the UN initiative **Principles for Responsible Investment (PRI)**, created to support investors in implementing six principles, which see them committed to incorporating social, environmental and governance parameters in assessing investments. Adhesion grants access to a network that supports investors through a sharing of best practices, facilitating collaboration between signatories and offering the chance to participate in a multitude of activities and working groups. For more information, please refer to the chapter Competitive stakeholders – Issuing companies.



Generali Zukunftsfonds  
Germany

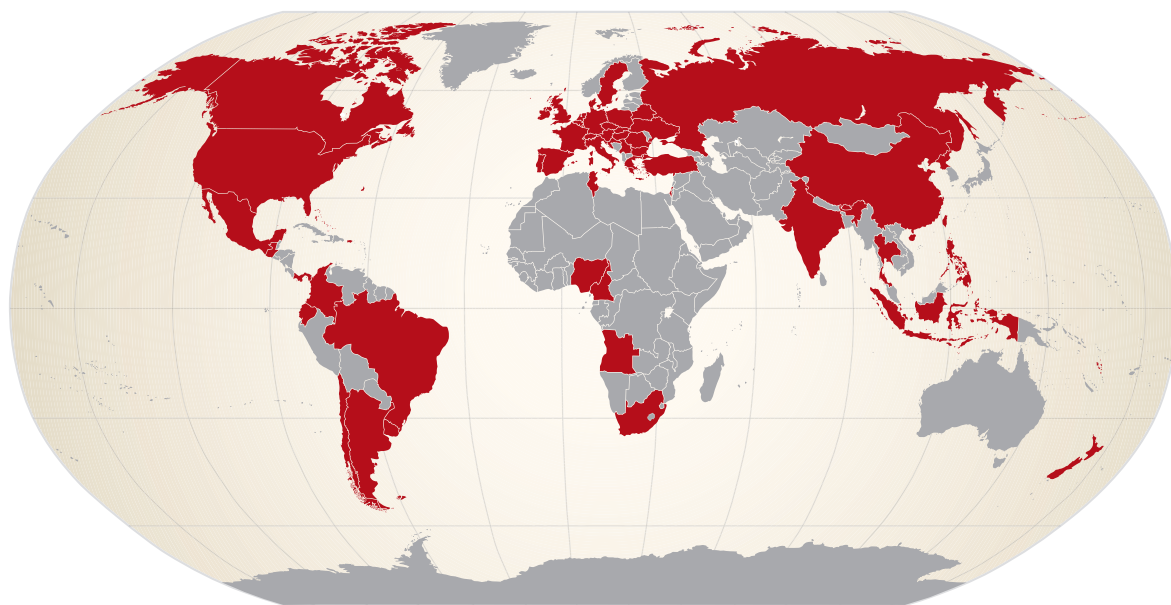
Austria

## STRATEGIES

The Generali Group pursues growth and sustainability objectives wherever the two are closely linked.

### Development strategy

#### Countries in which the Group operates



The Generali Group, headed by Assicurazioni Generali S.p.A. with its headquarters in Trieste, Italy, where it was founded in 1831, is one of the most important insurance and financial groups worldwide and has been characterised since the very beginning by a strong international outlook.

Presently operating in more than 60 different countries, the Group leads the market in Italy and has consolidated its position, acquiring increasing importance on the Western European market, the main area of operations, where it enjoys acknowledged status as one of the most important insurers in Germany, France, Austria, Spain and Switzerland. It also holds an important position in Israel and Argentina. In addition the Group intends to gain standing on international markets with strong development potential. In particular, it is one of the leading operators in Central-Western Europe, with Generali PPF Holding. In Asia, it operates in China, where, just a few years since it first launched on the market it enjoys a leadership position amongst companies with foreign equity interests, as well as in India, and it will begin operating in Vietnam in 2011.

In a macroeconomic context that, in the main markets of reference, despite the slight reprieve, still features great uncertainty and volatility, in 2010 the Generali Group continued to operate according to its strategic guidelines, based on the pursuit of operative efficiency with strict control over cost dynamics, guiding development of premium income in the life segment towards low absorption and high capital yield products.

The efficiency of the distribution model, the strength of which lies in the proprietary networks and the strategic efficiency of the territorial diversification adopted by the Group, have allowed the positive contributions made to overall premium income to come both from the markets traditionally considered as mature, such as Italy and Germany, and emerging markets such as China, Argentina and Mexico.

New modular insurance products have been developed, in order to best meet the demands of the different bands of customers of the retail market, small and medium enterprises and the farming sector. Moreover, the Group has extended and strengthened use of innovative sales channels, such as the internet and new applications that can be used by mobile telephones, in order to ensure a high quality, timely service.

As regards the reorganisation and restructuring operations, we note that in Spain the merger of Vitalicio Seguros and Estrella Seguros into the new Generali Seguros has been completed, and in Italy the new company AlleanzaToro has seen an extension to the offer available to the sales network, as well as increased cost synergies.

With reference to the core insurance business, the Generali Group has mainly focused on the life segment, in which it is confirmed as the leading European operator. The commercial offer of this segment consists above all of savings and supplementary pension policies.

The target customers of the non-life segment, for the most part, are represented by the retail segment, for which an insurance offer is available that covers all needs for protection.

The Group is also one of the world's most important players in assistance, through the Europ Assistance group, operating internationally to provide services in the motor, travel, health, home and family lines of business.

For some time now, the Group's scope of action has been extended from the insurance business and assistance services to include the complete range of assets managed and real estate and financial services. In particular, the Banca Generali Group is a major operator on the Italian personal financial services market, whilst the BSI (Banca della Svizzera Italiana) group aims to provide a complete range of private-banking financial services.

For more details please refer to the chapter Competitive stakeholders - Customers.

## Sustainability strategy

In the last decade, the Generali Group has undertaken a route to strengthen its commitment in the various areas of corporate social responsibility. It is, in fact, well aware that the contribution made and appreciation of the many categories of parties nourishing different interests and expectations in its regard are absolutely fundamental, in order to maintain its success over time and contribute to the social and economic growth of the communities in which it works.

The Group first pursues an **objective of long-term sustainable business development** through a geographical and distributional diversification, as described above.

The constant optimisation of the investment of its shareholders comes in addition to the **development of its employees**: their personal and professional growth, encouraged through intense training activities, and the improvement of their competencies allow for the monitoring of business continuity. The individual contribution to the success of the organisation is recognised, also through appropriate remuneration.

The creation of a **network of lasting** and mutually satisfactory **relations** with its contractual partners is one of the Generali Group's strategic objectives and an opportunity for competitive success. Their collaboration is what makes it possible for the Group to go about its daily business.

In order to maintain market competitiveness and consolidate the business targets it has achieved, the Group considers **customer loyalty** a key objective. The capacity to constantly meet its customers' needs and expectations, both in terms of products and services provided, is a fundamental cornerstone on which to create and enhance the trust needed to ensure relations will last over time.

Generali assigns great importance to the development of profitable relations with the communities in which it operates and recognises the value of the contribution made by local skills to its growth. The Group also pursues the objective of **improving the communities** in which it works, supporting social, cultural, environmental and sports initiatives and collaborating with institutions, associations, research and training institutes in the development of mutual interest projects. Another priority of the Group's sustainability strategy takes the form of the **efficient management of natural resources**, which minimises the effects on the environment due to the consumption of energy, paper, water, the production of waste and the emission of greenhouse gases.

## Sustainability indices and ethical ratings

The commitment and results achieved in the various areas of sustainability have allowed for an improvement in the ratings assigned by the various agencies specialised in the analysis of social, environmental and governance (ESG) performance and resulted in the inclusion of Assicurazioni Generali in important ethical indices.

The Company is listed on the ethical index **ASPI** (Advanced Sustainable Performance Indices) **Eurozone**, which selects the best 120 companies of the countries of the Eurozone belonging to DJ Stoxx600 on the basis of the rating assigned by VIGEO, the French agency that analyses social-environmental performance, and the ASPI Eurozone guidelines. Assicurazioni Generali is one of the best companies in the insurance sector, with high ratings in the environmental, human resources and business behaviour area.

Assicurazioni Generali is listed on the **ECPI Ethical Index Euro**, consisting of 150 companies with high levels of capitalisation, belonging to the European market, and on the **ECPI Ethical Index Global**, consisting of 300 companies with

high levels of capitalisation, belonging to the global market, on the basis of the ESG rating assigned it by Ethical Capital Partners S.p.A. (ECPI), an Italian company devoted to research, ratings and the assignment of sustainability indices.

Assicurazioni Generali is listed both in the **Leaders** index and the **Benchmark** index of **FTSE ECPI Italia SRI**, first Italian indices for socially responsible investments created on the basis of the assessment of ECPI, by request of FTSE, of ESG practices of the Italian companies included in the FTSE Italia All-Share index. Generali has been assigned a rating of EE on a scale that is divided up into 9 levels ranging from EEE (highest) to F (lowest). The ordinary shares of companies with ratings of at least E+ are included on the Benchmark index, and those with ratings of at least EE are included on the Leaders index.

In March 2011, Assicurazioni Generali joined the **FTSE4Good Global Index** and the **FTSE4Good Europe Index**, two share indices of a series created by the global index company the FTSE Group, in order to assess the performance of companies adopting universally recognised corporate social responsibility standards and encouraging investments in such. To be included, companies are assessed by the independent agency EIRIS in relation to very strict social-environmental criteria established by the FTSE4Good.

**Oekom Research**, an important independent German agency focused on socially responsible investment (SRI) has assigned the Company a C rating, classified as "Prime" for bonds and shares of Assicurazioni Generali. This classifies it among investments that are responsible for their customers, consisting of asset managers, banks and institutional investors, for a total volume of 90 billion euros. Ratings are expressed in twelve levels ranging from A+ (highest) to D- (lowest).

**Standard Ethics AEI** (European Investments Agency) assigned Assicurazioni Generali a rating of EE-, which represents the average on an eight-level scale, where EEE is the model, EE- the average and E below average. The Agency publishes the ratings of listed companies on the S&P-MIB40 index of Borsa Italiana once a year, with a view to measuring the full adoption of the voluntary principles of good corporate governance and corporate social responsibility promoted by the European Union, the OECD and the United Nations.

In the **CDP 2010 Global 500 Report** classification, which assesses performance communicated to the Carbon Disclosure Project through the completion of the annual questionnaire, the Generali Group obtained a score of 69/100, which comes in immediately below the highest band (>70 points). A band C has also been assigned on four levels (A is Leading and D is Just starting), which reflects the fact that the Group has only recently adopted policies and objectives by which to reduce climate change.

Finally, in the **Green Ratings 2010** classification published by the journal Newsweek, which for the first time ever has assessed the 100 best listed companies in environmental terms, Generali came in at a very respectable 36<sup>th</sup> place with 76.47 points out of 100. The analysis, carried out in collaboration with MSCI ESG Research (leading environmental, social and governance ratings company), by Trucost (specialised in measuring environmental performance) and CorporateRegister.com (the world's most important website on social, sustainability and environmental reports), has assessed the company's environmental footprint, the way in which this is managed and the company's reputation amongst environmental experts.

## Communication strategy

The Generali Group assigns a key role to the integrated communication strategy, in order to encourage a continuous, complete, transparent exchange of information with regards to all stakeholders.

Now reviewed to flaunt more modern graphics, with a more rational, user-friendly approach, the Group's **website** [www.generali.com](http://www.generali.com) has an institutional approach and provides an overall introductory view of the Generali Group. It consists of various sections, including one devoted to sustainability, containing official documents and, in general, all the most important information that may be of interest to investors, shareholders, journalists and qualified candidates seeking employment.

The website is available in both Italian and English and is constantly monitored through access statistics, in order to better understand the way it is used and thus calibrate its layout. It is updated to meet market demands.

It has both a subscription system, which allows the user to be notified of the publication of press releases, financial statements and quarterly results, newsletters for shareholders and convocation of the Shareholders' Meetings, and an



RSS (Really Simple Syndication) system that allows the user to be informed directly of the publication of specific contents, such as a financial presentation or press release and, as from 2010, employment opportunities in Italy and abroad. The website has various functions, including the possibility of voting pages, comparing the trend of the share title with peers and viewing institutional films and sponsorships in dynamic mode. In 2010, it was enhanced by images and Google maps of all offices of the Group both in Italy and abroad, video testimonials of employees of the Group companies worldwide, a dynamic version of the presentation of the key Group data, broken down according to continent and a navigable version of the consolidated annual report developed as a specific mini-website. Works have also been completed, such as improving images, tags and contents, in line with the SEO (Search Engine Optimisation) practices, thereby allowing users to locate information more easily through an external search engine. Recently the PDF version has also been flanked by an HTML version of the press releases, in order to facilitate ease of reading and traceability. In line with the international standards defined by the Web Accessibility Initiatives (WAI), the website also has various auxiliary functions, such as increasing font size, increasing contrast of font and page background, suitable colour choices for font and background, keyboard navigation, automatic underlining of all links, limited use of flash animation, thereby guaranteeing access to the greatest possible number of users and avoiding all forms of discrimination. We note that initiatives are currently being studied to verify stakeholder satisfaction with the Group website. Finally, the section devoted to the history of Assicurazioni Generali is currently being defined, with photographs and a dynamic version of the timeline.

In 2010, the Group's website took twenty-third place in the **Webranking Europe classification**, which rewards the quality of institutional and financial on-line communication, prepared by the consultants of the company King Worldwide Digital (previously named Hallvarsson & Halvarsson) on the English version of the corporate websites of the top 500 European companies in terms of capitalisation, coming in first of all insurance and reinsurance companies. The website was then confirmed eighth in the top ten of Webranking Italy. Other prizes that have been awarded to the Group companies are mentioned on their websites and/or in the other chapters of this document.

The Group worldwide section of the website, amongst other facilities, grants access to the websites of each company. Their structure and contents must comply with the new Group web guidelines, developed by the Web Management department of the Parent Company, in accordance with international standards defined by Web Accessibility Initiatives (WAI) and distributed in June 2010 to all companies both branded Generali and with independent brands, with the aim of completing adaptation within a year. These guidelines on the one hand establish graphic and structural parameters that must be common to all Group websites - such as the positioning of the logo, the management of space on the homepage and internal pages and the use of font and colour - and, on the other, minimum content for companies with the Generali brand alone - such as the publication of the Group's institutional documents like the Ethical Code, the Sustainability Report and the consolidated annual report, and information such as the company organisation chart and contact details of individuals, which are considered as particularly important in order to guarantee high standards of transparency and completeness. The Group web guidelines also provide some basic suggestions about usability and accessibility for the disabled and they tackle current issues, such as the institutional presence of the Group in the main social media sites on the internet (i.e. web 2.0).

Following an international survey that showed the value in implementing a single internal global communication channel, which should be multimedia and timely, in 2010 the **holding portal** project was launched. This portal will represent the tool by which all information can be spread to and shared with all employees of the Generali Group and shall thus strengthen the sense of belonging to the Group.

In order to investigate the demands for the contents of said portal, focus groups were then established in Italy and abroad. The results have shown that Group, HR and training matters should be included.

The holding portal will be activated gradually starting from 2011. In Italy, it will replace the communication tool developed by the Parent Company and accessible to all employees of all Italian companies with the exception of Europ Assistance Italia, namely the HR portal, which in 2010 was enhanced to include a section devoted to the regular newsletters published by in-house services.

**Corporate intranets** are a tool devoted to all employees of companies, facilitating Group communication and allowing for the publication of operative information, projects, events and organisational notes.

It is noted that some companies of the Group are members of **social networks** such as Facebook and Twitter, whilst others make **communities** and **blogs** available to their employees, where they publish comments and news.

In terms of **editorial communication**, at the beginning of 2010 a strategic editorial communication committee was established to define strategies on the matter, which shall be based on the guidelines provided by Top Management and

shall closer involve all companies of the Group in developing hard copy and electronic tools. The subjects for discussion concern economic aspects and business strategies, business events in the forefront, insurance techniques, the history of the Generali Group and its most representative people, the situation today and prospects in specific local contexts, in addition to initiatives taken in the field of social responsibility and environmental sustainability.

The Group favours tools that are able to minimise the environmental impact and are able to guarantee timely information.

Previously named Generali Group Reporters, the e-journal *ilbollettino.com* has an increasingly institutional feel to it and conveys news from the whole Group, processed taking a journalistic approach and supported by multimedia applications and interactivity made possible by the web. The communications are addressed to all Group employees. The e-journal has an Italian version and an English one, with news of a more international flavour.

The news published on *ilbollettino.com* considered of most interest to employees is also published in the newsletter. This fortnightly publication is available as an Italian version, launched in 2009 and an international version, which was finalised in 2010.

We should also mention Investor's Info, the half-yearly disclosure to shareholders. This document, which is prepared both in Italian and English, is available from the Group website. In 2011, the hard copy version will only be sent to those confirming their interest in receiving it, in order to avoid wastage with a view to reducing environmental impact.

The hard copy editorial communication tool used is *Il Bollettino*, the longest-standing Group journal which has now reached its 118<sup>th</sup> year. It stands out for its concept of sustainability: on the one hand, it uses materials that reduce the environmental impact of the publication to a minimum, such as recyclable packaging and ecological paper, and on the other, it highlights the Group's initiatives and philosophy in terms of social responsibility. The magazine is issued once every four months and is translated and released in English too, through the Group's institutional website.

In 2010, the book *L'immagine - Il Gruppo Generali e l'arte della 'réclame'* (The Image - The Generali Group and the Art of Advertising) was published. This covers the history of signage and in particular the works performed for Assicurazioni Generali and other Group companies by great illustrators. The publication is available in both Italian and English.

With a view to involving all Group companies, 2010 saw the implementation of the Generali Group Gallery photographic archives, devoted to those working in the field of communication and marketing, and who therefore deal with the research and use of images on a daily basis. Being able to access a single collector basin, constantly updated and enriched with new materials from various sources, yields significant savings of both money and time.

The new features of 2010 include the Generali Group Words, a Group glossary available in Italian and English. This tool allows for the consultation of technical terms commonly used in the world of insurance, banking and finance, and to make new entries.

The main Group companies, both Italian and foreign, regularly publish their corporate journals, which, together with the institutional websites in each country, represent the main tools used to reach the different stakeholder categories. This aims to: provide institutional information on Group companies; inform on commercial and promotional initiatives; promote and protect a good organisational climate, strengthening the sense of belonging enjoyed by employees, and encourage and facilitate the exchange of information between various sectors and departments. Finally, newsletters are published for employees, for sales force, which are more technical in nature, and for journalists, customers and the general public, with information on the insurance sector, finance, the Group and products sold. These magazines and newsletters are distributed as hard and/or digital copies and in many cases are available from specific archives on the company intranets. More information is available on this in the following chapters.

The communication policy developed with regards to the **media** is based on transparency and maximum commitment to guaranteeing accessible, clear and accurate information in compliance with regulations on the disclosure of information. The tools used to this end are press releases, interviews, meetings, events and relations between Top Management and financial journalists. In 2010, around 850 press releases were made by all companies of the Generali Group worldwide; of these around half involved the countries of the Sustainability Report area, and were financial and product-based in nature. The Parent Company, in particular, published around thirty. During the year, the Group was discussed in around 10,000 articles released in major national and international publications, with an increase also seen to dedicated services on the radio and TV (more than 850 in Italy alone). Finally, in 2010, in addition to the traditional press conference following the annual Shareholders' Meeting, further opportunities were also organised for Top Management to meet with the press and, in turn, Group companies worldwide organised around 80 press conferences.

## Stakeholder engagement

The Generali Group considers that all those who make a direct contribution to the pursuit of the Group's objectives, allowing it to be competitive on the market and affecting the various activities, are stakeholders.

As such, the following categories of stakeholders have been identified:

- **direct stakeholders** (employees, sales force and shareholders), which, in various ways, form an integral part of the Group;
- **competitive stakeholders** (customers, contractual partners and issuing companies), which are most greatly linked to the business;
- **social and environmental stakeholders** (community and environment), which represent the external contexts in which the Group operates.

The awareness of the centrality which, in the sustainable growth process, assumes the involvement of these stakeholders, has led the Generali Group to activate various forms of dialogue and exchanges of opinion with these.

One example takes the form of the regular presentation of the Group Sustainability Report made by the Group CEO Giovanni Perissinotto to university students. More specifically, the sixth edition of the document was explained and discussed at the Ca' Foscari University of Venice on 28 May 2010. The event confirms the positive experience enjoyed in previous years with the students of Trieste University, the MIB School of Management and the Cattolica and Bocconi Universities of Milan.

Direct **dialogue activities** also continued with the individual categories of stakeholders. More specifically, employees were involved with surveys on climate, focus groups on new communication tools, themed forums for open discussion focused on the internet, brand and quality, workshops and specific initiatives.

The forms of dialogue with the sales force include meetings, interviews, focus groups, workshops, roadshows and conventions aiming at noting the satisfaction of networks with the support provided by the companies, at improving products and services and at sharing business strategies.

Roadshows, meetings and sector conferences are instead the main ways with which dialogue takes place with the financial community. For shareholders, these are added to by the possibility of communicating directly with the Parent Company through the Investor Relations section of the Group website.

A great many customer surveys are also carried out: surveys on customer satisfaction, brand perception, image and advertising messages, as well as those focused on understanding the demands, desires and behaviour of customers, aiming to develop and improve products and services.

More information on the approach, frequency, results and any critical issues that may emerge from the activities involving the various stakeholders is given in the chapters devoted to them further on in the document.



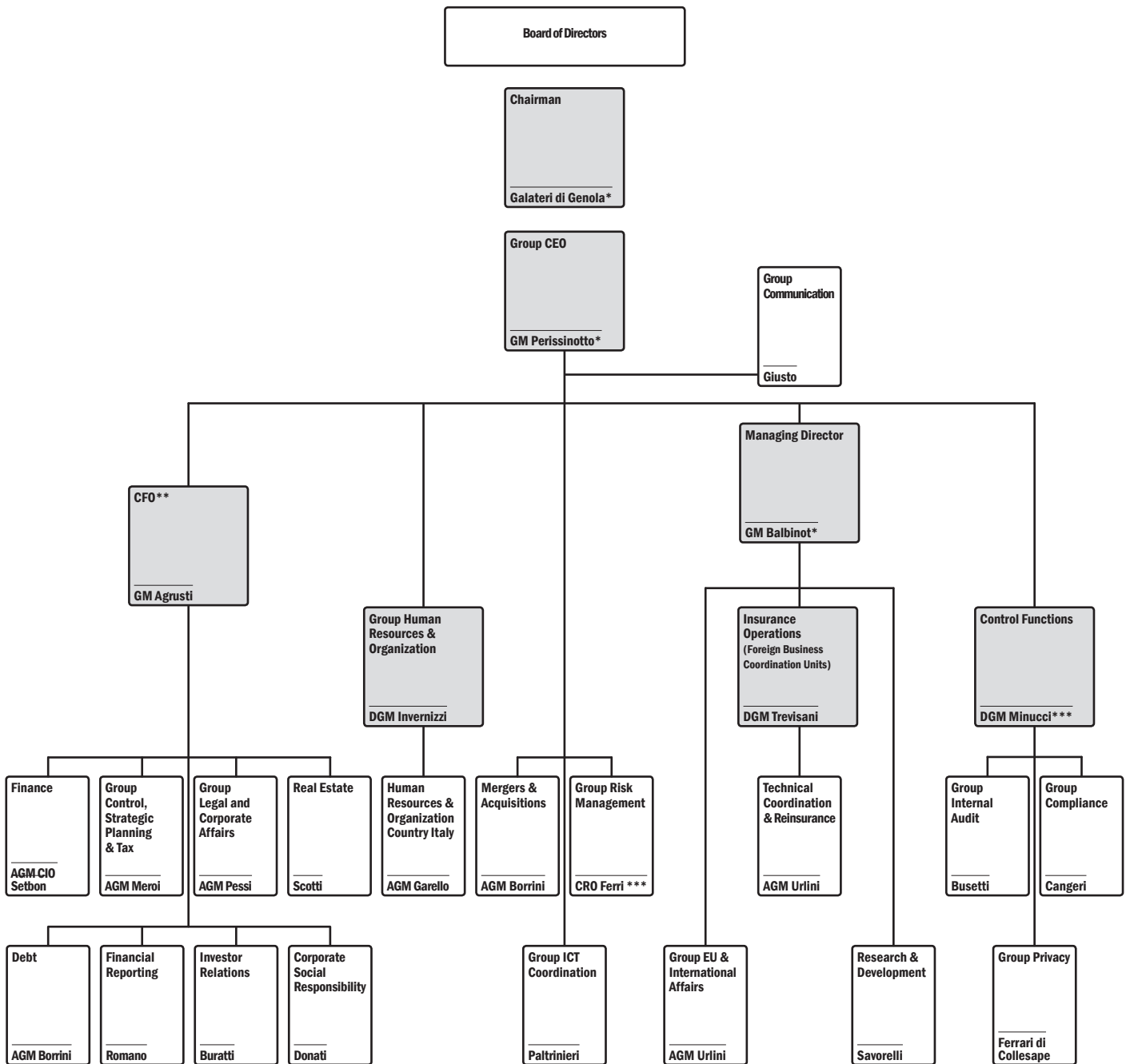
*Alerta Vial  
Argentina*

# GOVERNANCE

## Corporate bodies

The Generali Group takes a decentralised approach using multiple brands, assigning significant responsibilities to the management of the various territories in which it operates and preferring strategies most in line with the characteristics of the individual countries.

The role of guidance, coordination and control of activities organised by the countries lies with the Corporate Centre, which acts in support of the Managing Director and Group CEO in relation to the respective powers assigned. The current Corporate Centre structure is shown in the chart below.



GM: General Manager  
 DGM: Deputy General Manager  
 AGM: Assistant General Manager  
 CFO: Chief Financial Officer  
 CRO: Chief Risk Officer  
 CIO: Chief Investment Officer  
 (\*) Are also members of the Board of Directors  
 (\*\*) Manager in charge ex lege 262/05  
 (\*\*\*) Also report functionally to the Board of Directors



Information on the new Corporate Centre structure, which makes the governance of the Parent Company and the Group even more efficient and effective, is provided in the Corporate governance and share ownership report and on the Group website. The Corporate Centre governance system is hinged on a few cornerstones, namely the central role assigned to the Board of Directors, the correct management of situations of conflict of interest, transparency in communicating corporate governance choices and the efficiency of the internal audit system.

As a joint-stock company under Italian law, and by virtue of its adhesion to the Self-regulatory Code of listed companies, the corporate governance system is closely linked to the compulsory and voluntary rules of reference, which translate into the business carried out by the main corporate bodies specified below.

The Board of Directors enjoys the broadest powers of management for the pursuit of the company objective. Elected every three years by the Shareholders' Meeting on a list basis, the Board has eight executive directors, two of whom are independent, and nine non-executive directors, six of whom are independent. The Chairman of the Board of Directors is an executive and independent director. The concepts of (non) executive and independence are based on the specific provisions of the Self-regulatory Code and are discussed in full in the Corporate governance and share ownership report. At present, the Board has just one woman (accounting for 5.9% of the total Board members), who is not a member of any Committee. The Board of Directors consists of 12 directors aged over 50 years old (70.6%) and 5 aged between 30 and 50 years old (29.4%). Three members (17.6%) are of foreign nationality.

Directors must be chosen according to criteria of professionalism and competence from people who have accrued overall experience of at least three years in the exercise of qualified professional activity. They must also meet specific requirements of honour and, in some cases, of independence; this latter criteria shall be ascertained regularly by the Board of Statutory Auditors.

They must accept the appointment by specific declaration, having first ensured that they are able to devote the time effectively necessary to the diligent fulfilment of the tasks and consequent responsibilities assigned them. This shall consider, amongst other matters, the number of offices as director and/or auditor they may hold in other companies listed on regulated Italian or foreign markets, in financial enterprises, banks, insurance companies or companies of significant size, as well as other professional activities carried out by the parties concerned.

Members of the Board act and pass resolutions with full knowledge of the facts and using their independent judgement, on matters that fall under the scope of their competence, pursuing the aim of creating value for shareholders.

Elected by the Board of Directors from the candidates meeting specific professional requirements, the Chairman shall legally represent the Company.

The Chairman, who does not cover an operative role, shall have the following powers: to oversee the timely implementation of the resolutions taken by the Board of Directors and the Executive Committee and business strategies; to monitor compliance of corporate affairs management with the guidelines of business strategy; and to examine the disclosure and/or documentation relating to all draft resolutions to be submitted to the Board of Directors and the Executive Committee.

Elected by the Board of Directors, the three Vice-Chairmen, of whom one shall have the office of Acting Deputy Chairman, shall have the task of acting in the Chairman's stead in the event of his absence or impediment.

The Group CEO and Managing Director shall have the powers detailed in full in the Corporate governance and share ownership report. Acting in their support are: the Group Investment Committee, which shall validate the hypothesis of financial scenarios proposed by the dedicated structures, support Top Management in defining Group investment policies, monitor the effective implementation of the identified investment policies and define corrective strategies; the Group Risk Committee, which supports Top Management in defining proposed target risk profiles for the Group and related economic capital levels, monitors the Group risk profiles and defines any corrective strategies as may be required; and the Company Risk Committee, which focuses its work on risks concerning the core insurance business of the Parent Company. In order to further strengthen the integrated management of Group activities, the Group Management Committee also began operating at the start of 2011.

The Executive Committee is a body appointed to fulfil important management tasks of the Parent Company and Group. With respect to the previous three-year period, this Committee has been assigned broader, specific managerial tasks which will partially, both as concerns major transactions and related party transactions, occupy an area previously reserved to the Board of Directors. It consists of the Chairman of the Board of Directors, the three Vice-Chairmen, the Managing Directors and two executive and independent directors.

The members of the Committee must meet the same requirements of professionalism and competence required for the office of Chairman.

Other Committees are envisaged in a merely advisory and consulting role: the Remuneration Committee, the Internal Control Committee, the Corporate Governance Committee, the Investment Committee and the Committee for Evaluation of Related Party Transactions.

The Remuneration Committee provides opinions and non-binding proposals to the Board of Directors on the determination of the remuneration payable to the Chairman of the Board of Directors, the Vice-Chairmen, the Managing Directors and the General Managers. It also regularly assesses the criteria adopted for the remuneration of managers with strategic responsibilities, oversees their application based on information supplied and makes general recommendations in this respect to the Board of Directors. It mainly consists of independent directors and is also the body called to rule on related party transactions involving directors, permanent statutory auditors and senior executives of the Company, at least on a standing of the Central Director, if determining their remuneration.

The Internal Control Committee, consisting of three non-executive, independent directors, mainly assists the Board of Directors in the duties assigned to it by the Code with respect to the internal control and risk management system, as well as further duties.

The Corporate Governance Committee carries out an in-depth examination of the structure of the corporate governance rules and reports on this to the Board of Directors. It consists of the Chairman of the Board of Directors and four mainly independent directors.

The Investment Committee, which has only recently been established, acts in an advisory role, making recommendations and investigating decisions concerning investments. More specifically, it regularly analyses the Group investment policies, the main operational guidelines and the related results, as well as analysing the most important, in quantitative terms, investment and divestment transactions ahead of their implementation. The Committee numbers four directors, of which two executive and two non-executive, and the General Manager and CFO.

The Committee for Evaluation of Related Party Transactions, only recently established, has the task of providing an opinion on related party transactions submitted for the attention of the Board of Directors or appointed bodies, in compliance with the procedures on related party transactions and without prejudice to the fact that transactions concerning the remuneration of directors, permanent statutory auditors and senior executives of the Company, at least on a standing of the Central Director, are carried out by the Remuneration Committee.

The Committee consists of five non-executive, independent directors.

The Shareholders' Meeting is the body that expresses the desires of the shareholders through resolutions on matters exclusively stated on the agenda. Any shareholders who, jointly or individually, represent at least one fortieth of the share capital may ask, within five days of publication of the notice calling the Meeting, that the agenda to be discussed be supplemented, specifying the further items they wish to include. All those holding ordinary shares in the Parent Company, including employees, may exercise their rights to vote and attend the Meeting, as long as they can prove their lawful title in accordance with the law and the communication is received in due time.

The Board of Statutory Auditors is a body that audits compliance with the law and the articles of association as well as carrying out management audits.

The General Board, which is an assembly of senior consulting for the very best pursuit of the company's objectives with specific regards to territorial expansion of the company and international problems of an insurance and financial nature, and the Corporate Centre and parties attributed legal representation in accordance with the articles of association, are also classed as corporate bodies.

Updates and further information on the corporate bodies are available from the Governance section of the Group website [www.generali.com](http://www.generali.com).

A new report on the remuneration policy of the company and Group management has been presented and approved during the recent Shareholders' Meeting. The document is an integral part of the Corporate governance and share ownership report and is also available from the stated Group website.

In general, the purpose of the remuneration policy is to guarantee suitable remuneration in exchange for sustainable performance. On the basis of the four key principles (internal equity, competitiveness, consistency and meritocracy), in order to establish remuneration levels and policies, it is considered essential to define a balanced remuneration package, to guarantee a linear connection between remuneration and performance, at the same time taking a flexible, differentiated approach, to align performance to shareholder interests, taking a multi-year, multi-dimensional approach and to guarantee compliance with processes and regulations. The various actions include, therefore, the adoption of specific reward systems, the appraisal of performance on the basis of factors such as risk management policy and capital cost and, where possible, establishing objectives that entail the adoption of sustainable conduct in terms of customer satisfaction, the growth of in-house resources and the improvement of processes, with a view towards constant improvement in the quality of performance.

More specifically, with regards to the remuneration of the members of the Board of Directors, the company's articles of association assign the Shareholders' Meeting the task of determining it. It therefore resolved that each member shall be due, in addition to the refund of expenses incurred in attending meetings, gross annual fees of 100,000 euros, with an increase by 50% for members of the Executive Committee, variable fees amounting to 0.01% of the consolidated result of the period, up to a maximum of 300,000 euros, to be divided equally between the directors of the Board, and an attendance fee for each meeting of the Board of Directors and Executive Committee attended, equal to 4,000 euros. It is therefore specified that the remuneration of directors is not significantly linked to the results achieved by the Group. The articles of association, on the other hand, establish that the remuneration of directors assigned specific offices shall be established by the Board of Directors, having first consulted with the Board of Statutory Auditors and verified the coherence of the proposals with the general remuneration policy.

More specifically, as concerns the emoluments of the Chairman, he shall receive fixed annual fees for the entire term of his appointment on the basis of a comparative analysis with similar national and international figures, but shall not participate in short and medium to long-term incentive plans. Should the office not be confirmed at the end of the first mandate, he shall be paid indemnity equal to two years' gross annual fees.

With regards to the salary package of Managing Directors, General Manager and CFO and of managers with strategic responsibilities, these parties shall receive a fixed salary, a short-term variable component and a medium to long-term variable component, identified in a long-term incentive plan.

## Bodies for the development of sustainability

To ensure that in addition to economic considerations, social and environmental matters linked with the company's business are also taken into account, specific bodies and departments have been specifically established within the Group Corporate Centre.

The responsibility on a Group level with regards to sustainability lies with the **General Manager** and **Chief Financial Officer** (CFO), who implements the strategies defined by the Board of Directors of the Parent Company, establishing the basic guidelines. He also chairs the Sustainability Committee and the CSR (Corporate Social Responsibility) Committee for Italy, as described below.

The **Sustainability Committee** is the decision-making body competent on a Group level on all matters concerning sustainability. This Committee shall define social-environmental policies, establish objectives and results to be achieved and assess opportunities, risks and areas for improvement in relation to Group sustainability. It consists of the managers on a Group level of the company departments most involved in implementing social and environmental policies and representatives of all countries in which the Group operates directly, involved in the implementation of social and environmental policies and preparing the Sustainability Report.

The Committee meets twice a year to analyse the results published in the Sustainability Report and to compare notes on the level of achievement of the established objectives, the difficulties encountered and any unresolved problems.

In order to improve the organisation and coordination of work in the social-environmental field, on a national level, operational governance bodies are established referred to as **CSR Committees**. These Committees interface on the one hand with the Sustainability Committee, in order to ensure coordination of initiatives and to encourage the transfer of local best practices to an international level and, on the other, with the local Group companies, with a view to implementing the decisions taken by the Corporate Centre and duly implement them.

The CSR Committees are chaired by a member of the local Top Management and involve the Corporate Social Responsibility Manager and the managers of the company departments most involved in the implementation of social and environmental policies.

They meet at least twice a year to assess the social and environmental performance indicators chosen on a national level, to verify the results achieved and to seek solutions to any problems or critical issues that may have arisen.

The **Environmental Management System Committee (EMS)** is the operational body assigned the responsibility for achieving the Group's environmental objectives. It consists of the representative of the Group EMS and representatives of the EMSs of the individual countries involved in the project. It aims to implement a management system in the Group for the most important environmental aspects linked to the company's business. More information is provided on this Committee in the chapter Social-environmental Stakeholders - Environment.

The coordination of all activities concerning sustainability, both within the Group and with regards to the market, lies with the **Group Corporate Social Responsibility department**, consisting of seven people reporting directly to the General Manager and CFO. The unit also helps promote the adoption of ethical conduct by the various Group stakeholders and, more generally, to spread awareness of sustainability. Finally, it is also responsible for reporting on social and environmental aspects: to this end, it collects data and drafts and publishes the Sustainability Report, which is included under the scope of Financial Reporting.

## Internal control and risk management system

Inspired by Italian regulations, the principles and characteristics underlying the internal control and risk management system have been defined. The Board of Directors of the Parent Company has approved a specific document, The internal control and risk management system, which provides a detailed description of the purposes, principles, structure, roles, responsibilities and regulatory principles, and has ruled that it be adopted by its subsidiaries, considering the specific legislations of the individual countries in which the Group operates.

Following the publication of Directive 2009/138/EC on the taking-up and pursuit of the business of insurance and reinsurance, commonly referred to as the European Solvency II Directive, the Group has begun to review the organisational structure of its internal control and risk management system, with a view to stimulating the continuous creation of value, acting on the business culture and values through an integrated, synergic logic of risk management and controls. This organisational model includes:

- bodies assigned to guide and monitor risks and controls, which include the corporate bodies under the scope of their respective powers;
  - operational structures appointed to manage and control risks, which include all the company's organisational units.
- More specifically, the internal control and risk management system assigns the Board of Directors, under the scope of its tasks and responsibilities, the ultimate responsibility for defining strategies and guidelines on risk management and internal control and for guaranteeing their adequacy over time, in terms of being complete, functional and effective, in accordance with the dimensions and operative specificities of the companies and the Group and with the nature and intensity of the Group risks, also with reference to outsourced corporate departments. Top Management (namely the Managing Directors and General Managers as well as all managers with strategic responsibilities) is responsible for the implementation, maintenance and monitoring of the internal control and risk management system on a different level, in compliance with the directives of the Board of Directors.

Under the scope of the first organisational level of the risk management and control system, the operational area managers are directly responsible for assuming, managing and controlling risks and implementing due control activities as necessary. To this end, also through the Risk Committee, they provide Top Management with all elements necessary to define the policies, methods and management and risk control tools of their competence, both on a Group and company level, coordinating their implementation and guaranteeing their adequacy over time. They also ensure compliance with the objectives and policies by the operational units for which they are responsible, they identify and implement corrective action under the scope of their independence, whilst above this, they make specific recommendations and suggestions to Top Management.

Control activities are considered an integral part of all business processes and fall in the first place under the responsibility of the manager responsible for the individual organisational unit. According to a principle of self-assessment of processes, in terms of the associated risks and controls, the individual organisational units shall be held directly responsible and are therefore aware that they need to achieve objectives relating to the efficiency, effectiveness and quality of the risk management and control mechanisms involving their activities.

In order to guarantee the effectiveness of a continual monitoring of risks, through the implementation of suitable control instruments, there are specific corporate structures that do not have operational tasks and that are not, therefore, responsible for decision-making choices on the assumption of individual risks. More specifically, as completion of the work carried out by the operational areas and line control structures, there will be a second organisational level of the risk management and control system, represented by the risk management, compliance and internal audit departments, which are characterised by their independence from the operational structures and report functionally to the Board of Directors through the Internal Control Committee. The Solvency II Directive also assigns a key role in overall governance to these departments, which are also established by current regulations, and to the actuarial department.

In this situation, with a view to adjusting to the new regulatory context, the risk management department in particular has been reviewed. This department, which is organisationally represented by the Group Risk Management department, whose manager takes on the office of Group Chief Risk Officer (Group CRO), operates as a guarantor of the risk management system. The department supports the Board of Directors and Top Management in defining risk management strategies and instruments for the monitoring and measurement of these, and provides, through a suitable reporting system, the elements by which to assess the success of the risk management system as a whole. To this end, it constantly monitors the evolution of the risk profile and compliance with the management policies defined. Additionally, the department also supports the Manager in charge of the preparation of the company's financial reports for the purpose of the activities assigned him as specified by Article 154-bis of the TUF.

The compliance department provides an additional supervisory structure in charge of assessing whether or not the organisation and internal procedures of the insurance company are suitable to preventing the risk of non-compliance with regulations. Under the scope of this department, at the end of 2010 the Group anti money-laundering department was established, with the task of guaranteeing specialised monitoring, on a Group level, in relation to activities linked to the management of the risk of money laundering and funding terrorism.

Finally, the internal audit department is responsible for guaranteeing an independent appraisal of the efficiency of the internal control system and therefore the effective function of the controls designed to guarantee that processes are implemented correctly, in consideration of risk levels.

As concerns risk management - carried out according to an Enterprise Risk Management (ERM) approach - the Generali Group has implemented a system which aims to identify, assess and control the most significant risks to which it is exposed, namely the risks whose consequences may threaten its solvency or constitute a serious hindrance to pursuing the corporate objectives. The main objectives of the system is to maintain the identified risks below an acceptable level, to optimise the capital allocation and to improve the risk-adjusted performance of the Group.

The risk management system is based on four key points: the risk identification and measurement process, aiming to quantify solvency, the risk governance process, aiming to define and control management decisions with respect to significant risks, the risk reporting process and the risk management culture, aiming to increase the creation of value. The model has a decentralised approach and is based on a bottom up logic. The specific policies adopted by each Italian and foreign consolidated companies are part of a main framework the principles, the targets and the main risk management procedures defined by the Parent Company are spread and applied across the Group, with the purpose of maintaining a high degree of coherence and integration among the risk management systems of the different companies. The Group constantly monitors exposure to the various risk categories, using quality and quantity-based methods.

The risks to which the Group is exposed can be broken down into various categories, namely insurance risk, financial risk, credit risk and business risk.

**Insurance risk** has different characteristics depending on the business segment (life or non-life).

The insurance risk referring to the non-life segment involves both the risk that the premiums may not suffice to cover claims and future expenses, as well as the risk that the claims reserves may not suffice to cope with the commitments made to insured and/or damaged parties. The risk of damages to tangible assets or other unexpected losses deriving from **natural disasters** or other external events is also classified as an insurance risk. Climate change in fact results in an increase in expected claims and requires greater capital due to the greater volatility of the events occurring.

Prospectively, if the risks covered should increase in intensity or frequency in an abnormal fashion, there may even be the possibility that they become uninsurable, as today occurs, for example, with the risk of flooding in the Netherlands. Risks linked to **climate change** include: the consequences on human health of altered climate conditions; new events, not forecast by current disaster models; the increased frequency or magnitude of events that is such as to create problems relating to the adequacy of reserves or liquidity; changes in the variability of events, with consequently



greater actuarial uncertainty in terms of tariffs; the reputational risk to be faced when the consumer holds the company responsible for providing inadequate prevention or protection with respect to climate or environmental risks. The Generali Group constantly monitors the evolution of the situation, both with regards to existing and emerging risks, using specific stochastic simulation models of natural phenomena, in order to ensure that its products and risk mitigation tools are always suitable to the contingent situation.

The insurance risk in relation to the life segment instead, amongst other matters, relates to the risk of mortality and longevity. The first relates to the onset of higher mortality events than forecast for reasons relating to the volatility of the mortality rate, disasters or medium to long-term trends that result in a permanent, uniform increase, whilst the second is the risk that effective life duration should exceed that hypothesised, for example due to an improvement in living conditions over and above that forecast during the tariff stages, causing losses. The Group carries out regular analyses on the suitability of the technical basis adopted in view of said social risks.

The **financial risk** includes all the risks related to financial market trends and to the company asset management. It therefore refers to: market risk, namely unexpected movements in prices of equities, real estate, currencies and interest rates which might negatively impact the market value of the investments of the Group; exchange rate risk, which refers to the impact that adverse changes to exchange rates have on the value of assets held in currencies other than the corresponding liabilities; liquidity risk, namely the risk that the Group is unable to suitably cope with forecast and unexpected cash outgoings; concentration risk, which concerns each individual exposure or group of exposures that may increase the volatility of assets held in the Group portfolio or result in significant losses, such as to threaten the capacity to maintain the core business.

The **credit risk** refers to the effect on economic solvency associated with the insolvency or deterioration of the credit rating of counterparties in financial transactions.

Finally, the **business risk** encompasses risks that are not directly included in the above three categories. These are risks for which it is not possible, with the exception of operational risk, to directly quantify them in economic terms (quality risks).

Operational risk is defined as the risk of unexpected losses deriving from inadequate or failed in-house processes or from staff, systems or external events. The Group has drafted a detailed classification of this risk and defined the criteria for its identification and assessment.

More specifically, this type of risk includes sudden losses due to: incorrect design or implementation of operations or processes, unsuitable quantitative models, precarious management of relations with commercial counterparties, interruption of activities, system malfunction, incorrect HR management, unsuitable working environment, low level of customer services and inefficient selection of customers and poor monitoring of exposures.

**Fraud**, both internal and external, is considered an operational risk. It is external fraud when the risk of sudden losses comes from actions implemented deliberately mainly by external parties with the aim of committing fraud and/or misappropriation and/or avoiding the application of laws or internal regulations. Internal fraud is instead defined as an intentional act that is illegally performed by one or more staff members directly or by way of third parties, in order to obtain a profit for themselves or for others. Such act causes or may cause damage, as well as non-economic damage, to the Group and/or lack of compliance by the Group, provided that it is directly or indirectly related to the activities carried out by the staff member within his/her relation with the Group. This is the definition given in the Internal Fraud policy, which the Group Risk Committee has decided to adopt. The policy was issued by Assicurazioni Generali on 27 September 2010 and is currently being adopted by all companies of the Generali Group. Amongst other matters, the document provides a single organisational framework through which to define communication channels, responsibilities and procedures aimed at discouraging and waylaying all types of fraudulent conduct as may be implemented by staff members to the detriment of the Group. In 2010, no reports were received in accordance with this policy.

The financial reporting risk is defined as the risk of incorrect accounting of a figure due to an event or transaction that implies an unfair and incorrect representation of the financial position and performance in the Parent Company annual report, Consolidated half-yearly report and Consolidated annual report as well as in any other financial communication. The Parent Company has defined a financial reporting risk model that has been extended to all companies identified as relevant. It consists of a set of principles and rules that can guarantee a suitable administrative and accounting system, also through the preparation of procedures and operating instructions.

Strategic risk is the risk of a present or future impact on profits or capital deriving from incorrect strategic decisions, incorrect implementation of strategies and the inability to respond suitably and promptly to changes in the macroeconomic context and market. Action taken to mitigate this risk is based on a careful, constant monitoring of the Group's financial performance with respect to the objectives, in order to encourage the early implementation of corrective measures where differences are seen or an evolution in the macroeconomic context and financial and insurance markets, thereby noting such changes promptly and acting quickly, taking all suitable measures and amending strategies to adjust to new scenarios. However, it is the Group organisational structure, organised in such a way as to guarantee a healthy, prudent management of business and therefore the risk connected with the corporate activities, which ensures a careful, effective monitoring of the strategic risk.

**Reputational risk** is the risk deriving from the deterioration of the reputation or from a negative perception of the Group's image among the various stakeholders - due, for example, to the low quality of the services offered, to the placement of inadequate policies or to the behaviour of the sales force - which can entail monetary or non monetary losses. Within this ambit, for a group such as Generali which also attributes strategic relevance to the ethical aspects, reputational damages linked to eventual behaviour that does not respect the environment or that is detrimental to the fundamental rights of people are of great importance. With regard to the measures adopted to prevent risks linked to the environmental impact of the business activities, please refer to the description of the Environmental Policy of the Generali Group and of the Environmental Management System that can be found in the chapter Social-environmental Stakeholders - Environment. On the other hand, with regard to fundamental human rights, as stated, the Group policies have been expressed on a worldwide level in the new Ethical Code approved in May 2010 and refer to the most significant aspects for the Generali Group, i.e., the ban against child labour as well as against compulsory or forced labour, non-discrimination, the freedom of association and collective bargaining. Furthermore, the main areas of influence have been identified, consisting of employees, suppliers and issuing companies. Greater details relating to the processes that are being implemented to ensure the respect of human rights are supplied in the chapters Direct Stakeholders - Employees, Competitive Stakeholders - Contractual Partners and Issuing Companies.

The risk of contagion relates to difficult situations arising in a company or group that may spread with negative effects on the solvency of another company of the same group. This type of risk is also defined as the risk of belonging to a Group.

The **compliance risk** is the risk of incurring legal or administrative sanctions, losses or reputational damages as a consequence of breach of the law, regulations or provisions applicable to the activities of Group companies. In managing this risk, particular attention is paid to the provisions concerning core business (insurance and financial services), such as, for example, transparency and correctness of behaviour with regards to insured and damaged parties, claims and complaints management, the prevention of **money laundering** and financing terrorism, related party transactions, consumer protection, market abuse and conflict of interests. In order to allow for the supervision of the management of the compliance risk on a Group level, in compliance with the provision of Italian law and in due consideration of the evolution of the European regulatory framework, with specific reference to the European Solvency II Directive, the Board of Directors has approved the Group Compliance Policy. Entered into force in 2011, this document defines the principles and guidelines for carrying out the compliance activities that each Group company is obliged to do, without prejudice to the necessary adjustments due to specific local regulations and the dimensions and nature of the companies.

Finally, we note that Italian regulations also specify **administrative liability** of companies for crimes committed by their senior executives or subordinates in the interests or to the benefit of the companies. In accordance with Legislative Decree no. 231/01 and subsequent amendments, therefore, the Italian companies of the Group have adopted an Organisational and Management Model, which constitutes a suitable tool for the prevention of conduct in contrast with principles of correctness, lawfulness and transparency in managing business by employees, agents and others that hold relations with the Group companies and which therefore allows for said administrative liability to be eliminated. The types of crimes coming under the scope of the company's administrative liability are those specifically established by certain articles of law and, amongst others, relate to the misappropriation of funds, fraud against the state or a public body or in order to obtain public grants and computer fraud against the state or a public body, concussion and corruption, market abuse and money laundering crimes. The correct understanding and dissemination of the contents and principles of the above model is ensured by specific training initiatives delivered in e-learning to all Group

employees and agents. In 2010, no episodes were ascertained that would fall under the scope of the application of said regulation.

Details of the internal control and risk management system are given in the Corporate governance and share ownership report and in the Risk Report, to which a specific section is devoted of the consolidated financial statements, now also available in a navigable version on the website [www.generali.com](http://www.generali.com).

## Privacy

In accordance with national legislation, Generali Group companies have adopted suitable technical, organisational and operational measures to guarantee the confidentiality and security of personal (and at times sensitive) data pertaining to potential and actual clients and other stakeholders (employees, suppliers and others). Only personal data that are strictly necessary to provide the required services and to achieve the objectives laid out in specific privacy notices are collected, with particular attention paid to sensitive data, which are gathered and processed only where the use of anonymous data is not deemed viable.

All Group employees and the sales force are informed of these fundamental principles and their duties with respect to protecting processed data. There are many different training, information and update methods: handbooks, newsletters, self-study through e-learning courses, classroom courses and constantly updated privacy areas on the intranet and extranet.

21 reports of alleged breach of privacy were received in 2010, compared with 24 the previous year, with the term reports in this case used to refer to administrative claims brought before the Privacy Authority guaranteeing the protection of personal data or the Courts and/or requests for information received by the companies from the Guarantor. Only one of these reports is upheld by the competent authorities, and therefore criminally or economically sanctioned; four are still pending and 16 have been rejected. One report upheld by the competent authority in Italy is still pending, as an appeal has been filed. The reporters are mainly customers (four in Italy, 15 in Germany and one in Israel) and the reasons for reports in relation to alleged breach of privacy essentially lie in undesired commercial communications, lack of contractual consent, improper data transmission, unnecessary request for information or incorrect use of data.



SOS Kinderdorf  
Austria

*young*

## ECONOMIC-FINANCIAL PERFORMANCE

As of 31 December 2010, the Group consisted of 528 entities consolidated on a line-by-line basis and measured using the equity method, up by seven on last year, and 287 non-consolidated entities, as not material, down by five on last year. More specifically, the number of entities consolidated on a line-by-line basis went from 488 to 490 (163 classified as insurance and insurance holding; 145 as holding and/or financial and real estate; and 182 as services and other). The lists of all entities of the Generali Group are given in the tables attached to the Notes to the 2010 Consolidated Financial Statements.

### Group workforce by level

	MANAGERS		OFFICE WORKERS		SALES FORCE ON PAYROLL		OTHER		TOTAL	
	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010
EUROPE	1,855	1,953	50,718	50,278	19,078	18,636	73	65	71,724	70,932
THE AMERICAS	228	217	4,600	4,800	3,114	3,243	0	0	7,942	8,260
REST OF THE WORLD	220	278	4,437	4,984	999	914	0	0	5,656	6,176
<b>TOTAL</b>	<b>2,303</b>	<b>2,448</b>	<b>59,755</b>	<b>60,062</b>	<b>23,191</b>	<b>22,793</b>	<b>73</b>	<b>65</b>	<b>85,322</b>	<b>85,368</b>

- With reference to the area of consolidation described above, there were 85,368 employees, showing an increase of 46 compared with the end of 2009. The basic stability is the result of divergent trends of the workforce of the various countries: with no significant changes with respect to the previous period in the main European markets, but down in the countries of Central-Eastern Europe, and showing strong growth in South America and in the rest of the world, above all in China, Argentina and Israel.

In 2010, customers of the Generali Group insurance companies were estimated at around 70 million. 73.8% of customers are concentrated in Europe, 20.7% in the Americas and 5.5% in the rest of the world.

The policies held in the portfolio were estimated as 108.8 million, of which 82.9% subscribed in Europe, 15% in the Americas and 2.1% in the rest of the world.

In order to constantly monitor evolution, avoiding duplications in calculating policyholders with more than one policy in different lines of business, the Group continues to refine its IT procedures.

In 2010, the Group began to measure electrical energy and water consumption worldwide. As this is the first year for collection of this data, not all companies were able to provide with the relevant figures and the data published is therefore incomplete.

Overall, Group companies consumed approximately 221 million kWh of electrical energy, mainly used for lighting, to run machinery and for air conditioning. 81.4% of consumption was in Europe, 9.8% in the Americas and 8.8% in the rest of the world.

With regards water consumption, mainly used for hygiene-health purposes and for operating and cooling of air-conditioning systems, 847,482.7 cubic metres were consumed, of which 74.7% in Europe, 12.5% in the Americas and the remaining 12.8% in the rest of the world.

As of 31 December 2010, the Generali Group recorded the following main economic data in relation to which more information is provided in the Notes to the 2010 Consolidated Financial Statements.



## Group highlights

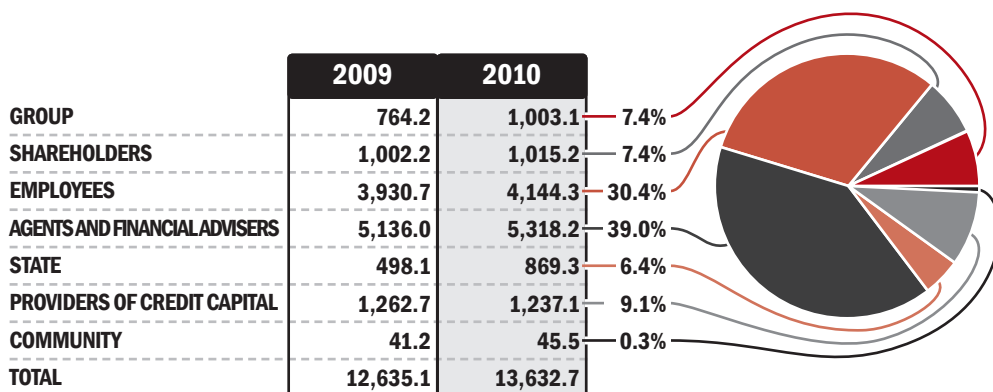
	2009	2010
<b>RESULT OF THE PERIOD ATTRIBUTABLE TO THE GROUP</b>	<b>1,309.1</b>	<b>1,701.9</b>
<b>TOTAL INCOME</b>	<b>90,659.7</b>	<b>90,779.2</b>
NET EARNED PREMIUMS	64,036.1	65,726.5
EUROPE	60,820.6	61,651.2
THE AMERICAS	1,383.3	1,879.8
ASIA	1,832.2	2,195.5
<b>TOTAL EXPENSES</b>	<b>88,491.3</b>	<b>87,942.4</b>
NET INSURANCE BENEFITS AND CLAIMS	68,187.5	67,720.0
EUROPE	63,350.6	63,027.4
THE AMERICAS	1,098.4	1,522.4
ASIA	3,738.5	3,170.2
<b>GLOBAL ADDED VALUE</b>	<b>12,635.1</b>	<b>13,632.7</b>
<b>TOTAL ASSETS</b>	<b>423,816.9</b>	<b>422,439.4</b>
INVESTMENTS	341,513.3	364,243.3
EUROPE	323,141.5	340,248.9
THE AMERICAS	2,767.2	3,790.8
ASIA	15,604.5	20,203.5
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>423,816.9</b>	<b>422,439.4</b>
SHAREHOLDERS' EQUITY ATTRIBUTABLE TO THE GROUP	16,652.3	17,489.8

VALUES IN MILLION EUROS

## Global Added Value

Global Added Value (GAV) expresses the wealth generated by the Group's activities over the year for the various stakeholder categories. It is not, however, able to measure the benefits that the investments have on the economy and environment of reference. This indicator is calculated as the difference between the total income and the total expenses net of the cost for employees, agents and financial advisers, costs incurred for grants and sponsorships and interest expense.

### Distribution of the GAV



VALUES IN MILLION EUROS

- In 2010, the Global Added Value increased by 7.9% on the previous period. The amounts allocated to all stakeholders have increased, with the exception of providers of credit capital.

- The main shares are distributed to agents and financial advisers and employees, to whom, in total, 69.4% of the GAV is allocated.
- Amounts allocated to the community also show good growth (+10.4%).
- The increase in the result of the period has led to an increase in the amounts allocated to the Group (+31.3%), shareholders (+1.3%) and to the State (+74.5%). The latter have also been determined by greater tax pressure. The share allocated to shareholders includes, in addition to the dividends relative to the shares currently on the market, the result of the period attributable to minority interests.
- In 2010, the Generali Group did not receive any major government loans.



*Padrino Escolar  
Panama*



*Padrino Escolar  
Panama*



*Padrino Escolar  
Panama*

FOREWORD

CHAPTER 1

CHAPTER 2

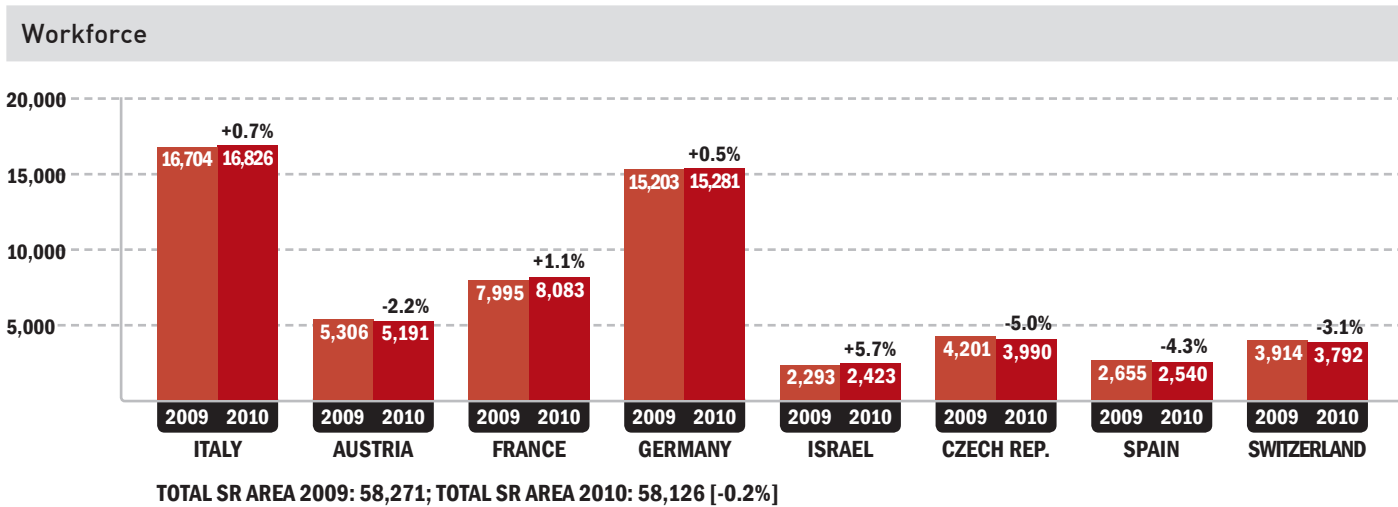
CHAPTER 3

CHAPTER 4

# DIRECT STAKEHOLDERS

# EMPLOYEES

## Size and characteristics of the workforce



In 2010, the total number of employees in the Sustainability Report area was 58,126. The overall number of employees in the Sustainability Report area fell by 145 [-0.2%], with different trends being recorded by individual countries:

- the workforce increased in Israel (+5.7%), thanks to new recruits, to a lesser extent in France (+1.1%) and Italy (+0.7%), and even in Germany, where the number of employees rose by 0.5% after falling for several years due to restructuring measures;
- the number of employees decreased in the Czech Republic (-5.0%), Spain (-4.3%), Switzerland (-3.1%) and Austria (-2.2%), where a restructuring process is under way. More specifically, in Spain Generali España has merged with Estrella and Banco Vitalicio de Seguros, while in Switzerland BSI is undergoing a restructuring with a view to focusing on new markets. The restructuring in Austria involved a reduction from nine regional offices (one for each region) to four.

These trends show that the Group was able to maintain stable employment levels in 2010, despite a still uncertain economic climate, a sluggish recovery and growing competition that meant Generali had to improve its structural competitiveness.

**Workforce by level**

	MANAGERS		MIDDLE MANAGERS		OFFICE WORKERS		SALES FORCE ON PAYROLL		OTHER		TOTAL	
	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010
ITALY	338	341	1,899	1,960	8,582	8,608	5,871	5,905	14	12	16,704	16,826
AUSTRIA	58	62	262	253	3,015	2,982	1,956	1,886	15	8	5,306	5,191
FRANCE	130	139	3,027	3,129	2,768	2,707	2,070	2,108	0	0	7,995	8,083
GERMANY	262	235	780	736	10,535	10,576	3,517	3,640	109	94	15,203	15,281
ISRAEL	60	57	199	205	2,034	2,161	0	0	0	0	2,293	2,423
CZECH REP.	48	47	344	326	3,045	2,913	764	704	0	0	4,201	3,990
SPAIN	75	72	373	347	1,325	1,331	873	781	9	9	2,655	2,540
SWITZERLAND	227	235	736	733	2,306	2,176	614	615	31	33	3,914	3,792
<b>TOTAL</b>	<b>1,198</b>	<b>1,188</b>	<b>7,620</b>	<b>7,689</b>	<b>33,610</b>	<b>33,454</b>	<b>15,665</b>	<b>15,639</b>	<b>178</b>	<b>156</b>	<b>58,271</b>	<b>58,126</b>
<b>INCIDENCE %</b>	<b>2.0%</b>	<b>2.0%</b>	<b>13.1%</b>	<b>13.2%</b>	<b>57.7%</b>	<b>57.6%</b>	<b>26.9%</b>	<b>26.9%</b>	<b>0.3%</b>	<b>0.3%</b>	<b>100.0%</b>	<b>100.0%</b>

- The breakdown of the Group's total workforce by level is not significantly different in terms of the proportion represented by individual components.
- The restructuring processes under way in Austria, the Czech Republic, Spain and Switzerland have seen staff shed across almost all categories, with the heaviest job losses taking place among sales force and office workers. This

was due to overstaffing management, which generally involves early-retirement schemes, with the resulting positions usually being filled by existing sales force or office workers rather than by new recruits.

- The number of office workers fell considerably in Switzerland (-5.6%) and the Czech Republic (-4.3%), while an increase was recorded in Israel (+6.2%) as a result of new recruits being hired in all departments, especially the sales division.
- The size of the sales force was reduced in Spain (-10.5%), the Czech Republic (-7.8%) and Austria (-3.6%) as a result of the aforementioned restructuring measures, while there was an increase in Germany (+3.5%), France (+1.8%) and, to a lesser extent, Italy (+0.6%).
- There was a particularly large number of internal promotions due to professional development in France, where the number of managers and middle managers rose by 6.9% and 3.4% respectively. In Italy, the number of managers rose by 0.9%, while for middle managers the increase was 3.2%. In Germany, manager and middle-manager positions fell by 10.3% and 5.6% respectively.
- At 40.4%, the proportion of managers and middle managers in France continued to be well above the Group average of 15.3%. This is due to the fact that, for legal purposes, France classifies newly recruited graduates as cadres (middle managers). The proportion of staff at managerial levels is also above the average in Switzerland (25.5%) and Spain (16.5%), whereas this figure is particularly low in Austria (6.1%) and Germany (6.4%). The Hay method was used to place staff at managerial levels. The method has been used by the Generali Group for many years, and is based on an assessment of the position the employee occupies. Employees in the various countries can thus be divided into different levels using a standardised method so as to enable a consistent comparison. The only exception is France, where local classification criteria are applied so that comparisons can be made with national competitors.
- The proportion of office workers in Israel (89.2%), the Czech Republic (73.0%) and Germany (69.2%) is considerably higher than the Group average (57.6%).

#### Women's workforce by level

	MANAGERS		MIDDLE MANAGERS		OFFICE WORKERS		SALES FORCE ON PAYROLL		OTHER		TOTAL	
	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010
ITALY	35	38	377	403	4,444	4,464	2,102	2,169	4	2	6,962	7,076
AUSTRIA	3	5	59	57	1,585	1,560	256	240	4	3	1,907	1,865
FRANCE	35	37	1,539	1,609	1,902	1,859	454	462	0	0	3,930	3,967
GERMANY	30	24	158	150	5,758	5,725	638	778	37	41	6,621	6,718
ISRAEL	16	16	96	103	1,558	1,661	0	0	0	0	1,670	1,780
CZECH REP.	5	6	144	142	1,943	1,831	695	638	0	0	2,787	2,617
SPAIN	7	7	70	88	744	740	273	243	2	2	1,096	1,080
SWITZERLAND	22	25	193	204	1,367	1,306	28	25	11	11	1,621	1,571
<b>TOTAL</b>	<b>153</b>	<b>158</b>	<b>2,636</b>	<b>2,756</b>	<b>19,301</b>	<b>19,146</b>	<b>4,446</b>	<b>4,555</b>	<b>58</b>	<b>59</b>	<b>26,594</b>	<b>26,674</b>
<b>INCIDENCE%</b>	<b>0.6%</b>	<b>0.6%</b>	<b>9.9%</b>	<b>10.3%</b>	<b>72.6%</b>	<b>71.8%</b>	<b>16.7%</b>	<b>17.1%</b>	<b>0.2%</b>	<b>0.2%</b>	<b>100.0%</b>	<b>100.0%</b>

- On average, women represent 45.9% of the Group's workforce (against 45.6% in 2009). The only countries where this figure differs considerably are Israel and the Czech Republic, where women represent respectively 73.5% and 65.6% of the workforce, and Austria, where just 35.9% of employees are female.
- The number of female workforce increased at all levels, with the exception of the office workers category, where the number of women fell slightly. However, the majority of women (71.8%, down slightly compared with 72.6% in 2009) continued to fall under the office workers category, with a considerably higher concentration of women at this level in Israel (93.3%), Germany (85.2%), Austria (83.6%) and Switzerland (83.1%).
- On average, women fill 32.8% of managerial positions, an increase of 1.2 points on 2009. The general increase in the number of women at higher levels includes 72 additional female managers and middle managers in France and 29 in Italy.
- The situation varies greatly from one country to the next. In France, the proportion of women occupying managerial positions is slightly higher than that of men (50.4%), while Israel (45.4%) and the Czech Republic (39.7%) also have a high ratio of women at this level. In Italy, Austria and Germany, on the other hand, fewer than 20% of women hold positions of responsibility.
- Only 8.3% of Top Executives are women.



In 2010, the number of **call centre** staff totalled 3,744 (down from 4,015 in 2009), equivalent to 6.4% of the total workforce and to 11.2% of those at office worker level. While the year-on-year fall of 6.7% related to the main countries where the Group operates (Germany, Italy and, to a lesser extent, France), elsewhere the number of call centre workers rose, reflecting the increased use of a growing number of telephone customer services provided by Group companies (see the chapter Competitive Stakeholders - Clients). The only exception is the Czech Republic, where the Group has no call centres. Call centre workers are particularly prevalent in Spain, where they represent one third of the Group's total workforce and 63.6% of the office worker category. Call centres are an essential part of the activities of Europ Assistance group companies due to the specific services they provide.

Women continued to represent the majority of call centre workers (62.6%, down from 63.7% in 2009). The proportion of women in this category was well above the average in Switzerland (81.6%), Israel (77.2%) and Italy (70.4%).

### Workforce by type of contract

	FULL-TIME PERMANENT EMPLOYEES		FULL-TIME FIXED-TERM EMPLOYEES		PART-TIME PERMANENT EMPLOYEES		PART-TIME FIXED-TERM EMPLOYEES		TOTAL	
	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010
ITALY	14,625	14,599	452	526	1,291	1,406	336	295	16,704	16,826
AUSTRIA	4,727	4,591	5	4	573	592	1	4	5,306	5,191
FRANCE	6,527	6,560	546	542	918	976	4	5	7,995	8,083
GERMANY	12,579	12,654	191	182	2,366	2,400	67	45	15,203	15,281
ISRAEL	2,145	2,274	148	149	0	0	0	0	2,293	2,423
CZECH REP.	3,427	3,258	619	608	138	106	17	18	4,201	3,990
SPAIN	2,491	2,346	43	55	119	138	2	1	2,655	2,540
SWITZERLAND	3,299	3,178	38	41	545	528	32	45	3,914	3,792
TOTAL	49,820	49,460	2,042	2,107	5,950	6,146	459	413	58,271	58,126
INCIDENCE %	85.5%	85.1%	3.5%	3.6%	10.2%	10.6%	0.8%	0.7%	100.0%	100.0%

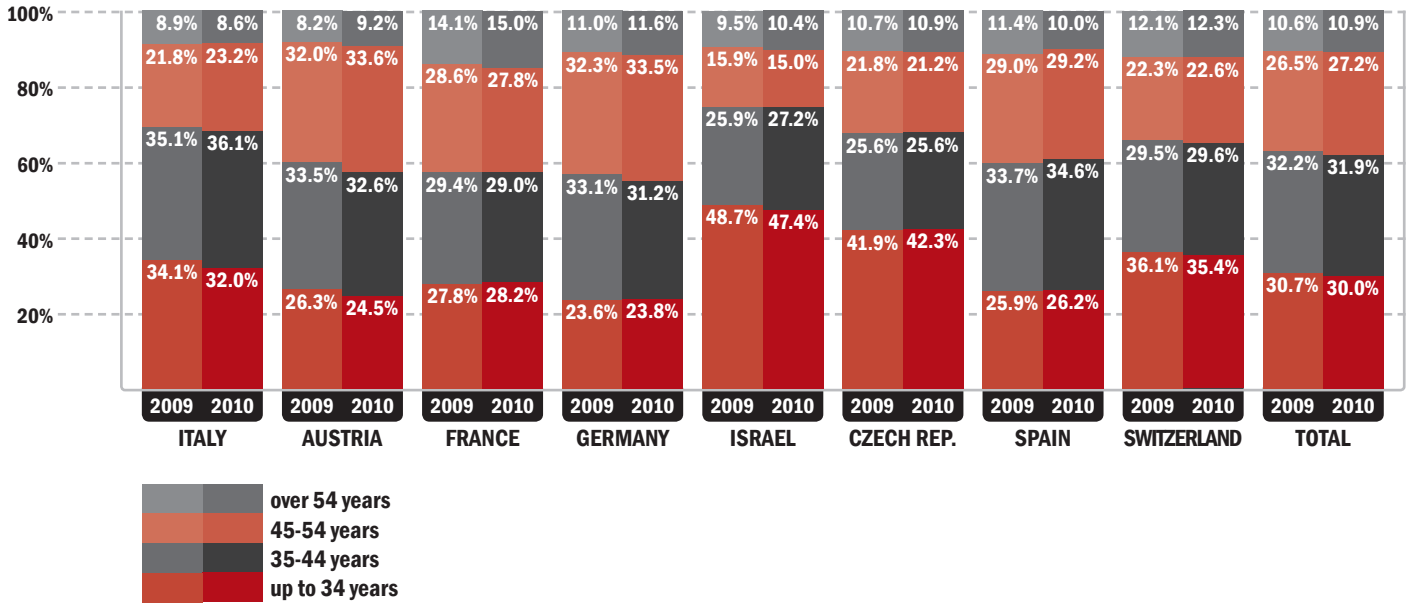
- 95.7% of the workforce in the Sustainability Report area have permanent contracts, a percentage that nears 100% in Austria.
- Part-time workers number 6,559, equivalent to 11.3% of the workforce. Germany is one of the countries with the highest number of part-time workers (16%), followed by Switzerland (15.1%) and France (12.1%). The lowest percentage can be seen in the Czech Republic (3.1%), while there are no part-time contracts in Israel.
- A large number of women opt to work on a part-time basis, generally in order to manage their childcare needs: in 2010, women represented 85.3% of part-time workers (against 85.5% in 2009).
- On average, the number of women with part-time contracts, at around 21%, is almost double the percentage for the overall workforce (11.3%); significant deviations from the average were primarily seen in Germany (32.7%) and the Czech Republic (2.8%).
- Group companies also use temporary or project workers with fixed-term contracts for limited periods to cover work peaks, one-off projects and temporary staff absences (due to maternity leave, sick leave, etc.). A total of 734 project and temporary workers - equivalent to 1.2% of the workforce - were hired in 2010, including 460 in Germany and 128 in Italy. Women account for 57.4% of this category of workers.

The number of employees with graduate or postgraduate qualifications continued to increase due to the Group's hiring policy: in Italy, for example, the Group tends to exclusively hire graduates.

In the Sustainability Report area as a whole, 31.5% of employees are university **graduates**, whereas this figure is much higher in Israel (65%), France (45.8%), Spain (44.5%) and Italy (40.5%), and considerably lower in Austria (11.3%) and Germany (17.5%).

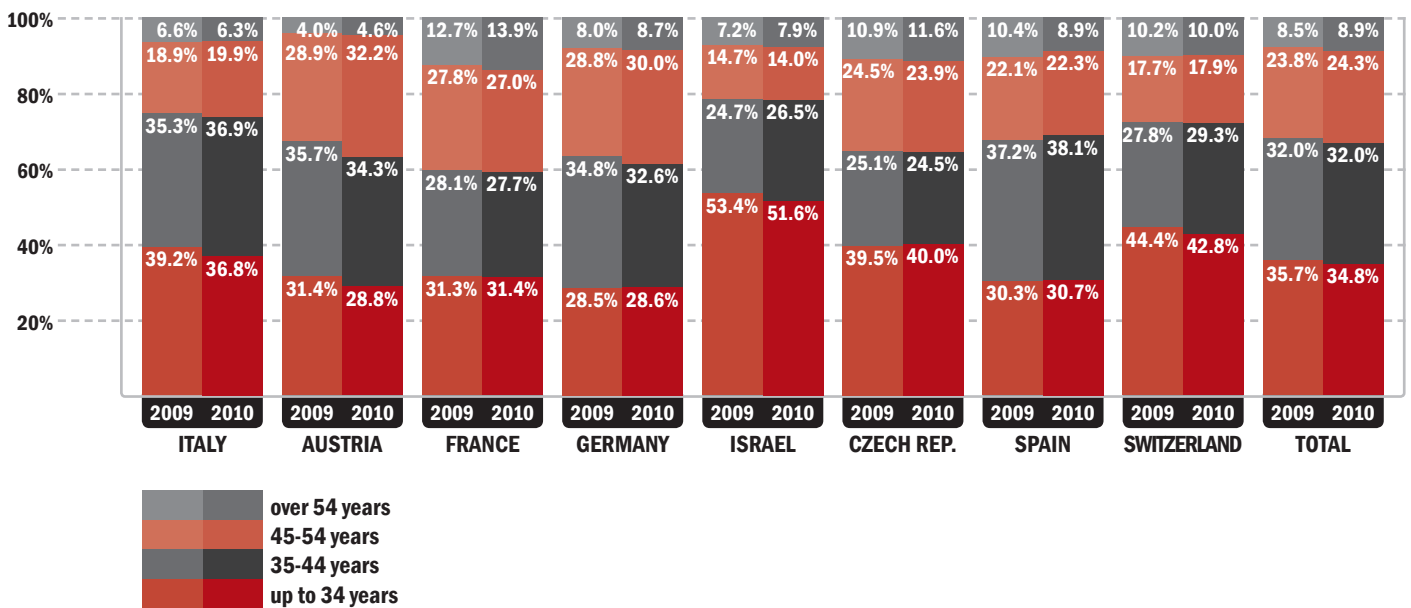


## Workforce by age bracket



- As at the end of 2010, there has been no significant change to the composition of the workforce by age bracket compared to the previous year. The largest age bracket is that of workers between 35 and 44 (31.9%), with 61.9% of employees under the age of 45 (against 62.9% in 2009). Employees over 54 accounted for 10.9% of the workforce on average.
- Israel and the Czech Republic have the highest percentage of staff under the age of 35, at 47.4% and 42.3% respectively. The Group also has a young workforce in Italy: following a wave of retirements in recent years that caused the proportion of workers over 54 to fall to the lowest level in the area in question (8.6%), 68.2% of workers are under 45.
- The highest weighting of the oldest age bracket is in France: at the end of 2010, the over 54s represented 15% of employees. At 45% of the workforce, Germany has the highest proportion of over 45s.
- The average age of the Group's workforce is around 40. The youngest average age (37.9) can be found in Israel, while Austria has the highest (43.1).
- Around half of the Group's managers are aged between 45 and 54, while only 1.2% of them are under 35.

## Women's workforce by age bracket



- Women under 35 represent the largest age bracket, which accounts for more than one third of the female workforce and represents 51.6% of women workers in Israel and 42.8% in Switzerland. On average, two in three women are under 45.

- There are more women (53.3%) than men in the youngest age bracket. The proportion of women falls as age increases, reaching its lowest percentage (37.5%) in the over 55s category.

## Turnover

	2008	2009	2010			EMPLOYEES AS AT 31/12/10
	EMPLOYEES AS AT 31/12/08	EMPLOYEES AS AT 31/12/09	RECRUITMENTS	TERMINATIONS	CHANGE	
ITALY	16,375	16,704	2,368	2,246	122	16,826
OF WHICH WOMEN	6,733	6,962	1,356	1,242	114	7,076
AUSTRIA	5,288	5,306	275	390	-115	5,191
OF WHICH WOMEN	1,900	1,907	112	154	-42	1,865
FRANCE	7,630	7,995	1,218	1,130	88	8,083
OF WHICH WOMEN	3,690	3,930	661	624	37	3,967
GERMANY	15,218	15,203	1,686	1,608	78	15,281
OF WHICH WOMEN	6,590	6,621	713	616	97	6,718
ISRAEL	1,853	2,293	651	521	130	2,423
OF WHICH WOMEN	1,346	1,670	384	274	110	1,780
CZECH REP.	4,544	4,201	827	1,038	-211	3,990
OF WHICH WOMEN	3,050	2,787	513	683	-170	2,617
SPAIN	2,668	2,655	215	330	-115	2,540
OF WHICH WOMEN	1,088	1,096	139	155	-16	1,080
SWITZERLAND	3,977	3,914	417	539	-122	3,792
OF WHICH WOMEN	1,619	1,621	200	250	-50	1,571
TOTAL	57,553	58,271	7,657	7,802	-145	58,126
OF WHICH WOMEN	26,016	26,594	4,078	3,998	80	26,674

- The total staff turnover rate, calculated as (recruitments in the year + terminations in the year)/[(workforce at the beginning of the year + workforce at the end of the year)/2], was 0.27.
- On average, women were involved in the Group's staff turnover to a slightly greater extent than men: in 2010, 53.3% of new recruits and 51.2% of terminations related to women.
- Staff turnover differed from the Group average at individual country level: Spain and the Czech Republic had the highest percentages of female recruits (64.7% and 62% respectively), while Austria and Germany had the lowest (40.7% and 42.3% respectively). With regard to terminations, the highest proportion was found in the Czech Republic (65.8%), and the lowest in Germany and Austria (38.3% and 39.5% respectively).
- The negative staff turnover rate, calculated as the total number of terminations in 2010 as a percentage of the total workforce at the beginning of the year x 100, was 13.4%.
- The negative staff turnover rate was higher for women (15%) than for men (12.1%).
- This indicator also presented marked differences between countries: Austria had the lowest negative staff turnover rate (7.5%), with a higher rate for women (8.3%) than for men (6.9%), while the Czech Republic had the highest rate (24.7%), with a figure of 25.1% for men and 24.5% for women.

## Number of terminations by age bracket

	≤34	35-54	≥55	TOTAL
	2010	2010	2010	2010
ITALY	1,596	348	302	2,246
AUSTRIA	196	110	84	390
FRANCE	697	269	164	1,130
GERMANY	614	689	305	1,608
ISRAEL	422	83	16	521
CZECH REP.	547	327	164	1,038
SPAIN	145	134	51	330
SWITZERLAND	273	193	73	539
<b>TOTAL</b>	<b>4,490</b>	<b>2,153</b>	<b>1,159</b>	<b>7,802</b>

- Staff turnover also includes workers with fixed-term contracts. These workers accounted for 37.9% of terminations in 2010, largely due to the expiration of contracts held by under 35s.
- Staff with permanent contracts represented 62.1% of terminations.
- The number of terminations falls as age increases: 57.5% of terminations involved under 35s, owing in particular to the expiration of fixed-term contracts and the naturally greater propensity for change of younger workers, while the over 54s accounted for just 14.9%.
- Around one third of terminations were attributable to resignations, which includes seniority retirements, with old-age retirements representing more than 10% and a further 30% being due to the aforementioned expiration of fixed-term contracts.

## Workforce by seniority of service

	≤ 2 YEARS		3-10 YEARS		11-20 YEARS		≥21 YEARS		TOTAL		AVERAGE LENGTH OF SERVICE	
	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010
ITALY	3,598	3,423	6,484	6,611	3,597	3,755	3,025	3,037	16,704	16,826	10.9	11.0
AUSTRIA	787	852	1,282	1,201	1,624	1,591	1,613	1,547	5,306	5,191	14.5	15.1
FRANCE	1,580	1,889	2,327	2,082	1,805	1,835	2,283	2,277	7,995	8,083	14.7	13.6
GERMANY	2,061	2,797	5,268	4,404	4,603	4,698	3,271	3,382	15,203	15,281	13.1	13.2
ISRAEL	761	669	977	1,157	342	370	213	227	2,293	2,423	7.3	7.4
CZECH REP.	1,013	930	1,776	1,611	1,023	983	389	466	4,201	3,990	8.8	9.0
SPAIN	417	377	909	886	591	605	738	672	2,655	2,540	13.8	13.4
SWITZERLAND	846	1,040	1,755	1,460	720	759	593	533	3,914	3,792	9.4	10.4
<b>TOTAL</b>	<b>11,063</b>	<b>11,977</b>	<b>20,778</b>	<b>19,412</b>	<b>14,305</b>	<b>14,596</b>	<b>12,125</b>	<b>12,141</b>	<b>58,271</b>	<b>58,126</b>		
<b>INCIDENCE %</b>	<b>19.0%</b>	<b>20.6%</b>	<b>35.7%</b>	<b>33.4%</b>	<b>24.5%</b>	<b>25.1%</b>	<b>20.8%</b>	<b>20.9%</b>	<b>100.0%</b>	<b>100.0%</b>		

- Staff loyalty is high: 46% of employees have worked for the Group for over 10 years, and 20.9% for more than 20 years. Austrian workers stand out for their extended seniority of service, with 60.5% having more than 10 years' service and 29.8% having more than 20 years' service. France, Germany and Spain also have high seniority of service, with over 50% of the workforce having been with the Group for more than 10 years.
- The lowest level of seniority of service can be found in Israel, where the workforce is expanding and 75.4% of employees have been with the company for fewer than 10 years. The majority of employees in Switzerland (65.9%), the Czech Republic (63.7%) and Italy (59.6%) have also been with the Group for fewer than 10 years.

## Employees policies

The Group's employee policies, which are set out by the Group CEO and Managing Director, are characterised by:

- close attention to employees and a commitment to offer them opportunities for personal and professional development, making the most of their skills and abilities and developing their potential;
- trust placed in open-minded young people keen to prove themselves, who are given positions of increasing responsibility;
- respect for values and a desire to protect individuals' rights.

The workers' fundamental rights are set out in the **Ethical Code of Generali Group**. All staff are given a legal contract of employment, and illegal employment, exploitation, forced labour and child labour are not tolerated in any form. All communication with workers is transparent, clear and complete: both when they are hired and when carrying out their jobs, workers receive clear, specific instructions on regulations and pay. Furthermore, they receive instructions throughout the length of their employment that help them to understand the nature of their role and to carry it out correctly.

The **European Social Charter** drawn up in collaboration with the European Works Council, which will be discussed below, acknowledges workers' fundamental rights and sets development targets for issues relating to the protection of human resources and Group employee representation.

Almost all the Group companies have **internal regulations** (or Codes of Conduct) that set out workers' rights and responsibilities, appropriate conduct and the disciplinary measures that will be applied in the event of violation or non-compliance.

Companies in the banking sector have similar Codes, which, in addition to relations with Generali Group companies, also regulate those with customers, investors and the media. The Codes are based on principles of ethics, quality and transparency and aim to maintain a high standard of integrity and professionalism in all the bank's activities.

## Selection and recruitment policies

The human factor is the Group's most important resource. That is why Generali is committed to selecting and keeping highly qualified staff.

The selection process follows the principles of fairness and impartiality: candidates' professional profiles are assessed exclusively for the purposes of pursuing corporate interests.

Vacant positions are offered preferentially to existing Group employees, who apply via job postings or are identified by mobility offices.

When the Group needs to recruit externally, applications from interns at the Group and unsolicited applications received by post or email are considered first, along with recommendations from universities and postgraduate education providers.

In some countries, particularly when selecting managers and industry experts, the Group tends to use specialised companies and publish advertisements in newspapers and on insurance and finance websites.

The Group's **Recruitment and Selection** department in Italy continues to operate with the aim of defining and standardising policies and criteria for the selection, recruitment and integration of key employees in accordance with principles based on the Group's values, whilst also expanding its scope of reference and improving the quality and profile of its human resources.

More specifically:

- the Group's Human Resources department in Italy has taken full responsibility for identifying and selecting candidates from the external job market for managerial positions at its Italian companies;
- the Selection Network, an intercompany working group involving 35 employees from the various Human Resources departments, has devised a standard Group selection process. The process, which is carried out by Selection Network specialists, involves different assessment procedures depending on candidates' abilities, attitudes and experience. More specifically: junior candidates (new graduates, newly qualified applicants and those with less than three years' experience) take part in collective selection assessments conducted via individual and collective tests, while senior candidates undergo an individual selection process. In both cases, after successfully completing the selection assessment, candidates must undergo a technical interview with the heads of the relevant department.

Ideal candidates should have a good degree completed in a short space of time and/or considerable experience in companies in the industry, good knowledge of foreign languages (where applicable), good problem-solving abilities, customer-service skills, flexibility, willingness to travel both nationally and internationally, and strong team-work and leadership skills. Positions with high added value are ideally offered to holders of a specialised master's degree.

Junior candidates are usually hired to do clerical work, initially on fixed-term contracts, before being offered a permanent contract after a couple of years. For young people in particular, call-centre, sales and claim-settlement positions at Group companies increasingly offer the chance to subsequently progress to roles of greater managerial responsibility.

This approach is shared and implemented by the main European countries where the Group operates.

The Group's employer-branding activities aimed at meeting and attracting young talent in the various countries of the Sustainability Report area include the following:

- taking part in events such as career days and recruiting days, which facilitate meetings between companies and young graduates/undergraduates, giving employers the chance to showcase the opportunities for integration and professional development they offer, including on an international level, and enabling students and graduates to make direct contact with the companies they are most interested in joining;
- sponsoring initiatives and forming partnerships with universities and organisations that provide master's courses in economics/finance and law;
- drawing up suitable professional-development plans for specific positions (actuaries, analysts, sales force, etc.).

Training programmes for new recruits are initially aimed at facilitating their integration into the company and enhancing their knowledge of the company's business, and later focus on developing the employees' potential, abilities and leadership skills.

The key factors that attract talented young people to the Generali Group include: its reputation, the salaries and benefits on offer, the Group's ethics and culture, innovation, creativity, work/life balance policies, international mobility, dynamic growth through training, career opportunities, job security and a positive atmosphere in the workplace.

## Pay and incentive policies and assessment systems

The Group's pay strategy is inextricably linked to its mission, values, governance and sustainability strategy, which focuses on the pursuit of sustainable growth over time and a commitment to value its workforce, which in turn involves acknowledging individual contributions to the Group's success through appropriate salaries. This pay policy supports the Group's mission, values, governance and sustainability, triggering a continuous interaction with these elements that results in constant improvements to the pay practices adopted and the consolidation of the aforementioned elements, thereby enabling the Group to meet stakeholders' needs ever more effectively.

The Group's pay policy aims to reward sustainable performances with appropriate remuneration. To this end, it is based on the following key principles: internal fairness, competitiveness, consistency and meritocracy.

The application of these principles boosts staff motivation and loyalty, particularly for strategic employees and those with strong potential, helping Generali to consolidate its image as a best employer that can attract the brightest talent, both in Italy and abroad.

Throughout the Group, the basic salary of all employees in non-managerial positions is linked to the national collective bargaining agreements and complementary agreements in force in the individual countries. Benefits and incentive systems are also available for both full-time and part-time workers with permanent contracts. These differ from one company to the next and are intended to reward employees on a meritocratic basis for performance and the achievement of specific targets.

The Group's general aim is to standardise pay levels for similar positions and responsibilities in line with local pay markets.

A score is allocated to managers and some middle managers based on the Hay method, enabling the Group to define pay policies that take into account the principles of internal fairness and comparability with the external market.

The heads of department carry out periodic assessments of the results achieved by the managers, based on the following factors: performance (in terms of quality and quantity of work, commitment, punctuality and conduct);



development of knowledge and skills; and professional development. Comments and suggestions are also taken into account with a view to defining professional goals and future training plans.

The Generali Group adopts a bonus system that sets personal targets for managers based on the balanced scorecard method, while the variable component of employees' salaries is based on the Management by Objectives (MBO) system. At present, incentives linked to environmental targets are offered only in Italy and Spain.

For Managing Directors and managers, short-term pay is currently calculated using the balanced scorecard method, while a long-term incentive plan is used for the long-term variable component. More detailed information on the Group's pay policies for senior management can be found on page 337 of the Consolidated Financial Statements for 2010, Fourth Part entitled Report on the remuneration policy for the Management of the Company and the Group.

The table below provides details of the staff assessment methods adopted in the various countries.

Country	Assessment methods
<b>Italy</b>	<p>Managers and middle managers are involved in a Group skill-development process that initially uses a structured method (through assessment or development centres) to measure skills. The measurement stage marks the start of a broader process that leads to the identification of individual personal-development plans for the people involved (micro tactics, training, coaching, organisational opportunities, etc.).</p> <p>For middle managers/cadre, the Group uses the Performance and development dialogue, a performance-management system based on the assessment of qualitative/quantitative results and on compliance with the corporate values, which involves three manager-employee discussions designed respectively to: define and set targets, carry out an interim review, and assess the targets. This system is supported by the annual knowledge- and skill-development plan, which is updated when targets are set. From 2011 the development plan will include socio-environmental targets, which were implemented on a pilot basis for a limited number of Group companies in 2010, involving a total of around 370 people.</p> <p>When assessing office workers, the Group uses a qualitative system that involves an annual assessment of basic behavioural skills in terms of performance and compliance with the Group values. Around 2,100 office workers underwent an assessment in 2010.</p> <p>The performance of sales force on payroll is assessed annually based on the level of achievement of the targets set at the beginning of the year.</p>
<b>Austria</b>	<p>All employees, with the exception of the sales force, undergo an annual assessment interview focusing on: comments, information on future duties, the definition of qualification measures and manager-employee cooperation. In Austria, the recruitment of 25 interns (Lehrling) at Generali's Vienna office is of particular importance. Pursuant to local legislation, an intern spends one day a week with other interns at a vocational school (Berufsschule) in the relevant sector for theoretical training, while the remaining days are spent at the company, acquiring high-quality professional experience. Interns receive social security contributions and pay throughout their training period, which ends with a government exam.</p>
<b>France</b>	<p>All employees, except the sales force, undergo an annual assessment interview with their immediate superiors. Career advancements are foreseen on the basis of these interviews, the remuneration of which is linked to the national agreement. The pay system is linked to a national agreement that classifies each worker into one of seven pay levels, according to five criteria: training and experience, ability to identify and solve problems, interpersonal skills, self-sufficiency and significance of the worker's individual contribution.</p>
<b>Germany</b>	<p>All employees are assessed annually. Managers are assessed based on their performance and possibilities for individual development. Middle managers, on the other hand, undergo an assessment interview with their immediate superiors focusing on their skill set and individual-development planning.</p>
<b>Israel</b>	<p>All employees take part in an assessment process based on behaviour observation whereby the employee carries out a self-assessment and the employee and their line manager each carry out assessments of one another. At the end of the process, the employee receives a report that highlights the differences between their self-assessment and the line manager's assessment. These are then discussed with the line manager in an interview focused on improving performance and identifying any training needs. A management review also came into effect in 2010, which identifies staff with growth potential suitable for managerial roles within the company to ensure management turnover.</p>



Country	Assessment methods
Czech Republic	All employees are subject to annual performance assessments. Fulfilling expectations and achieving company objectives is essential for career development.
Spain	The MBO system is applied to managers and middle managers, based on the results achieved by the company and personal objectives, while the performance-assessment system is used for other workers.
Switzerland	The basic benchmark for the progression of insurance staff is the Model of Expertise, which measures the skills required for the position in question against the candidate's existing skills, in an attempt to bridge the gap. All employees are subject to annual performance and career development assessments. BSI has a process in place for defining and assessing individual objectives. A team assesses whether each member of staff has achieved the objectives set by his/her line manager at the beginning of the year as well their personal skills and professional expertise. Assessment results are used to define training plans and for promotions and bonuses.

On average in 2010, 80.4% of Group employees were subject to performance and career-development assessments in the area in question. This figure almost reached 100% in Germany, Israel and Switzerland and was over 98% in the Czech Republic, whereas France, Italy and Spain recorded below-average percentages (70.7%, 58.9% and 56% respectively). More specifically, on average, 93.6% of managers, 68.4% of middle managers/cadre, 77.4% of office workers and 91.7% of sales force were subject to performance and career-development assessments.

In all countries in which the Group operates, the basic entry salary for each category of workers is the same for both men and women (i.e., the basic entry salary ratio for men/women = 1).

### Stock options

In the last few years, Assicurazioni Generali S.p.A. has introduced separate stock option plans for the Chairman and Managing Director of the Company and for Group managers. For information on stock option plans and management salaries, please refer to the Generali Group's Consolidated Financial Statements (further information can be found in chapter 4 in the Share-based compensation plan (page 181) and Stock option plans (page 351) sections).

### Benefits

The pay packages offered to both full-time and part-time workers with permanent contracts include various benefits which add to the workers' salaries and aim to encourage active participation. The benefits can be broken down into the following categories:

**Supplementary pension scheme** - Each country in the Sustainability Report area has supplementary retirement schemes for its employees, usually consisting of local pension funds that are part-financed by company contributions and part-financed by voluntary employee contributions. The level of employer contribution generally varies depending on the salary level (for example, in Italy, employer contributions range from a minimum of 4.6% of the gross annual salary for employees to a maximum of 13% for managers), while employees can select from a range of levels for their own contributions (for instance, in Italy this can range from 0.75% to 6%). The guaranteed benefits, which employees subscribing to the fund are entitled to receive on retirement, may be in the form of a lump sum, an annuity or a combination of the two. There are also defined-benefit plans, in Austria, Germany, Switzerland and Italy, which relate mainly to post-employment benefits accumulated prior to 1 January 2007, as well as defined-contribution plans. Details of defined-benefits plan for Generali Group employees can be found in the Notes to the 2010 Consolidated Financial Statements, on page 167).

**Healthcare** - The Group provides a range of insurance products that enable employees and their families to take advantage of high-quality healthcare services at low or no cost.

In Italy, the Group bears the cost, through its healthcare fund, of a number of insurance benefits that are available to all employees with at least 12 months' service. The fund covers: all accidents while at work; hospital admissions due to illness, accident, surgery, childbirth and personal care; death and permanent disability during the period of employment; major surgery (including the reimbursement of the cost of diagnostic tests, medicines and surgical treatment). Free Health Group Insurance provides employees and their families with cover for hospitalisation and surgical costs incurred while travelling. More specifically, this covers dental care, specialist consultations and diagnostic tests, and specialist outpatient healthcare for employees and their families. Moreover, for all employees covered by the collective bargaining agreement for the insurance sector, the Group bears the cost of personal care and insurance against the risk of employees losing self-sufficiency (with cover extending into retirement), which

is managed by the Long Term Care Fund on a national level. In France and Switzerland, the Group bears the cost of additional health cover for all its employees; however, in Israel, the Czech Republic and Spain, such cover is provided only to managers and is free of charge. In Israel, all office workers are offered the chance to be covered by a collective healthcare policy upon payment of a premium. In Spain, in cases of serious illness the collective contract of employment provides for the employee to receive a special loan. If the illness affects a family member, the employee is granted a period of paid leave. Furthermore, a sum is set aside each year to cover situations that require specific protection or support, such as serious illnesses affecting employees' family members. In Austria, accident cover is provided for managers and the sales force.

**Other benefits for employees and their families** - Other benefits are offered to employees and their families depending on the company they work for and their pay grade. In general, employees benefit from discounts and/or advantageous terms on a number of life and non-life policies and banking products, as well as having access to loans and mortgages with favourable terms provided by Group companies or partners for purposes such as purchasing, renovating or building a house or buying a car. Depending on the companies and countries they work in, employees may also take advantage of the canteen service and/or meal tickets, free tax assistance, study grants for their children and the reimbursement of moving expenses in the event of relocation. A number of Group companies offer employees the chance to attend subsidised language courses partially funded by the company itself. The benefits package for managers also includes a company car for work and personal use.

To foster loyalty among employees, German companies pay out one-off cash sums and award additional holidays on reaching a certain number of years of service (25, 40, 50 years), in addition to awarding an extra monthly allowance after 10 years of service. Employees in Italy also qualify for certain benefits upon reaching 20 years of service.

**Social and recreational activities** - The Group encourages team spirit both at work and in employees' leisure time through various company clubs promoting sports, social and cultural activities. The Group organises parties and similar events, especially during the Christmas season, and delivers gifts, in many cases offering employees the opportunity to take part in initiatives to help those who are less fortunate.

In some countries, there is also a focus on **retired colleagues**:

- in Italy, the Parent Company supports the Senior Company Staff Group, consisting of more than 3,500 retired employees, the widow(er)s of late employees and current employees with over 20 years' service. The Senior Group organises social and cultural activities and trips, as well as providing assistance to members in need. One such event is the annual Festa dell'anziano (Senior citizens' festival), which is attended by Top Management;
- in Austria, the Silberlöwenclub association comprises retired Group employees and organises cultural and leisure events;
- in Switzerland, retired BSI employees can participate in numerous activities organised by the bank's cultural and sports group.

In France, the most important cultural initiatives for employees include collaboration with Université de Tous les Savoirs, which offers employees the opportunity to attend conferences with top speakers in the university, economic and social fields, and the continuation of the Les pauses sourires initiatives, which was awarded the Argus d'or in 2005, and which organises a number of activities (exhibitions, guided tours, conferences, etc.) at the Saint-Denis offices.

## Equal opportunities

Generali values its employees and considers diversity an opportunity for enrichment thanks to the contribution it can bring to the Group. Its focus and commitment to its workforce – viewed as the strategic capital on which the company bases its success – and its respect for human dignity, freedom, equality and equal opportunities in the workplace and in career paths, with no form of discrimination on the basis of gender, ethnic origin, language, disability, etc., are explicitly laid down in the Ethical Code of the Generali Group and are universally acknowledged by all Group employees.

More specifically, in relation to selection, training, career development and pay, the Group's staff-management policies and the provisions set out in its collective bargaining agreements are based on principles relating to equal treatment of **men and women**, which have often been adopted ahead of the introduction of European and national legislation.

The Group applies the relevant national equal opportunity and non-discrimination legislation in all countries in the Sustainability Report area as well as the specific regulations as set out in the national collective bargaining agreements for the insurance industry in certain countries.

The table below shows the situation in the various countries and also lists some of the initiatives that are currently under way.

Country	Equal opportunity policies for men and women
<b>Italy</b>	<p>Legislative Decree no. 5 came into force on 25 January 2010, implementing Directive 2006/54/EC. The Decree covers issues such as equal access to training, employment and career opportunities and equal pay, and consolidates existing provisions on job protection during maternity leave. In order to encourage application of these anti-discrimination laws, the sanctions for employers that infringe them have been toughened.</p> <p>The Group's Equal Opportunities Commission continued its activities and set up a dedicated area on the corporate intranet, where all employees can access detailed information on the Commission's objectives and activities, including tables showing an overview of regulations on equal opportunities in terms of employment contracts, broken down by type of source and topic.</p> <p>The Commission, together with the Human Resources departments of the companies concerned, the Group's Managerial Development department and the Generali Group Innovation Academy, also began to examine and assess a proposal to facilitate the reintegration of women into the workplace upon their return from maternity leave.</p>
<b>Austria</b>	All processes relating to staff selection, recruitment, training, pay, etc. comply with national legislation, which applies all EU directives on the matter. Measures adopted in 2010 include the training provided to managers on equal opportunities and preventing discrimination.
<b>France</b>	The agreement with trade unions on equal opportunities, which applies to all Group employees, was extended until 2013. The agreement sets out the fundamental principles of professional equality between men and women, particularly in terms of pay, selection, mobility, career development and work/life balance. It provides for an Equal Opportunities Committee and a monitoring system to be set up, with the aim of creating an integrated policy covering a number of aspects hitherto dealt with separately: people with disabilities, gender equality, job opportunities for young people, career development, measures to improve work/life balance, etc. The new agreement also sets out plans to increase the number of women in managerial positions.
<b>Germany</b>	Each company has an ombudsman, who monitors application of equal-opportunities legislation (which came into force in August 2006) and takes all necessary measures in the event of violation thereof, and a compliance department, which deals with breaches of the Code of Conduct. All employees were informed by letter, email and articles published on the corporate intranet about the legal provisions and the rules of conduct to adopt, and they receive appropriate training on the issue.
<b>Israel</b>	The company applies the relevant provisions of Israeli law (the Equal Employment Opportunities Law), which protects women's right to equal opportunities in the workplace and prohibits discrimination.
<b>Czech Republic</b>	The Group applies the provisions of the legislation in force (the Labour Code) on equal treatment of male and female workers and the prevention of discrimination.
<b>Spain</b>	In 2009, an agreement was signed with trade union representatives to introduce measures to guarantee equal treatment and opportunities for men and women, with a view to preventing discrimination. An Equal Opportunities Commission was set up and a new position was created to monitor application of the agreement. A platform was set up on the company intranet, where employees can discuss issues relating to equal opportunities. The company is also planning to introduce non-discrimination training programmes, compliance procedures for cases of sexual harassment, and plans to prevent occupational risk focusing on pregnancy, maternity leave and breastfeeding.
<b>Switzerland</b>	The companies apply national legislation on equal professional treatment and opportunities, and the employee regulations prohibit any kind of discrimination. The Human Resources Committee is responsible for monitoring compliance with these regulations and applying sanctions in the event of a breach thereof.

The characteristics of the workforce, as described above, show that women still account for a minority of total employees and represent an even smaller proportion of employees in managerial positions, due to past recruitment and career-development policies that penalised women. The situation has changed in recent years, however, and is constantly improving.

Women are not discriminated against in terms of recruitment. They represent a majority of under 34s (53.3%), and there are fewer retirements among women due to the considerably lower proportion of women in the over 54 age bracket (37.5%), meaning that the male/female ratio should gradually rebalance. The percentage of women in the overall workforce has grown steadily in recent years, rising from 40% in 2004 to 45.9% in 2010.

The majority of women fall under the office worker category, the usual level for newly hired administrative staff, which accounted for 71.8% of the Group's workforce in 2010, down from 72.6% in 2009. The proportion of women employed in call centres also fell, from 63.7% in 2009 to 62.6%.

The number of women in positions of responsibility is growing at a steady pace, although it will take time to bridge the gap between men and women due to the small number of women in such positions to begin with. In 2010, women represented 32.8% of managers and middle managers, an increase of 1.2 percentage points compared with the previous year.

The Group's workforce in each country consists almost entirely of local people, since Generali companies have always valued the contribution they can make in terms of market knowledge and business development.

A policy favouring and implementing national and international intragroup mobility means there are equal career- and professional-development opportunities for employees of all **nationalities**. On average, 95% of managers are local, while the remaining 5% are foreign, but not all are from the Parent Company.

The Group companies comply with the legislation in place in all the Sustainability Report area countries to guarantee equal opportunities for people with **disabilities**, in terms of both employment and society as a whole. This legislation, which covers job opportunities and various protective measures during employment in particular, differs from one country to the next, and so consistent data cannot be provided. More specifically, the differences arise in the definition of 'disabled', which is expressed in terms of the percentage reduction of the ability to work that is required for a person to be classified as such, and in the degree of disability that gives rise to protective measures for the purposes of job opportunities.

In 2010, the number of disabled people employed at Group companies was 1,711, an increase of 11.4% compared with 2009.

Most company offices have been adapted to enable people with disabilities to carry out their work. They contain wheelchair-friendly bathroom facilities, sliding doors, lifts and workstations fitted with oversized monitors and special equipment for employees with hearing, speech and sight disabilities. Refurbishment works are in the pipeline at offices that are not yet accessible for people with disabilities. Some Group companies also provide parking spaces reserved for disabled workers immediately next to their offices.

In Italy, employees with disabilities were questioned about their satisfaction with the working environment and asked to provide information about any changes that could be made to improve their level of autonomy or integration.

In France in 2008, Generali entered into an agreement with DDTEFP (Direction Départementale du Travail, de l'Emploi et de la Formation Professionnelle), a body which reports to the Ministry of Social Affairs, with a view to collaborating to strengthen initiatives in favour of its employees with disabilities.

## Work/life balance policies

As a rule, Group companies offer **flexible working hours** to enable employees to balance their work commitments with their personal and family lives. Working time varies according to the relevant agreements in force in the different countries, ranging from 35 hours a week in France to 42.5 in Israel.

Flexible start and finish times and lunchtimes are offered in all countries in the area in question. In France, workers can choose between different combinations of working days and holidays. Employees who opt to work for more than the legal limit of 35 hours a week are rewarded with extra days of paid leave.

Since Europ Assistance offers its customers a 24/7 service, its employees work eight-hour shifts for five days a week and/or shifts of four hours or more. Similarly, some of the Group's call centres that are open until 10.00pm cover their working hours by using more shifts.

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

Employees are normally granted part-time contracts for family reasons, such as the need to provide care for close relatives (parents, children, spouse or other members of the household) who are ill or disabled, or to take care of children under 16, or for serious personal reasons. In France, workers over 55 years of age are encouraged to work on a part-time basis, in preparation for retirement. In Germany, a similar contractual provision is in place for older workers.

Whether an employee is granted a part-time contract depends on whether this is compatible with the company's technical, organisational and production needs. Where it is not possible, employees may however be granted reduced



working hours if they are willing to consider equivalent responsibilities or transfer to a different department within the same company. Employees normally have the option for a fixed number of years to return to work full time (reversible part-time work). After this time has passed, the company can decide whether or not to accept requests to return to work on a full-time basis.

Women are more likely to work part time, as they are more involved with running and caring for the family. On average, around 85.3% of part-time workers are women.

The Group offers an increasing number of initiatives aimed at employees with young children so as to facilitate a good work/life balance:

- in Italy, the Group's Top Management and major local authorities attended the inauguration of **company nurseries** at the Mogliano Veneto and Trieste offices in September 2010. The facilities, known as I cuccioli del Leone (Lion cubs), take care of 40 and 28 children respectively, with ages ranging from three months to three years;
- in Austria and Germany, the Group adopts a number of family-friendly policies. In Germany, some companies have been awarded the Audit Beruf und Familie (Work and Family certificate), a quality mark awarded by the non-profit organisation Hertie, sponsored by the Federal Ministry of the Economy, to companies with outstanding work/life balance policies. More specifically, in Munich the Group helps employees with young children to balance work and family commitments by providing a nursery, childcare and family-assistance facilities, emergency babysitting services and a nursery school, as well as subsidising family-care fees with sums that vary according to income;
- in Switzerland, employees can use the nursery facilities on offer at the Adliswil and Nyon offices.

The Group offers its employees the **paid leave** provided for by law, national collective bargaining agreements and the complementary agreements in force at each company. Although there are differences from one country to the next, Group companies frequently offer better treatment than that provided for by law or national collective bargaining agreements with regard to leave due to marriage, the death of a relative, pregnancy, breastfeeding for new mothers, maternity/paternity, children's illness/birthdays, medical appointments and treatment, study, care for disabled relatives, giving blood, etc. In line with the company's organisational requirements, workers are usually also granted paid leave, leave with compensatory working time and a working-hours bank, which can be used in individual hours or part days, to boost flexibility and help them balance work and personal commitments. More specifically, the number of hours due for paid time off is doubled for employees with disabilities and for those with children under three years of age or with serious handicaps (in the Czech Republic, this entitlement continues until the disabled child has reached the age of 26, provided he/she is not being cared for by social services), without prejudice to the provisions of current legislation on time off for people with disabilities and their carers. Employees are also entitled to periods of unpaid leave for no longer than 12 months for serious personal or family reasons.

In Austria, France, Germany, the Czech Republic, Spain (at Europ Assistance only) and Switzerland (with the exception of BSI), the tools provided to aid work/life balance include working at home.

#### Absenteeism rate

	HOLIDAYS		PAID LEAVE		ILLNESS		INJURY		MATERNITY LEAVE		TOTAL	
	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010
ITALY	9.0%	8.1%	0.6%	0.6%	4.3%	2.4%	0.1%	0.1%	1.2%	1.7%	15.4%	13.0%
AUSTRIA	12.6%	12.0%	0.3%	0.3%	3.7%	3.7%	0.0%	0.0%	1.7%	1.9%	18.5%	18.0%
FRANCE	8.5%	9.2%	0.3%	0.3%	4.2%	4.2%	0.1%	0.2%	0.9%	0.9%	14.1%	14.7%
GERMANY	9.8%	10.4%	1.0%	1.3%	4.9%	5.5%	0.1%	0.1%	0.3%	0.4%	16.1%	17.6%
ISRAEL	7.5%	7.9%	0.1%	0.1%	3.3%	3.7%	0.0%	0.1%	3.4%	3.0%	16.3%	16.7%
CZECH REP.	9.8%	9.9%	0.7%	0.4%	3.4%	4.0%	0.3%	0.3%	3.3%	3.4%	17.2%	17.8%
SPAIN	11.5%	11.4%	1.3%	1.2%	3.4%	3.1%	0.2%	0.1%	0.6%	0.8%	16.8%	16.7%
SWITZERLAND	8.5%	8.1%	0.9%	0.7%	2.1%	2.1%	0.3%	0.2%	0.4%	0.4%	12.1%	11.5%
<b>TOTAL</b>	<b>9.6%</b>	<b>9.5%</b>	<b>0.7%</b>	<b>0.7%</b>	<b>4.2%</b>	<b>3.9%</b>	<b>0.1%</b>	<b>0.1%</b>	<b>1.2%</b>	<b>1.3%</b>	<b>15.8%</b>	<b>15.6%</b>

- The absenteeism rate is calculated as the ratio of the number of days' absence (total absence or by the various identified causes) to the number of working days in the year (excluding Saturdays, Sundays and public holidays) multiplied by the number of employees at the end of the year.

- The average absenteeism rate fell from 15.8% in 2009 to 15.6% in 2010. Absenteeism trends differ from one country to the next: Italy saw the sharpest fall (-15%), bringing its absenteeism rate to 13 %, one of the Group's lowest, beaten only by Switzerland (11.5%). At 18%, Austria continued to have the highest rate, although it did fall slightly, while the levels of absenteeism in Germany and the Czech Republic were only slightly lower and were up by 9.6% and 3.1% respectively.
- The main reason for absenteeism was holidays. In most countries, employees have 25 days of holiday a year, or 30 if the working week has six days. In Israel, where the law provides for nine days of holiday a year, the company initially gives employees 10 days, and this allowance subsequently increases with seniority and promotions, up to a maximum of 20 days a year.
- The maternity leave rate reflects the proportion of women workers and the breakdown of female staff by age bracket. It was also affected by the different legislation in force in the various countries, since compulsory maternity leave ranges from 14 weeks in Germany, Israel and Switzerland to 28 in the Czech Republic.

## Workplace health and safety

The Group considers the physical well-being of its employees to be a key value. To protect this well-being, the Group provides individuals with healthy and safe working environments that conform to current health and safety regulations. It pays particular attention to pregnant women, mothers and disabled workers.

Most of the Group's companies and countries have a Health and Safety Committee designed to monitor and manage risk prevention issues and measures to protect the health of workers as they go about their work. 72% of the Group's workers are represented by joint company/worker Committees.

The table below provides details for each country:

Country	Structures and duties
<b>Italy</b>	The Group Risk Prevention Department, which comprises 11 specially trained employees from the various Group offices, is responsible for ensuring and improving the health and safety of workers. 45 employee safety representatives from the various offices have been appointed to represent the Group's workforce. All Group premises have an emergency response team, comprising a certain number of trained volunteers who are equipped with first-aid kits and medicines. An infirmary is available during working hours at the Mogliano Veneto headquarters, where there is an emergency doctor, and at Trieste, where there is a first-aid officer and, during certain hours, a professional nurse. At Mogliano Veneto, Trieste and via Bissolati in Rome, there is a defibrillator that may be used by specially trained first-aiders.
<b>Austria</b>	A Committee, comprising two safety experts and nine doctors, is responsible for the safety of all employees. The Committee conducts annual safety checks at all Group companies. Each company has a safety Committee, which drafts safety protocols that are subject to Government Agency checks.
<b>Czech Republic</b>	The company Ceska Pojistovna has a Health and Safety Committee, comprising two external specialists and some members of Human Resources, which regularly checks workplace health and safety measures and makes employee representatives actively involved.
<b>France</b>	As required by law, there is a Health Department comprising eight people, including two doctors and five nurses, which is responsible for the health of employees and for implementing preventive measures in this area.
<b>Germany</b>	As required by law, there is a Health and Safety Committee comprising specialists, the company doctor, an employee representative and a company representative. The Committee assesses working conditions and health and social aspects, ensures compliance with safety regulations, supports and encourages employees to adhere to these regulations, and implements measures designed to prevent accidents in the workplace.
<b>Israel</b>	As required by law, a Safety Committee comprising three managers is responsible for training and supervision in relation to workplace safety, including preparation for earthquakes and fires. The three managers, who must attend eight training days each year, are assisted by an emergency team responsible for providing assistance in the event of building evacuations and help in the event of an accident. There are emergency and safety procedures. The company works with the Ministry of Industry, Trade and Employment.  In order to improve workplace safety, each year a plan of action is drafted and appropriate controls are put in place.



Country	Structures and duties
Spain	According to current legislation, a Group Committee must ensure the health and safety of all employees. In addition, each company has a manager who coordinates the workplace medical, health and safety department together with employee representatives. Europ Assistance uses the services of a partner workplace accident prevention specialist.
Svizzera	As required by national employment law, all premises have a first-aid station and procedures to be implemented in the event of an accident are in place. The Zurich and Geneva premises also have Red Cross officers (a total of five people) to administer first aid and handle any other medical needs during working hours. At BSI, four people are mainly responsible for physical safety and they are supported by a medical unit equipped with CB radio, a first-aid kit and a cardiac defibrillator.

Employees are trained in and informed about current regulations and initiatives on health and safety, risk prevention and what to do in the event of an emergency or a fire through various materials (brochures, pamphlets, dedicated notice boards, e-learning courses and the corporate intranet). At the end of the courses, there are tests to find out how much the participants have learned. Ad hoc training and refresher courses are also organised for employees with special duties in the event of medical emergencies or fires. In 2010, 21,392 people took part in health and safety training, which was equal to 36.8% of the Group's employees within the SR area.

It is illegal to smoke in public places in all countries covered by this Sustainability Report with the exception of Switzerland, where anyway the Group companies have internal rules banning smoking in offices to protect the health of non-smoking employees. In all countries, Group companies have taken steps not only to ensure compliance with current regulations but also to provide help and incentives for those who wish to quit smoking, by offering employees special programmes coordinated by doctors, psychologists and other experts.

More generally, in all countries except Israel, there are various programmes aimed on the one hand at complying with legal obligations relating to health in the workplace, and on the other at providing employees with health support, information, advice and prevention.

Country	Programmes
Italy	In 2010, around 17% of the employees were subject to regular workstation health checks as stipulated by current legislation, including eye tests and postural assessments. Around 32% of Group company employees took part in classroom courses or e-learning sessions on workstation health and safety. All employees receive training and information on workstation posture and safety via the corporate intranet section on risk prevention and the pamphlet available there.
Austria	A prevention programme, including the subject of alcohol addiction, was created for workers. Since 2009, employees have been able to attend the external Institut zur beruflichen Integration for anonymous and free advice and support for problems related to depression, anxiety, bullying and stress at work. The institute also organises workshops on health in the workplace.
Czech Republic	Healthcare officers provide regular workstation check-ups for Group employees, including eye tests and postural assessments. All Ceska Pojistovna employees took part in e-learning sessions on workstation health and safety in 2010.
France	Employees receive preventive check-ups every two years. The health information and prevention website <a href="http://www.agirpourmasante.com">www.agirpourmasante.com</a> meets HON (Health On the Net) standards. The site offers all visitors: <ul style="list-style-type: none"> <li>• a European air-quality map (ozone, nitrogen oxides, etc.);</li> <li>• free downloads of several guides produced by the Assicuratori Prevenzione e Salute (APS) association regarding sporting injuries, household injuries, obesity, stress, heart risks, etc.;</li> <li>• up-to-date information on medical issues.</li> <li>• For Generali health insurance policyholders, the site also offers exclusive services with the support of health experts, such as explanations on medical tests and personalised coaching on stress and smoking, etc.</li> <li>• In 2010, an agreement was signed with the trade unions to create a working group to deal with psychosocial risks in the workplace, such as stress.</li> </ul>



Country	Programmes
Germany	Some companies have health and exercise programmes designed to reduce sick leave. As well as raising employees' awareness about health issues, the many services include: advice on stress, nutrition, addictions and posture, guidelines on staying healthy, reintegration programmes for employees who have been absent for a long time due to serious illness, corporate medical services, check-ups, partnerships with sports clubs, etc. Expert healthcare officials are always on hand to support employees.
Spain	There is an anonymous and confidential telephone helpline service, offering support to all employees by putting them in touch with professional psychologists. There is also a risk prevention service that deals with workers' health and safety by providing advice on serious illnesses. Both services are also available to workers' families. With a view to prevention, employees are also given handouts promoting a healthy lifestyle.
Switzerland	There is a support service available to employees, with access to external consultants, to help them overcome health problems. In 2010, all BSI employees, 200 external consultants and 20 employees of the external supervisory company took part in safety e-learning courses.

There is continual assessment of the Group's buildings, including by ergonomics experts, in order to make sure workplaces remain able to ensure employee safety, provide more comfortable working conditions and increase the efficiency and reliability of machinery and equipment.

The cost incurred by the Group in the year for health and safety in the workplace – including health monitoring costs, first-aid and fire-fighting classroom training costs, the costs of equipping emergency teams, medical check-ups (eye tests and ergonomic and postural assessments), etc. – was around 6,380,000 euros.

In 2010, Group employees received around 18,000 medical check-ups in total (eye tests and ergonomic and postural assessments).

There were **784 accidents** in 2010, an increase of 11.4% on 2009 (704). Of these, 397 were commuting accidents, one of which was fatal and was caused by a traffic accident on the way to work. The remaining 387 happened at work, with most accidents in Italy involving falling down stairs and minor cuts, while most incidents abroad were accidents involving sales force out in the field.

None of the accidents caused serious or permanent disabilities or occupational diseases.

**Absenteeism** as a result of accidents, which is calculated as the ratio of days off as a result of accidents to the total number of working days in the year, was **0.11%** on average, unchanged from the previous year.

## Labour relations

In all countries, the Group recognises the right of its employees to join a trade union, to appoint workers' representatives and to exercise the relative functions (including the right to collective bargaining), in accordance with freedom of association and with local regulations and practices.

In 2010, **90.8%** of employees in the area covered by this Sustainability Report were covered by national industry collective bargaining agreements. Such agreements do not exist in Israel, while they exist for banking employees, but not insurance employees, in Switzerland. All Group employees have a written contract of employment.

Workers in all countries are free to join trade unions. In Italy, 38.9% of employees are union members; figures on trade union membership in other countries are not available because registration takes place externally and companies are not informed for reasons of privacy. In France, companies are specifically forbidden from asking their employees to disclose such information.

During business combinations and corporate restructuring, the Group protects the 'value' of each employee by providing training and professional requalification where necessary, taking into account the skills and experience of each person. This training aims to encourage intercompany integration and the assignment of new tasks. Corporate restructuring may also be accompanied by voluntary redundancies, consensual territorial mobility and transfers to other Group companies.

In all Sustainability Report area countries, workers' representatives are informed of significant organisational changes at least **30 days** prior to implementation of such changes (25 days in the event of company transfer). The only exception

is France, where the minimum notice period for these initiatives is eight days before the meeting at which they are fully communicated to employee representatives.

## Social dialogue

Cross-border social dialogue is expressed through the **European Works Council (EWC)**, the body representing European Group staff and currently comprising 42 delegates from 18 European Union countries, and is guaranteed by a dedicated central management unit. In 2010, 63,162 of the Group's employees, or 74% of the total, were represented by the EWC.

The Group's constant efforts to inform and consult with its employees were consolidated and enhanced last year, including through the direct involvement of senior management. These efforts centre around cross-border issues and conform with the specific agreement in force. Particular emphasis was placed on the correct application of the European Social Charter, a document that guarantees human rights and the promotion of social dialogue at different levels and in different countries.

In order to reaffirm the cross-border commitments and objectives in the document and to coordinate the operational independence of the respective countries at Group level, there were three meetings entitled Sharing labour and social experiences in a European perspective, which helped to spread social and employment best practice within the Group.

In 2010, there were no reports of infringements of the European Social Charter.

More information on the EWC can be found in the Careers section of the corporate site, [www.general.com](http://www.general.com).

## Labour disputes

### Number and value of labour disputes

	NUMBER		VALUE*	
	2009	2010	2009	2010
ITALY	278	302	21,960.0	25,033.5
AUSTRIA	4	4	30.0	30.0
FRANCE	246	260	8,749.0	8,600.0
GERMANY	127	156	22,092.7	6,150.0
ISRAEL	1	2	n.a.	n.a.
SPAIN	15	22	180.0	231.0
SWITZERLAND	3	4	202.3	255.9
<b>TOTAL</b>	<b>674</b>	<b>750</b>	<b>53,214.0</b>	<b>40,300.4</b>

\*VALUES IN THOUSAND EUROS

- In 2010, the overall number of labour disputes - including cases brought by employees and former employees - rose by 11.3%, with an increase in almost every country.
- However, the overall value of these disputes - understood as the total amount claimed by counterparties - fell by 24.3%. This reduction was due to the considerable decrease in value in Germany (-72.2%), which reflects the sharp decline in employee legal action due to the organisational changes within the Group in recent years.
- In Italy, labour disputes grew in both number (+8.6%) and value (+14%). Among the main reasons for legal action by employees were deskilling, claims to superior responsibilities and pay issues in general, contesting the legitimacy of individual terminations, challenging disciplinary proceedings and some cases of bullying.
- In France, court action continued against the company in relation to the 2007 introduction of a new payment system for employee sales force. The system, which was approved by the majority of trade unions, was not accepted by some sales force, for whom, in accordance with law, a job protection plan was introduced offering them relocation as an alternative to leaving the company. The dispute was fuelled by those sales staff that did not deem this a satisfactory proposal.
- Three alleged cases of bullying identified within the Group in 2010 went to court and are being heard in the current year.
- In 2010, there were no cases of violation of the rights of indigenous populations.

## Human Rights

As stated, respect for human rights is at the centre of the Group's strategy and finds its confirmation in the Ethical Code of the Generali Group, in the European Social Charter and in its support of the United Nations Global Compact initiative.

The creation of awareness of fundamental human rights is pursued by means of an e-learning course that offers widespread **training** which will gradually involve all Generali Group employees worldwide over a period of time that should continue through the end of 2013. This is largely due to the need to monitor the process, counting the number of employees trained, and, therefore, tied to the limits of the platform used for this purpose and, above all, to the need to translate the course into the languages of the various countries the Group works in, thereby ensuring that everybody properly understands its contents.

The training programme was launched at the end of 2010, with the attempt – compatibly, first of all, with the constraints brought about by the availability of the local language translation – to give priority to the distribution to employees of companies operating in countries where the risk of human rights violations is greatest. The first area to be involved in the training programme is Asia, where the course, lasting approximately one hour, has already been distributed in Hong Kong, Indonesia, the United Arab Emirates and Vietnam, whereas China, India, Thailand and the Philippines will follow in the coming months. South America will be next.

The Group commits to ensure fundamental human rights to all its employees. For the purpose of verifying the respect of the core international standards of the ILO (International Labour Organisation), the office for Corporate Social Responsibility **monitors** the situation, on a yearly basis, by sending out a questionnaire to all Generali Group companies worldwide.

In 2010, this monitoring covered approximately 99% of the Group's organisation. As regards the main aspects, the following results were obtained:

- **child labour:** no Group employee is younger than 16 years of age. To ensure the respect of this limitation, the companies verify the age of the employees when they are hired;
- **forced labour:** within the Group, there are no cases of forced, compulsory or otherwise irregular labour. All employees are free to rescind their employment contract, with observance of the notice period established by law. In no case does the Group withhold personal documents of its employees for the purpose of limiting their freedom of movement and their switching of jobs;
- **non discrimination:** no cases of discrimination of any kind have been reported in the selection, management and remuneration of the workforce;
- **freedom of association and collective bargaining:** in 2010, 86.8% of the employees work at Group companies in which employees representation exists. 81.2% of the Group employees are covered by collective bargaining agreements; whereas in the companies where collective bargaining agreements are not in force, the workers are hired with a formal written employment contract. 2.4% of the employees work at Group companies that are located in countries where freedom of association and collective bargaining are legally restricted.

A brief snapshot of how the Group ensures the aforementioned rights to its workforce in countries not included in the Sustainability Report area is supplied below.

### Other European Countries

Generali also carries out insurance business activities in Belgium, Greece, Guernsey, Ireland, Liechtenstein, the Netherlands, Portugal, the United Kingdom, in the countries of Eastern Central Europe that are answerable to Generali PPF Holding (Belarus, Bulgaria, Croatia, Kazakhstan, Montenegro, Poland, Slovakia, Romania, Russia, Serbia, Slovenia, Ukraine and Hungary) and in Turkey.

**Child labour** - In these countries, the minimum employee hiring age is above the age of 18.

**Labour agreements** - All employees are hired with written agreements that reflect the national collective bargaining agreements of their respective business segment, where present. The minimum notice period foreseen for unilateral rescission of the work contract by the employee is of at least 30 days in most of the countries (in Belarus, Russia, Romania and Ukraine the notice period is of at least 15 days).

Remuneration is generally in line with the average of the national insurance segment and there are no differences between women and men.



In principle, most Group companies provide for flexible work hours, with the work week counting between a minimum of 35 hours (Belgium, Guernsey and Portugal) and a maximum of 41 hours (Liechtenstein). Overtime work is on a voluntary basis and does not exceed 12 hours per week and is generally remunerated in most countries, with the exception of Slovakia and Turkey, whereas in Belgium it is solely remunerated in exceptional cases as foreseen by the law. Overtime work is not foreseen in Montenegro and Serbia.

**Trade unions** - All the employees are free to elect their own representative or to become members of trade union organisations, even if the number of enrolled employees is unknown. In the countries of the European Union, the transnational social dialogue is expressed by meetings with the European Work Council, a body representing the Group's European workers.

**Health and safety of the workers** - The Group respects the local regulations relating to the health and safety of the workers, and beyond health and workplace accident insurance, with differences from country to country, it generally offers its employees benefits such as: accident insurance; supplemental coverage that allows the co-workers to enjoy quality healthcare services, such as hospital stays that may be required for disease, accidents, surgery, and medical assistance.

## Asia

The Group operates in China, the United Arab Emirates, the Philippines, Japan, Hong Kong, India, Indonesia, Thailand and Vietnam.

**Child labour** - In these countries, the minimum employee hiring age is above the age of 18.

**Labour agreements** - In these countries, there is no national collective bargaining for the business segment; in conformity with local laws, the employment contracts of Group workers are individual and formalised with a written letter. In the Group companies, there are rules of conduct (Code of Conduct, Sale and Staff Management Policy, etc.) and regulations for the termination of the work relationship by mutual consent of the parties (Staff Dismissal Management Policy in China, India, Thailand). The employees are free to unilaterally rescind the work contract in observance of the minimum notice period of at least 30 days. Remuneration is in line with the average of the national segment and there are no differences in remuneration between men and women. The work weeks in Asia vary between the 36.25 hours of Japan and the 44 hours of the Philippines and India. Overtime work is voluntary and generally remunerated and may only exceed 12 hours per week in Indonesia. In India the concept of overtime work for employees does not exist.

**Trade unions** - In all the countries, the workers are free to enrol and to elect their own representative. In China, 29% of the Generali China Life Insurance Co. Ltd. employees and 100% of the Generali China Insurance Co. Ltd. employees are enrolled in a trade union.

**Health and safety of the workers** - The Group operates in observance of the safety and health of the workers in the workplace, offering the highest standards of quality. The employees are covered by health and work accident insurance policies, as foreseen by the local laws. With differences from country to country, the co-workers may also enjoy additional benefits such as: quality healthcare, which includes hospital stays; life insurance in the event of death; invalidity and accident insurance.

## The Americas

In the Americas, the Group operates in Argentina, Brazil, Canada, Colombia, Ecuador, Guatemala, Mexico, Panama and the United States.

**Child labour** - The Group does not hire employees under the age of 18. In Brazil, Generali Brazil participates in the government's Programa Jovem Aprendiz (Young Apprentice Programme), hosting in their offices 7 apprentices ranging between the ages of 15 and 17, who undergo a professional apprenticeship and preparatory experience in view of their future insertion in the labour market.

**Labour agreements** - The picture is quite varied: in Argentina, the Group applies the national collective bargaining agreement for the business segment and in Brazil it respects the regulations set forth by the Constitution and by the Collective Work Convention for each category of workers. In Colombia, 87% of the employees are covered by collective bargaining agreements. In Mexico, where national collective bargaining agreements by business segment do not exist, Generali Banorte applies a corporate collective agreement to all the workers of the three Group companies. In the other countries the employment contracts are based on written individual agreements. In Mexico and Colombia there are codes of conduct. The minimum notice for the unilateral rescission of the employment contract by the employee is of at least 15 days in Canada, Ecuador and Guatemala and of at least 30 days in the other countries. The United States represents an exception, as notice is not foreseen and rescission may occur at any time. Remuneration is in line or

above the national average of the business segment and there are no differences between men and women. The work week varies from the 35 hours of the New York Branch to the 44 hours of Panama. One may make use of flexible work hours in the following countries: Argentina (La Caja), Canada, Guatemala, Panama and the United States. Overtime work is voluntary and is remunerated in all countries with the exception of Ecuador and Colombia. It generally does not exceed 12 hours per week, however it may exceed such a number of hours in Panama and the United States.

**Trade unions** - There are no restrictions put up by the Group in any of the countries regarding the right of the workers to appoint their own representatives or to freely enrol with a trade union, the institution of which is legally foreseen in all the countries outside of the United States.

**Health and safety of the workers** - The Group respects the regulations regarding health and safety in the workplace in all countries and ensures the workers health and work accident coverage, with insurance protection benefits that go beyond the minimum guaranteed by law. Moreover, the companies of the Group offer their employees some or more of the following additional coverage, at either no cost or at very contained cost: quality healthcare assistance, coverage for hospital stays required for accidents or diseases, life insurance in the event of death and permanent invalidity or disability insurance. In the United States, Europ Assistance adopts the safety standards foreseen by the OSHA (Occupational Safety and Health Administration) regulations.

## Africa

The Group operates in South Africa through the company Europ Assistance.

**Human and workers' rights** - Beyond those rights expressed in the Ethical Code of the Generali Group, the HIV/AIDS Policy is applied, which foresees that persons infected by the HIV virus may not be discriminated against in the hiring of employees, and, if hired, they may not be terminated when the disease sets in.

**Child labour** - The minimum employee hiring age is above the age of 18.

**Labour agreements** - Employment agreements are based on written individual agreements. The minimum notice in the event of unilateral termination of the contract varies from one week for workers employed for less than six months, to 30 days for those employed for more than twelve months.

There is no difference in remuneration between men and women. The work week is 40 hours and foresees flexible work schedules for the administrative personnel, whereas for the call centre workers and for those in charge of customer service, the contractually foreseen schedule is based on shifts with a maximum of 45 hours per week. Overtime work is voluntary, does not exceed 10 hours per week and is remunerated upon the authorisation of one's own manager.

**Trade unions** - There are no restrictions regarding the right of the workers to appoint their own representatives or to freely enrol with a trade union.

**Health and safety of the workers** - The regulations regarding health and safety in the workplace are respected. Among the employee benefits there is insurance coverage for such things as life insurance, Dread Disease insurance, and disability, health and work accident insurance.



Generali Zukunftsfonds  
Germany

# SALES FORCE

## Size and characteristics of the sales force

### Insurance company sales networks

The Group's commitment to constantly finding innovative solutions to emerging requirements can be seen in the multi-channel structure adopted for the sale of insurance products, which enables it to provide a service that is always aligned with customers' needs.

The agency channel, which had more than 9,000 units in the Sustainability Report area in 2010, plays the most important role. It consists of:

- **contracting agencies**, whose independent agents have been mandated to manage and develop an insurance portfolio in an exclusively designated area. They represent the biggest part of the network and are focused on individuals and small and medium-sized businesses;
- **company agencies**, whose agents and other employees are on the payroll of Group companies. This structure is typical of the Group's Austrian companies, the sales network inherited from Alleanza Assicurazioni in Italy (now part of AlleanzaToro), Volksfürsorge in Germany and Generali Iard in France. As well as a widespread network of contracting agencies, Assicurazioni Generali has five company agencies - known as *gerenze* - located in the major Italian cities, and their focus is on the companies.

#### Agencies by premium bracket

	<1 MILLION PER YEAR		1-2 MILLIONS PER YEAR		2-4 MILLIONS PER YEAR		4-6 MILLIONS PER YEAR		>6 MILLIONS PER YEAR		TOTAL	
	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010
ITALY	8.7%	7.9%	12.8%	12.4%	21.2%	20.0%	17.6%	16.9%	39.7%	42.9%	2,212	2,191
AUSTRIA	81.6%	81.1%	14.4%	14.8%	3.2%	3.3%	0.8%	0.8%	0.0%	0.0%	125	122
FRANCE	42.8%	42.3%	35.6%	34.7%	17.9%	15.2%	2.5%	5.0%	1.2%	2.9%	828	802
GERMANY	95.3%	95.2%	4.0%	4.0%	0.7%	0.7%	0.0%	0.0%	0.0%	0.0%	3,364	3,413
ISRAEL	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	1,000	1,000
CZECH REP.	19.5%	40.3%	55.8%	45.5%	22.1%	13.0%	2.6%	1.3%	0.0%	0.0%	77	77
SPAIN	89.1%	91.9%	8.7%	6.2%	1.9%	1.7%	0.2%	0.2%	0.1%	0.1%	1,135	1,326
SWITZERLAND	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1.8%	0.0%	98.2%	100.0%	57	56
<b>TOTAL</b>	<b>62.6%</b>	<b>63.9%</b>	<b>11.2%</b>	<b>10.3%</b>	<b>8.8%</b>	<b>7.8%</b>	<b>5.3%</b>	<b>5.2%</b>	<b>12.1%</b>	<b>12.8%</b>	<b>8,798</b>	<b>8,987</b>

- The overall number of agencies increased by nearly 200 in 2010. The network expansion was concentrated in Spain (+191 units) and Germany (+49 units), while the number of agencies was either unchanged or slightly reduced in the other countries.
- There was an increase in the largest and especially the smallest agencies, while the number of those with an annual turnover of between 1 million euros and 6 million euros was largely unchanged or reduced.
- The strengthening of the bracket with more than 6 euros million in annual premiums continued thanks to the incorporation of some small sales points in more structured agencies in Italy (+61 units) and, to a lesser extent, in France. All agencies in Switzerland have an annual turnover of more than 6 million euros.
- Despite this, the majority of the network (63.9%) is still made up of very small agencies, whose number grew by 229 in 2010 to increase their proportion of the total by 1.3 percentage points.
- An extensive network of small agencies is a particular characteristic of the German insurance market, where more than 95% of agencies are in the first turnover bracket and virtually none generate more than 2 million euros of annual premiums. The situation is similar in Spain, where the network is growing: around 92% of the agencies have an annual turnover of less than 1 million euros and 98% are below 2 million euros. In the Czech Republic last year, a downturn in productivity owing to the difficult market situation meant that the number of agencies with an annual turnover of less than 1 million euros doubled, bringing to around 86% the proportion of agencies in the first two turnover brackets.

As at 31 December 2010, the Group agency **sales force** consisted of **90,369** individuals.

**26,665 agents**, the main people in the agency network. Given the clear dominance of contracting agencies, for the most part they have their own businesses. These are mainly one-firm agents who have their own independently tasked and salaried employees. The 5,561 multi-firm agents, who also distribute products of non-Group companies, operate mainly in Germany and Israel. There are 590 in Italy (up by 76 on 2009), most of whom belong to the Europ Assistance Italia distribution network. Some AlleanzaToro group companies also have a small number of agents who sell competitors' products, and Genertel uses some multi-firm agencies to distribute motor and other non-life policies.

**23,801 sub-agents**, professionals operating primarily in Italy and Germany who are appointed by the agents - especially by those who cover a large area - to manage the business in certain parts of their allocated areas at their own risk and expense. The number of sub-agents rose considerably in 2010, both in Italy, due to Fata's more accurate assessment of its network, and in Germany, thanks to the expansion carried out by Volksfürsorge.

**24,264 self-employed agency workers** are present mainly in Italy, where they generally find new business for agents, and to a lesser extent in France and Germany. The overall number of agency workers increased by 2,645 in 2010, owing to a significant rise (+14.3%) in Italy.

**15,639 sales force on payroll**, whose number was largely unchanged compared with the previous year, are people on the payroll of Group companies who focus on the retail segment, supported by an agency assigned to them by management (see the chapter Direct Stakeholder - Employees).

#### Agents by seniority of service

	≤2 YEARS		3-10 YEARS		11-20 YEARS		≥21 YEARS		TOTAL	
	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010
ITALY	15.1%	14.2%	33.3%	34.0%	30.7%	31.0%	20.9%	20.8%	3,407	3,366
AUSTRIA	32.3%	43.9%	63.2%	50.5%	2.3%	3.3%	2.3%	2.4%	220	212
FRANCE	6.1%	7.0%	58.1%	38.5%	23.3%	33.1%	12.4%	21.4%	1,029	1,007
GERMANY	45.4%	42.3%	36.6%	39.5%	12.0%	12.4%	6.0%	5.8%	3,364	3,413
CZECH REP.	58.5%	52.7%	29.7%	29.3%	11.8%	17.9%	0.0%	0.1%	5,268	4,977
SPAIN	39.4%	35.9%	40.5%	43.2%	14.0%	14.3%	6.2%	6.6%	7,607	7,515
SWITZERLAND	29.6%	24.6%	40.7%	42.2%	22.7%	24.8%	7.0%	8.5%	612	614
TOTAL	39.2%	35.9%	37.2%	37.7%	16.3%	18.6%	7.2%	7.9%	21,507	21,104

- In 2010, the overall number of agents fell by 403, or 1.9%. The sharpest reduction came in the Czech Republic, where the number dropped by 291 as a result of the aforementioned fall in productivity.
- The overall drop in the number of agents was determined by a 10.4% fall of those most recently appointed; there was an increase in all other seniority brackets. Accordingly, there has been an overall increase in loyalty and professional growth among those working for the Group.
- The spread of agents by seniority differs greatly from one country to the next. In France and Italy, Generali relies on a loyal and very experienced network, with over 50% of agents having worked with the Group for more than 10 years. Agents with seniority of less than 10 years are more prevalent in the other countries, in Austria they represent 94.4% of all agents, whereas just 5.7% have a seniority more than 10 years. In the Czech Republic, more than half the agents have a seniority of less than two years.

The Group often recruits agents internally by identifying those among its sales force on payroll who have shown the greatest production and organisation skills. Otherwise, there is a thorough external selection process involving spontaneous applications, those made in response to job postings or at careers days, and those recommended by existing agents. The recruitment, integration and training of new staff, which is designed and carried out in accordance with the law, aims to develop skills to ensure an advisory relationship with clients and sufficient technical knowledge of the products sold.



## Other sales networks

Group companies also use other channels to sell their products. There is an increase in all non-agency channels, resulting in a more diversified distribution overall. Bank branches are an exception and have decreased in number owing to the end of the partnership with Commerzbank in Germany. The Group's channels include:

- **more than 47,000 financial advisers**, asset management professionals generally operating within organised networks and often belonging to captive companies, i.e., companies owned by the company or bank whose products they sell. They channel savings from the life insurance segment, targeting mainly medium-to-high-income individuals. The Group's major network of advisers is Deutsche Vermögensberatung AktienGesellschaft (DVAG), which operates in Austria and Germany and has more than 33,000 financial advisers. In Germany, Switzerland and the Czech Republic, the Group's products are also sold by advisers from the OVB network. In Italy, part of agents and other members of the sales force also operate as Simgenia financial advisers with the aim of providing a complete range of savings, insurance, protection and investment solutions. Similarly, in Austria and the Czech Republic, the majority of one-firm agents are also qualified to work as financial advisers;
- **more than 28,000 independent brokers**, who have considerable contractual power with insurance companies. This channel is especially popular in Germany, where nearly 14,000 brokers distribute Group products;
- **5,819 bank branches**, which offer insurance products to the customers of some of the major banks and local lenders, thus ensuring a widespread presence. The largest number of bank branches used by the Group is in Italy, where they increased from 2,633 in 2009 to 3,907 in 2010. In Austria, BAWAG PSK Versicherung, which was acquired in 2007, has a network of around 150 branches for the distribution of insurance products, added to which are the 200 branches of 3 Banken-Generali Investment GmbH. As previously explained, the reduction seen in Germany, where in 2010 the number of branches dropped from 953 to 99, was due to the end of the partnership with major banking partner Commerzbank in September. Many distribution agreements are still in place, however, with regional banks in the south-west of the country. In the Czech Republic, a distribution agreement has been in place with Komerční Banka, a member of the Société Générale group, since 2009. In Spain, Cajamar Vida & Cajamar Seguros Generales, a bancassurance joint venture of Generali España and the Cajamar bank, uses the partner bank's network of around 900 branches as a sales channel. Finally, in Switzerland, the Group uses its partnership with BSI to expand its product distribution network in the country;
- **more than 22,000 partnership agreements** with travel agencies, tour operators, hotels, airlines, car showrooms, car rental agencies and car body shops for the distribution of specific products, particularly in the breakdown assistance segment (Europ Assistance and, in Austria, Europäische Reiseversicherung), which in 2010 were added to in Austria and the Czech Republic by partnership agreements with post offices (1,300 and 3,377 branches respectively in the two countries) for the sale of insurance products;
- **websites and call centres**, new direct sales channels for insurance products born out of technological innovation and changes to the buying behaviour of certain customer segments. These channels provide an alternative to the traditional relationship between an insurance company and its customers, e.g., through mobile communications. Within the Group, they are used by all Europ Assistance group companies, by Genertel and Genertellife in Italy and by Cosmosdirekt and Advocard in Germany. In Israel and Switzerland, only certain products are sold directly over the internet. Online sales channels are currently being implemented in Spain.

Each individual company is responsible for the coordination and organisation of its sales network and has a specific managerial structure that defines business strategies, provides technical and administrative support, and assesses the status of objectives and the development of the sellers' activities. The level of service offered is monitored regularly by area managers, who shadow the sales process to check that sellers are conducting themselves properly, meeting regulatory requirements and acquiring the skills needed to do their job.

In companies that sell their products over the phone and online, the management teams charged with coordinating sales activities are also responsible for managing and regulating customer request flows in order to ensure short waiting times.

## Bank sales networks

The following banks are part of the Group:

- **Banca Generali** - Established in 1998, Banca Generali is one of Italy's largest distributors of financial, banking and insurance products. Its direct network has almost 1,500 financial advisers and it focuses on managing medium-to-long-term investments. There are 134 financial adviser offices and 43 bank branches spread throughout Italy, and customers also have access to a call centre and a multi-functional website.
- **Generali Bank** has been established in Austria since December 2002, offering private customers a wide range of asset management products. It has a branch at head office and can be contacted online at [www.generalibank.at](http://www.generalibank.at) and via the contact centre, which also provides customers with a personalised consultancy service. Its products are sold by more than 260 brokers and by other partners, including the DVAG financial advisers, who are supported by Generali Finanz-Service GmbH.
- **Deutsche Bausparkasse Badenia** - A private-sector building society founded in Germany in 1931. Its products are distributed by the branches of some major banks, including Stockholms Enskilda Bank (SEB) and, since February 2011, Santander Consumer Bank, as well as by the DVAG network of financial advisers. It primarily targets private customers, offering a wide range of investment and lending solutions for the purchase or renovation of residential property;
- **BSI** - Established in 1873 in Lugano as Banca della Svizzera Italiana, BSI is the leading bank in the canton of Ticino. It currently has nine branches in Switzerland and is present in the major financial centres of Europe, South America and the Far East through affiliates. Over the years, it has specialised in the asset management sector and in private-customer and external-investor services. BSI-connect, an e-banking system that allows customers to manage their account easily at any time, has been developed in order to provide a quick and accurate service.

## Sales policy

In order to achieve its fundamental goal of customer satisfaction, the Group insists on high-quality products and services that are constantly updated to meet new requirements and expectations. To this end, the Group is continuously committed to improving its internal processes and developing advanced information technology that it constantly checks for efficiency and effectiveness. It also conducts customer surveys to check satisfaction with Company products and services.

Managing relationships with customers is a key part of keeping them satisfied, meaning that the sales force have an important role to play during the promotion and distribution of products. In order to ensure that customers receive the level of consultancy that they expect, special training courses that include classroom and e-learning activities are organised for sales force, who also have access to dedicated communication tools, such as the internet, intranet, periodic publications and circulars, featuring guidelines on how they should go about their work. These guidelines focus mainly on compliance with insurance broking regulations, especially the principle of adequacy, and with regulations on the distribution – remote or otherwise – of financial and insurance products. They also remind the sales networks to adhere to the general principles of the Ethical Code. Sales managers are responsible for enforcing these guidelines by periodically shadowing sales force to ensure that they are complying with rules and regulations.

Contracts and communication with customers must be based on the principles of fairness and honesty, professionalism, transparency and cooperation with a view to finding solutions that are most suited to their needs. Information provided to customers before any contract is signed must be complete, transparent and comprehensible so they can make conscious purchase choices based on the quality of products and services and on achieving their goals. To this end, some companies have prepared special manuals with guidelines on assessing the insurance needs of customers and pre-contract questionnaires for gathering information to support the consultancy service. Determining customers' expectations and characteristics is key to establishing a proposal that meets their requirements. The relationship must be based on trust and transparency so customers are aware of content, costs and any risks before they make a purchase. Sellers must also be impartial when dealing with potential customers, making sure that any possible personal gains do not influence their conduct or independent judgement. When assessing sales networks on the ground, the sales managers are also responsible for regularly verifying customer feedback when conducting routine shadowing activities and random inspections. When the opportunity arises, such as following a customer complaint, individual agents are reminded of how they should go about their work. Some Group companies impose sanctions of varying degrees, including termination of the contract, in the event of irregularities or breaches of conduct rules.



*Wheel House  
Israel*

# EMPLOYEES AND SALES FORCE

## Group training

The Generali Group believes learning and knowledge-sharing are key elements in achieving its strategic goals, which are focused on creating value for all stakeholders: strong governance, improved operations thanks to Group synergies, investment in sustainable growth and innovation, and attention to the quality of customer care.

The Group values its employees through the Generali Group Innovation Academy (GGIA), the Corporate University, which meets the professional growth needs of both employees and the independent sales force through structured training activities in line with the provisions of the Training and Development Framework, the tool used to guide training investment in accordance with the Group's objectives and strategies.

Generali Group Innovation Academy manages training for all Generali Group companies in Italy, organises international learning and knowledge-sharing initiatives for Group-wide employees and provides support for the activities of similar training centres in Europe, Israel and Asia.

For additional information on the training GGIA provides, please refer to the Careers/Training and Development section on the [www.generali.com](http://www.generali.com) website.

Strategic alignment initiatives are noteworthy among the Group's training activities. They focus on broadening participants' views to help them gain a better understanding of global issues and their local implications, with a view to adapting to and anticipating change. Generali's Executive Forums, a series of strategic discussions between top managers and senior executives, are among the most important initiatives to face key topical problems and situations relating to business development. The topics are chosen each year by the Managing Directors, who are then presented with a report on the conclusions of the meetings. These meetings include the forum on the strategic implications of climate change, which involved 90 Group managers and was attended by Professor H.J. Shellnhuber, a member of the Intergovernmental Panel on Climate Change and Chairman of the German Advisory Council on Global Change (WBGU), as well as eight expert speakers.

The International Forum was followed by a number of Strategic Management Forums on the same topic in the main areas where the Group operates in order to extend the strategic debate to junior and middle managers, and involved a total of 209 people.

## Training in numbers

The Group's training programmes target both employees and the independent sales force (which consists mainly of agents).

### Group training activity indicators

	2009	2010
<b>INVESTMENT IN TRAINING (MILLIONS OF EUROS)</b>	<b>70.4</b>	<b>79.4</b>
<b>TOTAL TRAINING HOURS PROVIDED (MILLIONS)</b>	<b>5.0</b>	<b>9.5</b>
<b>AVERAGE HOURS OF FORMAL LEARNING PER CAPITA</b>	<b>35.5</b>	<b>43.6</b>
<b>% OF THE GROUP'S EMPLOYEES AND SALES FORCE TRAINED</b>	<b>81.1</b>	<b>77.9</b>

- Investment in training increased by 12.8% in 2010 compared with the previous year.
- The number of total training hours provided almost doubled, due in particular to an increase in training among the sales force.
- Each worker received an average of 43.6 hours of training, up 22.8% compared with the previous year.
- More than 170,000 workers worldwide - equivalent to 77.9% of the Generali Group's total employees and independent sales force - took part in at least one training programme.
- While the total proportion of people involved in training activities fell, the number of employees trained increased by 1.75% in 2010 to almost 66,000 (78.7% of the total workforce).
- To be more specific, 81.2% of managers, 74.4% of middle managers/cadre, 71.2% of office workers, 93.8% of sales force on payroll and 77.4% of the independent sales force took part in training courses.

## Training activity indicators by country

	AVERAGE ANNUAL EXPENDITURE PER CAPITA*		AVERAGE HOURS OF FORMAL LEARNING PER CAPITA		AVERAGE PERCENTAGE OF PAYROLL INVESTED IN LEARNING		AVERAGE COST PER LEARNING HOUR RECEIVED*	
	2009	2010	2009	2010	2009	2010	2009	2010
ITALY	254.5	296.6	40.3	49.5	0.5%	0.7%	6.3	6.0
AUSTRIA	1,035.7	1,049.0	34.6	38.0	1.0%	0.9%	29.9	27.6
FRANCE	1,154.2	1,212.7	34.1	38.0	1.6%	1.7%	33.9	31.9
GERMANY	1,113.4	1,218.9	29.9	39.6	1.5%	1.7%	37.3	30.8
ISRAEL	668.5	668.5	42.1	51.6	2.8%	2.9%	15.9	12.9
CZECH REP.	454.9	354.0	12.5	16.9	3.5%	3.0%	36.3	20.9
SPAIN	215.2	162.2	68.7	42.9	0.8%	0.6%	3.1	3.8
SWITZERLAND	1,301.7	1,443.2	34.2	34.4	1.4%	0.9%	38.0	42.0
OTHER EUROPEAN COUNTRIES**	260.7	230.5	26.2	23.6	1.3%	1.2%	9.9	9.8
THE AMERICAS***	214.2	202.8	27.1	28.3	1.3%	1.2%	7.9	7.2
ASIA****	109.2	36.5	31.6	53.4	1.2%	1.8%	3.5	0.7
GENERALI GROUP	506.8	362.6	35.5	43.6	1.1%	1.1%	14.3	8.3

\*VALUES IN EURO

\*\* BELGIUM, BULGARIA, CROATIA, GREECE, ENGLAND, IRELAND, MONTENEGRO, THE NETHERLANDS, POLAND, PORTUGAL, ROMANIA, RUSSIA, SERBIA, SLOVAKIA, SLOVENIA, HUNGARY

\*\*\* ARGENTINA, BRAZIL, COLOMBIA, ECUADOR, GUATEMALA, MEXICO, PANAMA, THE USA

\*\*\*\* CHINA, THE UNITED ARAB EMIRATES, HONG KONG, INDONESIA, INDIA, THE PHILIPPINES, THAILAND

- It is generally accepted that the variability of the indicator values in different countries is partially attributable to: varying training and consultancy market conditions; the use of e-learning in providing training courses; differences in business priorities, resulting in a variable balance between professional and managerial training needs and, consequently, a different ratio of internal trainers to external facilitators.
- Switzerland had the highest average annual expenditure and average hourly cost of training employees, due to the involvement of BSI employees in private-banking training, which will be completed in June 2011.
- Israel had the most training hours per capita thanks to the extensive employee training programme implemented there in 2010.
- The percentage of payroll invested in training was at its highest levels in the Czech Republic and Israel. Italy and Spain showed the lowest percentages due to the heavy weighting of sales force training, which involves lower costs thanks to the extensive use of both internal trainers and e-learning tools.

Data on the average number of training hours provided by category of worker are also available.

## Average hours of training activity by level

	MANAGERS		MIDDLE MANAGERS		OFFICE WORKERS		SALES FORCE ON PAYROLL		SALES FORCE NOT ON PAYROLL	
	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010
ITALY	28.6	20.6	19.1	19.4	16.2	18.8	30.1	26.9	48.4	60.1
AUSTRIA	18.5	23.4	15.5	32.1	19.9	21.8	62.1	62.3	0.0	0.0
FRANCE	17.2	27.7	20.2	23.1	61.9	68.3	43.8	51.6	19.9	21.2
GERMANY	36.0	35.5	21.3	32.3	20.4	25.7	55.0	71.9	35.2	48.9
ISRAEL	126.4	112.6	27.4	150.1	40.0	37.5	0.0	0.0	78.9	96.6
CZECH REP.	37.7	35.8	16.6	35.2	11.8	22.6	22.5	20.0	10.8	10.9
SPAIN	20.7	26.7	13.9	14.6	25.8	29.1	29.8	31.4	82.9	48.0
SWITZERLAND	33.4	34.9	33.2	34.2	27.3	27.0	56.7	58.1	0.0	0.0
OTHER COUNTRIES*	36.1	29.5	32.5	28.6	29.0	20.3	10.0	32.3	25.4	23.5
THE AMERICAS**	n.a.	30.9	n.a.	29.9	n.a.	21.9	n.a.	55.4	n.a.	3.5
ASIA***	n.a.	18.3	n.a.	13.5	n.a.	37.2	n.a.	37.1	n.a.	56.4
GENERALI GROUP	31.2	30.4	22.4	26.4	24	26.4	39.9	44.1	43.6	50.9

\* BELGIUM, BULGARIA, CROATIA, GREECE, ENGLAND, IRELAND, MONTENEGRO, THE NETHERLANDS, POLAND, PORTUGAL, ROMANIA, RUSSIA, SERBIA, SLOVAKIA, SLOVENIA, HUNGARY

\*\* ARGENTINA, BRAZIL, COLOMBIA, ECUADOR, GUATEMALA, MEXICO, PANAMA, THE USA

\*\*\* CHINA, THE UNITED ARAB EMIRATES, HONG KONG, INDONESIA, INDIA, THE PHILIPPINES, THAILAND

- The average number of training hours provided increased for all categories, with the exception of managers, for whom the figure fell slightly.
- More training was provided for the sales force: agents and, more generally, independent sales force (not applicable in Austria and Switzerland) benefited from the higher number of training hours per capita. More specifically, the figures recorded in Israel in 2010 were almost double the Group average, while in Spain the number of hours provided fell by 42.1% year on year thanks to the completion of the training cycle begun in order to adapt the agency network to the requirements introduced by European legislation on insurance brokerage.
- With regard to employee sales force (it doesn't exist in Israel), there was an increase of 30.7% in the number of training hours provided per capita in Germany.
- Despite the increase recorded in 2010, middle managers and office workers continued to receive the lowest average number of training hours per capita.
- Israel stood out due to the extensive provision of training to all workers, peaking at 150 hours per capita (against 27.4 hours in 2009) for middle managers.

## Engagement of employees

In most of the countries of the Sustainability Report area, there are periodic (usually every two years) satisfaction surveys on the climate within the company designed to ascertain the results of initiatives and to identify areas for improvement. There are also other forms of dialogue with employees, agents and sales force. Employees are strongly encouraged to get involved in order to build a corporate identity and a culture of participation, as well as to improve internal communication.

The following tables provide a summary of how employees got involved in 2010.



## Satisfaction surveys

Country	Frequency/Type of initiative/Topics	Results
Italy	Frequency: every two years Satisfaction survey Topics: involvement, development opportunities, operations, corporate culture and image Involvement: 100% of Europ Assistance employees	Participation: more than 50% of employees responded Degree of satisfaction: good and improving Compared with previous surveys, there was: <ul style="list-style-type: none"> <li>• a very positive and improving overall outlook</li> <li>• an increased sense of belonging to the Group</li> <li>• a good level of job satisfaction and satisfaction with working conditions</li> </ul>
Israel	Frequency: every two years Satisfaction survey Involvement: 100% of employees	Participation: more than 70% of employees responded Degree of satisfaction: good (80.5% of respondents said they were satisfied with the company)
Switzerland	Frequency: every two years Satisfaction survey Topics: involvement, innovation, development opportunities, cooperation and communication Involvement: 90% of employees of Generali	Participation: 84% of employees responded Degree of satisfaction: fair (71% of respondents said they were satisfied with the company)
	Frequency: irregular Satisfaction survey: pilot project Topics: involvement, commitment, development opportunities, conditions and atmosphere in the workplace, customer focus, leadership, cooperation Involvement: 372 employees from BSI's "Banking Platform" division	Participation: 95.2% (354) of employees responded Degree of satisfaction: sufficient (61% of respondents said they were satisfied with the company)

## Other activities of employees' engagement

Country	Frequency/Type of initiative/Topics	Results
Czech Republic	Frequency: quarterly Meetings with managers and Top Management Topics: information on strategy, plans, etc. Involvement: 100% of Generali PPF Holding employees	Objectives: create a corporate culture with relationships between lower-level employees and management
France	Frequency: permanent initiative launched in 2007 Ambition Generali – a participative-management and knowledge-sharing project designed to define Generali's strategy for successfully dealing with the risks and opportunities brought about by change Topics: economic situation, payment systems, intranet, branding, quality, Génération Responsable Involvement: all employees	Participation: broad, in terms of both defining priorities and presenting proposals Actions: forums, open discussions, workshops Successes: active support from Top Management, new client-focused organisation, constant and far-reaching communication on the project and its results, concrete responses to identified requirements
	Frequency: permanent initiative OTR - Organisation du Travail Responsabilisante - a project to implement the organisational change defined by Ambition Generali by developing individuals' ability to adapt their own roles to this change Involvement: all employees	Participation: broad at all levels. Actions: defining priorities, identifying pilot areas and a gradual approach to implementation Successes: participative approach, planning extension to new departments, measuring results with the appropriate indicators, seeking continual improvement



Country	Frequency/Type of initiative/Topics	Results
Germany	<p>Frequency: permanent initiative launched in 2009  Heute für Morgen: Ich unternehme Zukunft (Today for tomorrow: I am the entrepreneur of my future).  Open debate on the future of the company  Topics: business evolution trends, future challenges, opportunities to control the change and improve organisational well-being through individuals taking on active roles  Involvement: all Generali's employees</p>	<p>Participation: a good response from employees, even though there is a need to further increase awareness of being able to play an active role in the change to the organisation  Actions: rotating discussion groups, organising conferences, workshops, awareness days and communication campaigns to increase interest in these topics and to prepare and help employees to identify for themselves their new roles as a result of the change</p>
Israel	<p>Frequency: one-off initiative  Survey on internal services for managers  Topics: availability, professionalism, courtesy, flexibility, problem solving, general satisfaction</p>	<p>Objective: improve internal services.  Satisfaction: high</p>
	<p>Frequency: two annual meetings per person  Migdal in Touch Meetings - Meetings chaired by top managers; in preparation for the session, each manager receives a pack containing a description of the meeting (prepared by the internal communication department) and an illustrated magazine  Topics: plans of action, financial results, illustrated articles focusing on a particular department or worker, information on activities, events and changes in the organisation  Involvement: company managers</p>	<p>Objectives: provide top-down and bottom-up messages within the organisation  Satisfaction: very high</p>
	<p>Frequency: every two months  Round tables - open debates in meetings for employees and managers, attended by the Managing Director or a member of the Top Management  Topics: decisions on any issue raised by participants</p>	<p>Objectives: strengthen internal communication and implement significant dialogue between top managers and other employees, create an informal climate and encourage brainstorming  Satisfaction: very high</p>

Generali Deutschland was awarded the **2010 Employability Award** for its Heute für Morgen: Ich unternehme Zukunft (Today for tomorrow: I am the entrepreneur of my future ) initiative. The scheme is aimed at improving each worker's employability using a number of tools to prepare and help employees to play an active role in shaping organisational change in response to future challenges. The prize was awarded by Way to Self Inc. as part of the HR Management Awards at the Future Staff 2010 fair in Cologne.

## Dialogue with sales force

Group companies provide the sales force with various tools for facilitating dialogue and enabling accurate and updated communication with area managers tasked with organising and managing the sales network. The development of various channels enables constant and effective communication for continual training on regulations, operating methods, rules and conduct with customers, with a view to facilitating product distribution and improving customer service. The Group's sales force has access to a corporate intranet which, as well as publishing useful information for employees, has several sections for sellers with notices and circulars for agencies which are constantly updated and have operating applications to meet clients' needs. This tool, which incorporates new regulations and sales and customer relationship initiatives, represents for Group companies a direct way of involving sales force in sharing corporate objectives and enables shared best practice. There is also a newsletter on the intranet, which is used primarily to communicate on the launch of new products and to provide updates on commercial initiatives. Sales force have email addresses, provided and managed by Group companies, to enable timely one-to-one communication and daily updates. In some countries, sales networks are provided with print publications of the major commercial initiatives, insurance and/or financial market trends and certain regional success stories.

## Surveys and other forms of dialogue

The Group promotes various dialogue initiatives with sales networks to get a sense of their satisfaction and to encourage greater involvement in corporate strategy. As they are in direct contact with the market, they can provide crucial information on developing products and improving services.

### Surveys to determine sales force satisfaction with Group company relationships

Country	Method and frequency	Results
Italy	Method: interviews with 300 sales staff Frequency: one-off	The interviews conducted with AlleanzaToro staff indicated a high degree of satisfaction and identified areas for improvement in various processes.
	Method: questionnaire to which 99 agents responded Frequency: annual	At DAS, there was a considerable improvement in sales network satisfaction (up 20% on the previous survey) and there were useful indications for the development of internal communication.
	Method: telephone interviews with 150 financial advisers, private bankers and relationship managers Frequency: annual	There were particularly positive results from the surveys conducted with the Banca Generali sales force, which revealed 99% sales staff satisfaction and 97% network loyalty.
France	Method: telephone interviews with 150 financial advisers Frequency: half-yearly	Dialogue initiatives produced results in line with previous years and highlighted the need to improve communication and internal organisation.
Germany	Method: interviews with 200 agents and 400 brokers Frequency: annual	The dialogue initiatives revealed a high level of satisfaction among sales force which was up on 2009. More specifically, agents said they were particularly satisfied with the products available and identified administrative, IT and network process support as areas for improvement. Brokers highlighted the need for better management of claims settlement processes.
Israel	Method: email survey Frequency: variable (half-yearly, annual, after training courses)	The surveys assess the satisfaction of the sales network with three main topics: training, the service provided in managing operating activities and the service provided in managing claims. The results showed high levels of satisfaction in relation to all topics and highlighted the speed of processes as the area on which to focus future action.
Switzerland	Method: questionnaire which received responses from 400 agents and 50 brokers Frequency: annual	The surveys conducted revealed a satisfaction index of 75% among agents and brokers.

In all countries, surveys are also conducted when new products are launched. This is a chance for sales networks to become involved in business strategy and for sales force to provide direct initial feedback on the new product offering.

## Surveys designed to obtain indications on how products and services can be improved and developed

Country	Method and frequency	Results
<b>Italy</b>	Method: telephone interviews with 150 financial advisers, private bankers and relationship managers Frequency: annual	Following a survey, Banca Generali sales force declared themselves very satisfied with the products and services available, although they did highlight the need for more developments in process automation.
<b>Germany</b>	Method: telephone interviews with 182 brokers Frequency: annual	In a survey conducted by Badenia, 18% of broker respondents said they had an "excellent" relationship with the bank.
<b>Israel</b>	Method: interviews, workshops, focus groups Frequency: variable	The surveys highlighted the need to develop the technological interfaces used in relationships with the distribution network and to provide more information material for supporting sales.

Every year in all countries, the Generali Group organises conventions, focus groups and meetings to bring Top Management and operational departments closer to sales force. These initiatives are designed to share results and future growth objectives and to create opportunities for worthwhile relationship development. The meetings provide an opportunity to incentivise sales force so they feel part of corporate strategies. During these meetings, the best agents and sales staff are often awarded in order to develop team spirit and a sense of belonging.



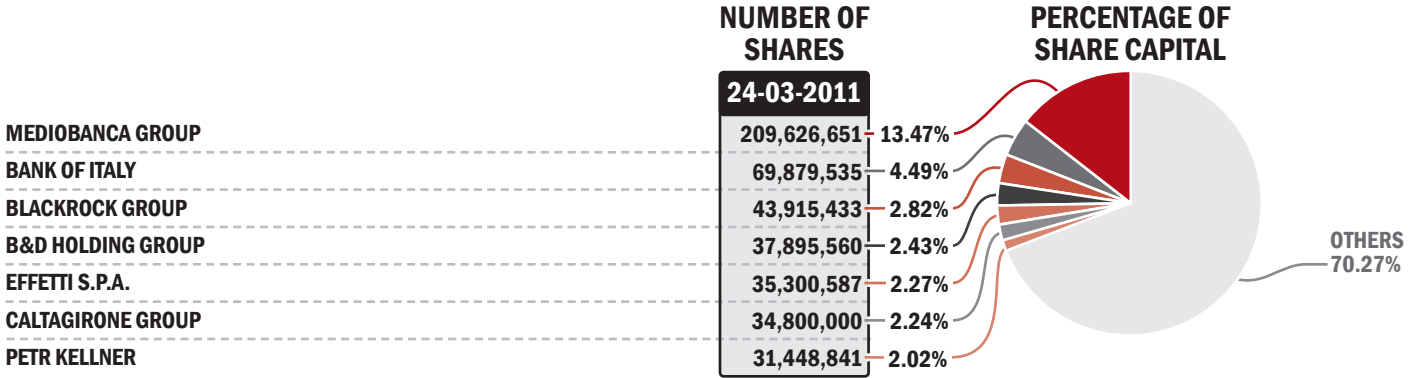
Day Nursery Nyon  
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# SHAREHOLDERS

## Size and characteristics of the shareholders

As at 31 December 2010, the share capital of Assicurazioni Generali S.p.A. amounted to 1,556,873,283 euros, divided into the same number of ordinary shares with a nominal value of 1 euro.

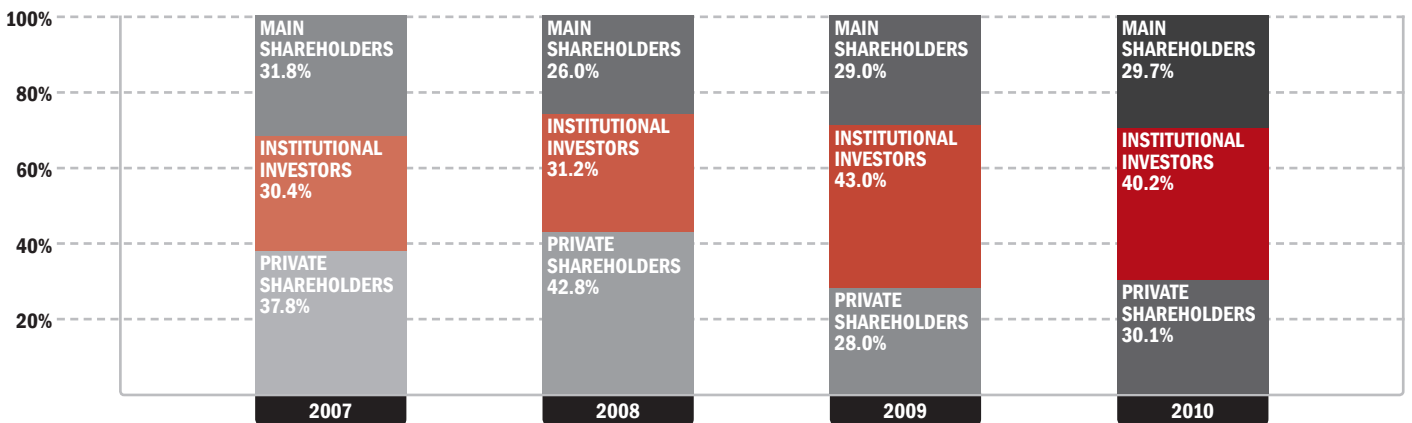
### Major shareholders



- Of the Parent Company's approximately 293,000 shareholders - 74.5% of which are Italian - only seven have a direct or indirect (held through a third party, trustees or subsidiaries) stake of more than 2%. Known as the major shareholders, they hold a combined 29.73% interest in the share capital.
- The breakdown of the major shareholders has changed since 2009: their number has increased from six to seven through the addition of Petr Kellner, the stakes held by Mediobanca, BlackRock and B&D Holding have reduced, and the Caltagirone group's stake has increased.
- As at 31 December 2010, the number of shares held by the Parent Company and other Group companies was 16,132,479 (1.04%).
- Upon payment of the most recent dividend (May 2010), Group employees in Italy held a stake of 0.46% (7,131,157 shares).

In order to provide a better overview of results, the rest of this chapter covers a period of four years rather than two.

### Shareholders by type



- The changes in the breakdown of the major shareholders saw their combined stake increase compared with the end of 2009.
- With regard to the other categories of shareholders, the combined stake of institutional investors declined but that of private investors rose.



## Shareholders policies

One of the Generali Group's priorities is making sure its shareholders get the most out of their investment. Even in a difficult market characterised by a reduction in insurance premium revenue, it was able to meet their expectations. The Group continues to pursue a long-term objective of sustainable business development based on geographical, distributional and product diversification, especially in the life segment, which, as well as contributing positively to overall premium revenue, is designed to ensure investors get a reasonable return even in a negative market trend.

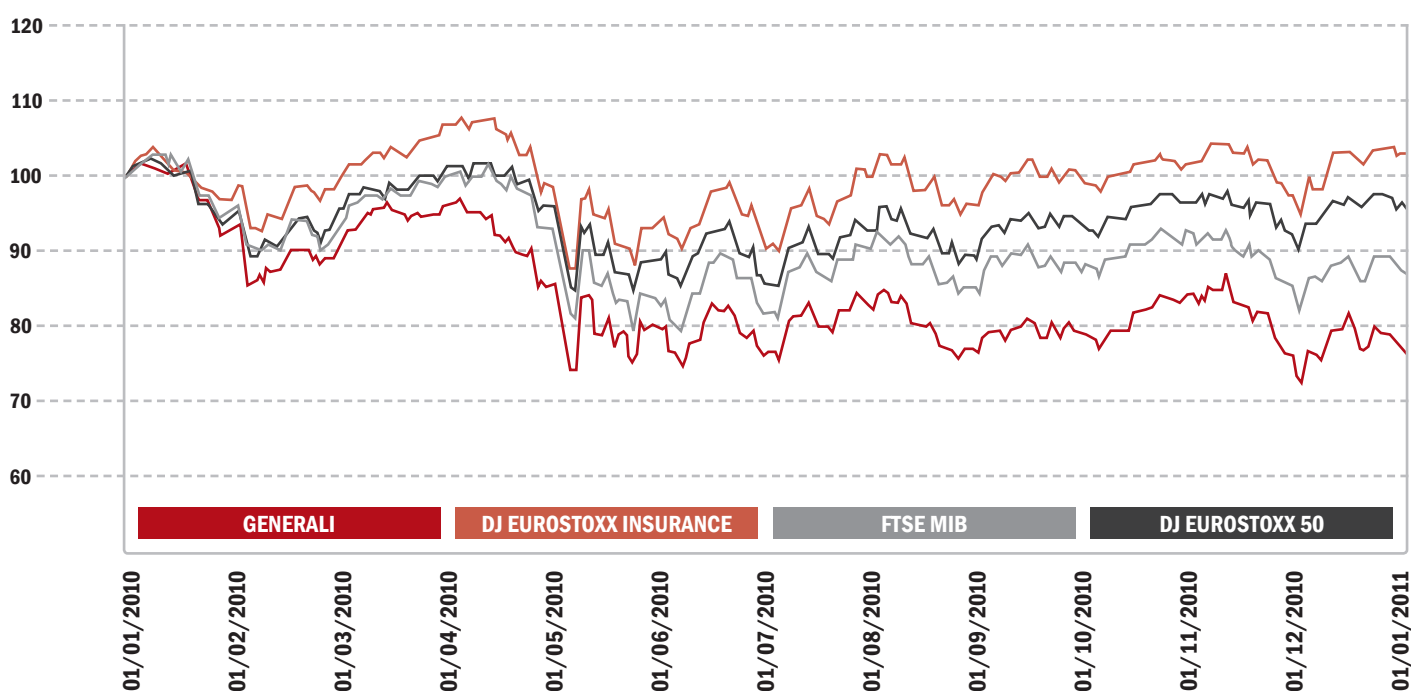
### Financial performance

	2007	2008	2009	2010	AVERAGE CHANGE 2010/2007	CHANGE 2010/2009
SHAREHOLDERS' EQUITY* (IN MILLION EUROS)	14,789.6	11,312.8	16,652.0	17,489.8	5.7%	5.0%
STOCK MARKET CAPITALIZATION (IN MILLION EUROS)	43,690.9	27,483.1	29,300.1	22,123.2	-20.3%	-24.5%
PRICE OF GENERALI SHARES (IN EURO)**	30.87	19.49	18.82	14.21	-22.8%	-24.5%

\* SHAREHOLDERS' EQUITY ATTRIBUTABLE TO THE GROUP, INCLUDING THE RELATED RESULT OF THE PERIOD

\*\* ADJUSTED TO ACCOUNT FOR THE FREE INCREASES OF CAPITAL

### Performance of Generali share compared with the main stock exchange indices in 2010



- Market capitalisation as at 31 December 2010 was 22,123.20 million euros, confirming Assicurazioni Generali S.p.A. as one of the major European insurers by market capitalisation. The market capitalisation, which is the market value of a listed company, is calculated by multiplying the number of shares by their market price.
- In 2010, Generali's share price fluctuated between a low of 13.50 euros (on 30 November 2010) and a high of 19.19 euros (on 19 January 2010). It was 14.21 euros at the end of 2010, down 24.5% compared with 31 December 2009.
- The Generali stock underperformed the major market indices, such as the Borsa Italiana FTSE MIB (-13.2%), eurozone blue-chip index DJ Eurostoxx50 (-5.8%) and eurozone insurance index DJ Eurostoxx Insurance (+1.6%), where the weighting of the Generali stock was 11.04% last year.

## Weighting of the Generali stock on the main stock exchange indices

	2007	2008	2009	2010
FTSE ITALIA ALL SHARE*	5.80%	7.17%	9.13%	7.51%
FTSE MIB**	7.65%	9.17%	9.62%	8.38%
FTSE EUROTOP 100	0.90%	0.98%	0.81%	0.71%
DJ EUROSTOXX 50	1.56%	1.83%	1.55%	1.25%
DJ EUROSTOXX	0.98%	1.19%	1.01%	0.77%
DJ EUROSTOXX INSURANCE	10.37%	9.88%	8.92%	11.04%

\* DATA BEFORE 2009 REFER TO MIBTEL

\*\* DATA BEFORE 2009 REFER TO MIB 30

- The table shows the different weightings of the Generali stock over the last four years on the main stock exchange indices in which it features (59 in total).
- The change in weighting is caused by several variables, including the performance of the stock itself in a given year and the market capitalisation: therefore the smaller weighting of the Generali stock on some indices is also attributable to the Company's choice not to carry out capital increases, unlike many other financial institutions.

## Dividend policy

	2007	2008	2009	2010
DIVIDENDS (IN MILLION EUROS)	1,220.1	203.4	544.9	700.6
DIVIDEND PER SHARE (IN EURO)	0.90	0.15	0.35	0.45
DIVIDEND YIELD	2.9%	0.8%	1.9%	3.2%
PAYOUT RATIO	41.8%	24.6%	41.6%	41.1%

- The dividend per share was 0.45 euro, an increase of 28.6% on that paid for 2009 (0.35 euro).
- There was also a rise in the dividend yield (3.2%), which, as the ratio of final unit cash dividend to final share price, is a return indicator that allows the dividend to be compared with that of other stocks.
- The payout ratio, which is the ratio of overall cash dividend for Parent Company shareholders to consolidated profit for the year, was stable at 41.1%. This ratio was in line with historical levels and shows a balance between dividends paid out to shareholders and profits reinvested in the Company.

For further and updated information on the Group's financial performance, please refer to the Investor Relations section of the Group website.

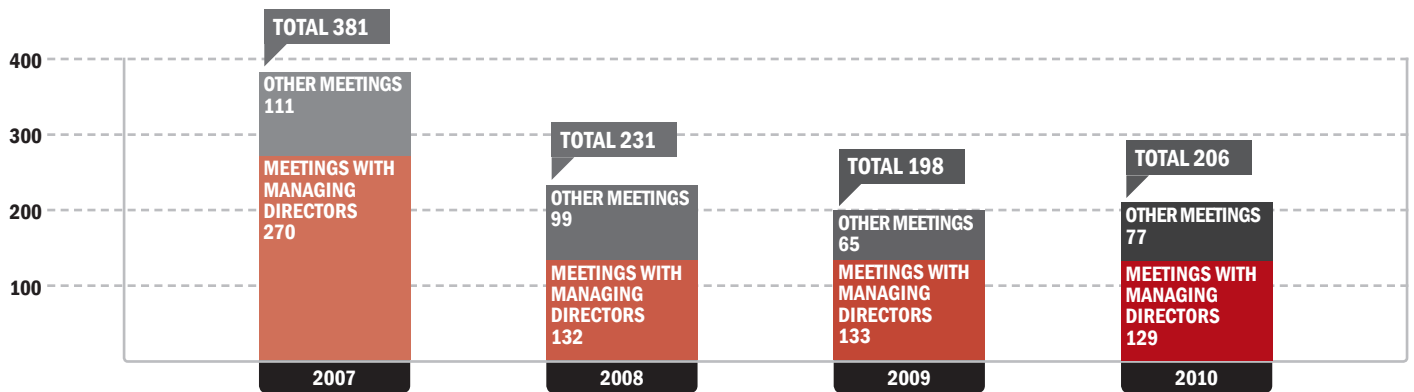
## Engagement of investors

The Generali Group believes maximum transparency is crucial to its relationship with the financial community. Every year and whenever there is a significant change to the corporate structure, the Parent Company publishes the Corporate Governance and Share Ownership Report which describes, among other things, how the corporate bodies function, their composition and their term of office.

To enable investors to base their decisions on an accurate assessment of corporate policies, operational performance and projected return on invested capital, the Group goes beyond the disclosure requirements established by law. Upon major financial maturities and extraordinary transactions, the Group complements these statutory disclosures with presentations to institutional investors and analysts. Price-sensitive information is disclosed in the form of timely and thorough press releases.

Contact with the financial community takes the form of group and individual meetings, roadshows and industry conferences organised in the major international financial centres.

## Meetings with investors

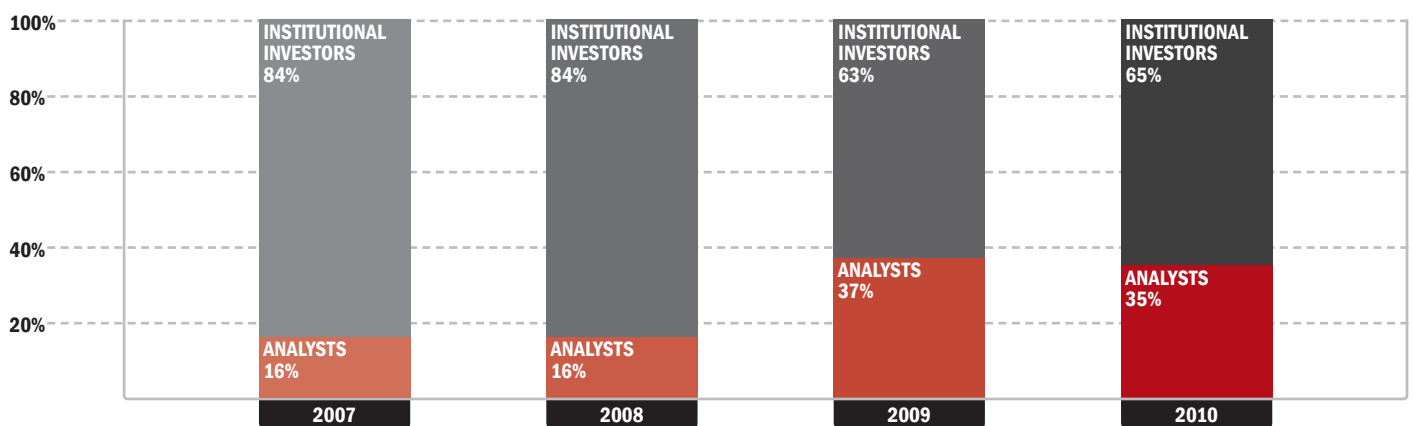


- In 2010, there was a renewal in Investor Relations with analysts and institutional investors, whose attention had shifted more towards macroeconomic issues since the start of the financial crisis.
- Compared with 2009, there was a greater number of other meetings, i.e., Group managers meeting analysts and institutional investors without the presence of Managing Directors. This shows a greater desire for involvement and for constant dialogue with the financial community.
- Among the meetings between Managing Directors and analysts were the 2009 results presentations, the Bank of America-Merrill Lynch Banking and Insurance CEO Conference in London and the Banca Leonardo Italian Financial Conference in Stresa.

In November 2010, Generali organised an Investor Day on the subject of Investment Management of Insurance Assets, with a view to publicly and transparently discuss the ways in which insurance investments are managed, the strategies involved, how they are implemented and the results obtained. Forty-two analysts and institutional investors took part in the meeting, with half coming from London and a quarter from Milan.

There was also a significant increase in the number of roadshows (investor presentations organised in various international financial centres and attended by Top Management), which took place in financial centres where the Group had not been for a while, including in Switzerland, the Netherlands and Scandinavia. Thanks to these initiatives, there was a greater geographical spread of counterparties compared with previous years.

## Meetings by type of participant



- In 2010, the breakdown of meetings by type of participant again shows significant interest from financial analysts, even though the percentage is down slightly on the previous year.
- Stronger relationships with ethical investment funds were also established in 2010. In addition to the usual exploratory contacts, there were three conference calls with Socially Responsible Investment (SRI) investors on implementing environmental policies, developing insurance products that take into account environmental impact, risk management and the consistency of investment policies with the Group's principles, as well as implementing the Ethical Code of the Generali Group.

The Company also received more requests from environmental, social and governance (ESG) analysts with a view to obtaining more details on the Group's social and environmental commitment and performance.

Shareholders are able to communicate directly with the Company via the Investor Relations section of the Group's website, which provides contact details for the offices dealing respectively with private and institutional investors. This section also includes all information on Shareholders' Meetings, corporate governance and, more generally, the economic and financial performance of the Parent Company and the Group by way of annual reports and interim financial statements.





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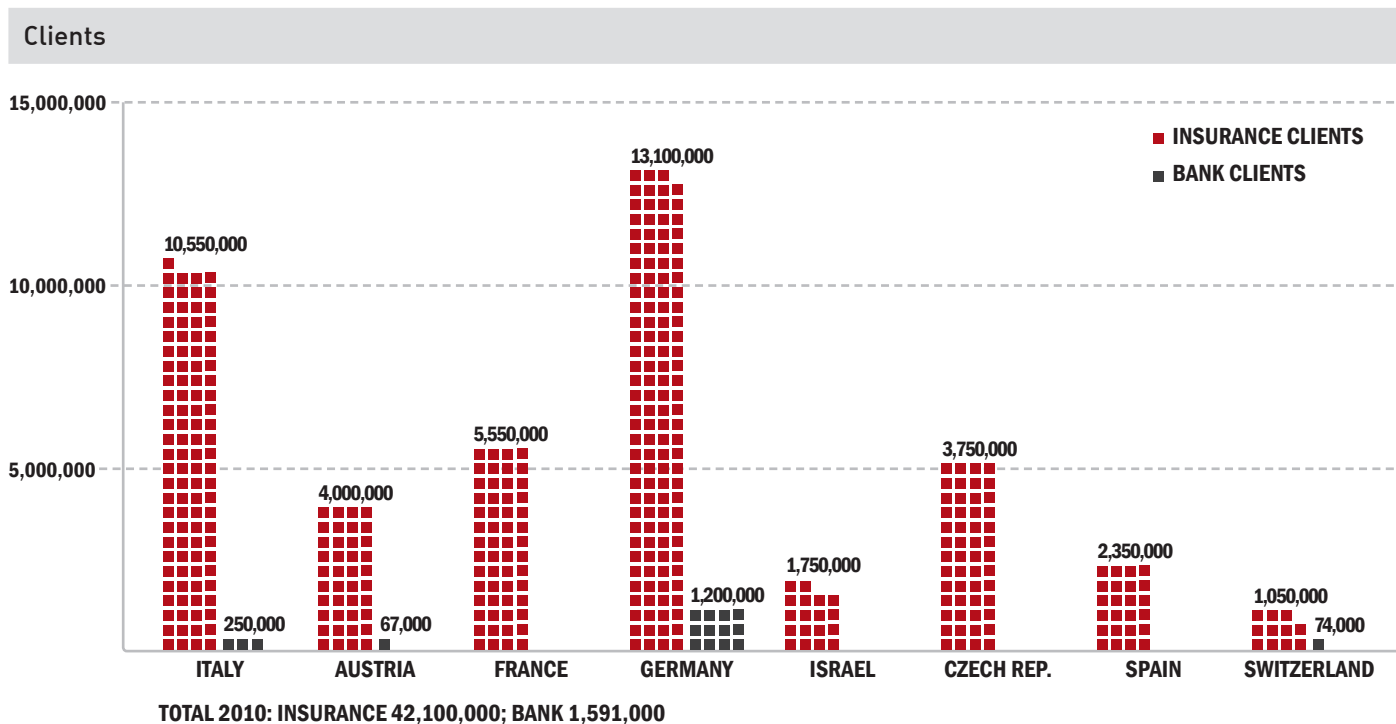
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# COMPETITIVE STAKEHOLDERS



# CLIENTS

## Size and characteristics of the clients



- The overall number of clients is estimated at more than 43 million: 42.1 million insurance clients (38.15 million in 2009) and nearly 1.6 million bank clients (1.6 million in 2009).
- The number of insurance clients rose in Israel (+6.1%), Switzerland (+4.1%) and Austria (+ 2.9%) last year, but they fell in the Czech Republic (-4.1%) and were largely unchanged in the remaining countries.
- As a result of the strategic move to focus its insurance business on individuals and small-to-medium-sized businesses, only 3.2% of the Group's insurance clients are medium-to-large businesses.
- The number of bank clients - comprising almost exclusively individuals and small-to-medium-sized businesses - fell in all countries except Austria, where there was an increase of 2.3%.

### Number of clients by line of business

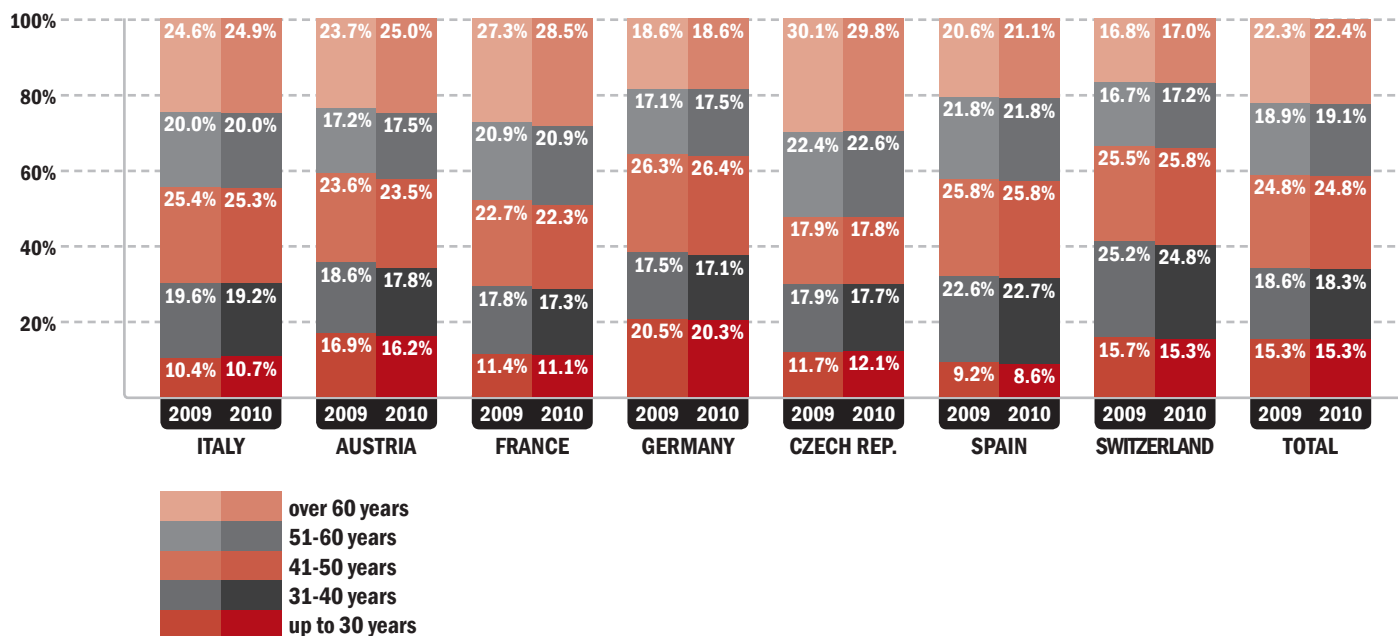
	LIFE		HEALTH		MOTOR		OTHER NON-LIFE LINES	
	2009	2010	2009	2010	2009	2010	2009	2010
ITALY	4,022,361	3,835,074	272,830	256,026	4,845,464	4,706,663	3,725,450	3,655,095
AUSTRIA	746,773	736,841	409,857	410,857	924,234	738,775	2,601,196	3,002,057
FRANCE	1,343,443	1,438,078	613,720	551,818	1,789,745	1,731,046	2,431,147	2,443,118
GERMANY	7,304,581	7,340,023	2,261,199	2,372,090	1,958,285	1,955,947	6,676,470	6,632,814
CZECH REP.	1,902,158	1,761,884	422,809	395,092	1,082,153	1,023,063	2,059,523	2,022,943
SPAIN	599,044	561,360	67,337	77,326	816,818	767,936	1,156,947	1,279,102
SWITZERLAND	436,219	452,338	67,928	69,286	296,161	309,197	437,626	445,201
<b>TOTAL</b>	<b>16,354,579</b>	<b>16,125,598</b>	<b>4,115,680</b>	<b>4,132,495</b>	<b>11,712,860</b>	<b>11,232,627</b>	<b>19,088,359</b>	<b>19,480,330</b>

- The overall number of clients by line of business is greater than the total number of clients, as some clients have taken out more than one policy with Group companies to cover different risks.
- The overall number of clients rose slightly last year. The number of clients of other non-life lines increased (+2.1%), notably in Austria and Spain. However, the number of motor insurance clients fell in every country except Switzerland, and the number of life insurance clients also fell, albeit to a lesser extent and with the notable

exceptions of France and Switzerland. The number of health insurance clients remained fairly stable showing different trends in the various countries.

- The sharp fall (-20%) in the number of motor insurance clients in Austria was due mainly to a change in the classification of policyholders with “legal protection”. They are now included among other non-life clients, which grew sharply as a result.
- A breakdown of clients by business line is not available for Israel.

### Percentage of clients by age bracket



- There has been no significant change in the distribution of Group clients since 2009, with the largest proportion of policyholders - around a quarter - falling in the 41-50 age bracket.
- The youngest age bracket, consisting of clients under the age of 30, has the lowest number of policyholders; Germany is the exception, with clients in this age bracket representing around one fifth of the total there.
- Germany and Switzerland have the youngest client bases, with more than 37% and more than 40% respectively aged under 40;
- In France and the Czech Republic, however, around half the clients are over 50, and most of these are older than 60.

### Policies by line of business

	LIFE		HEALTH		MOTOR		OTHER NON-LIFE LINES		TOTAL	
	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010
ITALY	5,269,911	5,246,556	305,271	281,397	6,721,757	6,688,248	5,118,138	5,038,277	17,415,077	17,254,478
AUSTRIA	1,115,273	1,107,485	749,619	758,117	2,279,934	2,363,921	3,974,103	4,033,544	8,118,929	8,263,067
FRANCE	2,265,254	2,106,379	890,558	809,942	2,105,100	2,049,767	2,708,985	2,729,755	7,969,897	7,695,843
GERMANY	12,376,488	12,247,542	1,487,503	1,576,159	4,591,268	4,513,231	12,598,035	12,739,156	31,053,294	31,076,088
CZECH REP.	2,013,647	1,825,249	446,124	397,433	2,487,879	2,303,093	4,020,700	3,759,711	8,968,350	8,285,486
SPAIN	629,604	614,998	89,539	87,708	1,184,650	1,094,614	1,663,880	1,753,052	3,567,673	3,550,372
SWITZERLAND	502,414	522,273	70,459	71,766	343,626	362,861	479,114	487,606	1,395,613	1,444,506
<b>TOTAL</b>	<b>24,172,591</b>	<b>23,670,482</b>	<b>4,039,073</b>	<b>3,982,522</b>	<b>19,714,214</b>	<b>19,375,735</b>	<b>30,562,955</b>	<b>30,541,101</b>	<b>78,488,833</b>	<b>77,569,840</b>
<b>INCIDENCE %</b>	<b>30.8%</b>	<b>30.5%</b>	<b>5.2%</b>	<b>5.1%</b>	<b>25.1%</b>	<b>25.0%</b>	<b>38.9%</b>	<b>39.4%</b>	<b>100.0%</b>	<b>100.0%</b>

- Overall, the number of policies fell by 1.2%, with a particularly sharp drop in the Czech Republic (-7.6%) and France (-3.4%); the number of policies rose, however, in Switzerland (+3.5%) and Austria (+1.8%).

- The reduction affected all business lines, ranging from -2.1% in the life segment to -1.4% in the health line, except for other non-life lines, which remained broadly stable. The overall number of motor insurance policies fell by 1.7%, with particularly steep drops for the Czech Republic (-7.4%) and Spain (-7.6%).
- A comparison of the number of policies against the number of clients shows that, on average, clients hold more than one policy with Group companies. More specifically, each client has an average of 1.5 life policies, 1.6 policies of other non-life lines and 1.7 motor policies.
- The breakdown of the insured portfolio in each country – calculated as the ratio of the number of policies taken out in the individual lines of business of each country to the total number of policies for the country – reveals significant differences. There is a general predominance of non-life contracts (taken as the sum of motor and health policies and those related to other non-life lines); however, Germany has a significant share of life policies (39.4%). The concentration of non-life policies is particularly high in Austria and Spain: 86.6% and 82.7% respectively.

In line with the Group's growth strategy for the Sustainability Report area, which primarily focuses on developing the individual risk segment, group policies represent just 1.2% of the total.

## Clients policies

### Product policies

The Group is committed to managing client relations and to developing its products in accordance with the guidelines set out in the Ethical Code, i.e., the principles of correctness and honesty, impartiality, confidentiality, transparency and completeness of information.

Customer loyalty is one of the Group's key objectives in terms of maintaining market competitiveness and consolidating the business targets it has achieved. In this context, customer satisfaction is of key importance and the Group's ability to constantly respond to its customers' needs and expectations is essential for developing and maintaining a suitable degree of loyalty for lasting relations. In ordinary insurance and banking operations, compliance with shared commitments and principles is achieved through:

- simplified processes and consumer involvement in product innovation;
- developing products that are in line with stakeholders' interests and requirements;
- providing product information that is immediate, directly accessible and comprehensible to all stakeholders;
- transparency in conducting all transactions;
- continuous and timely training for the sales networks;
- performance monitoring, checking results achieved and planning service improvement measures.

In recent years, growing awareness of social and environmental issues has prompted various Group companies to develop products that focus on these areas, and demand for them is growing. Most of these products are policies in their own right, while others represent optional guarantees that may be added as part of broader cover (e.g., home insurance, third party liability, etc.).

In 2010, insurance products with particular social value generated premium revenue of nearly 700 million euros (+14.2% on 2009) and insurance products with particular environmental value attracted almost 229 million euros (+12.9% on 2009). These figures do not paint a complete picture because data are not currently available for Israel, the Czech Republic and Europ Assistance group companies. Processes for measuring this information across all Group companies have been initiated and should be completed in the medium term.

### Products with particular social value

By their very nature, **insurance products** have a social value because they provide protection for clients and respond to their needs. In this context, insurance products linked to socio-demographic changes and to a gradual reduction in public services are of particular importance.

#### Dread Disease policies

These are pension products, sold in Italy and Spain, which can be offered as separate cover or combined with a life policy. The policy guarantees the payment of a lump sum or life annuity upon the occurrence of one of the serious illnesses covered by the policy, to meet the cost of care and reduced income resulting from an inability to work.

### **Long-Term Care policies**

These are policies sold in all countries (except Israel) which envisage the payment of a lump sum or life annuity to cover the cost of assistance in the event of the loss of self-sufficiency and inability to perform daily activities, which may simply result from old age.

### **Policies for specific categories**

Products for young people: in Italy, Assicurazioni Generali offers its younger clients the multi-risk Primodomani product, which is divided into three parts: savings (a savings plan), safety (coverage for accidents, third party liability and assistance) and protection (financial protection for children should a parent die early).

Products for the elderly: most companies are able to offer policies specifically targeting the needs of people over the age of 50. 2010 saw the relaunch of Vivifuturo, a new service model for people aged between 50 and 70 which combines health protection with asset management, with the minimum entry premium reduced in order to improve access.

Products for the disabled: in Italy, a special roadside assistance cover has been developed for drivers of adapted vehicles. In Spain, special pension funds and household policies, which can be integrated with home automation system cover, have been introduced for disabled clients.

Products for diabetics: in Israel, there is a special policy that pays out a fixed sum upon diagnosis of medical conditions caused by diabetes, such as kidney failure, blindness, etc..

Products for immigrants: in Spain, there is also a policy for immigrants, which covers all death-related costs, including repatriation of the body.

### **Policies that reward the virtuous conduct of the policyholder**

A number of Group policies promote the benefits of a healthy lifestyle. Virtually all Group companies offer life policies with lower premiums for non-smokers or the application of a higher premium for smokers. In Italy, in order to encourage conduct and lifestyle that reduces the risk of illness, Assicurazioni Generali has launched the Generali sei in salute (Generali - you're in good health) product, which, as well as charging higher rates to smokers, assesses the obesity risk by calculating body mass index. There is also a low-cost option to encourage the spread of coverage and make it available to low-income clients.

In recent years, most Group companies have introduced motor insurance products that aim to promote careful and responsible driving in a bid to reduce accidents. For example, the contractual conditions of motor policies often limit insurance benefits for drivers who fail to wear their seatbelts or are guilty of driving under the influence of alcohol or drugs. In 2010, Italian company Genertel tested a new motor insurance product called Quality Driver, which encourages policyholders to comply with the highway code by equipping the vehicle with a GPS system that can monitor driving styles. The policy provides clients with exclusive roadside assistance services and rewards careful drivers with lower renewal premiums.

Also in Italy, as an incentive to promote studies, some companies provide a capital bonus if young policyholders get top marks in their high-school diplomas or degrees.

### **Healthcare and illness prevention policies**

In Italy, INA Assitalia joined forces with the O.N.D.A. (National Observatory on Women's Health) with the aim of supporting and developing a programme for the prevention and early diagnosis of women's diseases. As part of this programme, the company added to its Salute sicura (Safe health) policy a prevention programme which includes a series of check-ups (the first of which is free) throughout the term of the policy. Similarly, Assicurazioni Generali offers its female clients the Da Donna (For women) product, which includes a prevention programme with check-ups every two years and a series of support services in the event of injury or illness.

In Austria, some policies cover medical expenses incurred for holistic therapies.

### **Other insurance initiatives**

In Austria, the unemployed are able to suspend payment of health policy premiums without the policy itself being suspended. The same concession is available in Germany, for a maximum period of two years.

In France, the AERAS convention has been in place since 2007. This agreement, which was signed by the government, banking and insurance industry bodies, patients and consumer associations, makes it easier for those who have, or have had, serious health problems to gain access to insurance and loans. Also in France, the Group offers its clients an innovative home insurance product that provides policyholders with two smoke detectors free of charge.

In Germany, reduced rates of professional disability cover are available for young businessmen and businesswomen, and civil liability policies are available for people involved in volunteer work.

## Microinsurance

In order to contribute to the economic development of the poorest members of society and to provide those who would otherwise be excluded from the traditional market with insurance products, the Generali Group has developed **microinsurance** projects in some countries that are not part of the Sustainability Report area. More specifically:

### Other European countries

In **Slovakia**, there is a product with low premiums and reduced limits in order to meet the needs of small businesses hit by the recent financial crisis.

### The Americas

In **Colombia**, there is a policy to protect those on low incomes who go to money-transfer outlets to withdraw sums sent to them by relatives living abroad. The policy covers robberies that happen within two hours of the money being withdrawn.

In **Mexico**, bank branches distribute insurance products for small and medium-sized businesses. These are discounted motor and home policies and health policies for employees, which include offers complete with low-cost medical and personal assistance.

### Asia

In **China**, a microloan insurance product has been developed with PPF.

In **India**, the Group is designing a product to meet the specific needs of the rural population. The product is likely to provide cover for, among other things, health problems, accidents, theft and mugging, home and content, agricultural produce and cars.

In the field of **bank products**, two Banca Generali current accounts (Friendly and Advantage) are dedicated to members of the Italian Multiple Sclerosis Association (AISM), who were involved in drawing them up. The products combine favourable financial terms and particularly simple operation, making them highly accessible, secure and tailored to the client's needs. Banca Generali also provides current accounts with specific conditions for non-profit organisations set up by families of people with disabilities (e.g., La Goccia, ANNFASS, L'Anatroccolo).

## Products with particular environmental value

Eco-compatible behaviour can be encouraged in clients through the planning and provision of products and services. Group **product ecology** is reflected in a number of non-life business initiatives, with policies and cover for both individuals and companies.

### Insurance products

In the **corporate** sector, the Group aims to involve insured companies in its effort to comply with existing environmental protection legislation and in the prevention of risks, making insurance cover subject to minimum measures being adopted and adapting the price in relation to the measures adopted. To this end, Group policy for the assumption of property and third party liability risks requires that companies presenting a high risk under the social and environmental profile be carefully assessed and provides preventive advice with the aim of assisting clients to implement safety measures to reduce risk exposure. Premiums may be increased when formal and/or substantial shortfalls are found in the prevention measures adopted, and, in more serious cases, the Company may refuse to provide insurance cover.

Insurance conditions may include specific incentives to prevent or limit environmental damage during the period of insurance. For example, in Italy, Assicurazioni Generali's pollution TPL (Third Party Liability) policy provides compensation for temporary emergency measures implemented to prevent or contain claimable losses and excludes losses arising from non-compliance with legal provisions or from intentional failure to prevent the occurrence of such losses.

As an incentive for the promotion of eco-sustainable behaviour, Group companies provide discounted tariffs for those companies that present less risk to the environment. In France, for example, large discounts are awarded on cover for CAR (Construction All Risks) relating to buildings with an HEQ (High Environmental Quality) certificate. Also in France, Generali offers small and medium-sized businesses a free environmental risk assessment which, in some cases, can result in the awarding of the Agir pour notre avenir (Take action for our future) label, which rewards customer with lower premiums and additional services.

In the construction sector in Austria and France, special cover is provided for facilities that produce renewable energy, such as solar and photovoltaic panels, heat pumps, aerothermal- and geothermal-energy plants, and wind turbines. In Spain, there is special cover for these structures as part of contracts for CAR, EAR (Erection All Risks) and ALOP (Advanced Loss of Profits).

In the **individual client** segment, the focus placed by Group companies on eco-sustainable client behaviour is also reflected in the variable discounts, which may reduce the annual premium by as much as half, applied to the TPL policies for the following vehicles:

- “green” vehicles – namely electric, hybrid, gas-powered or similar (in Italy, France, Austria, Switzerland and, in the near future, Israel);
- vehicles with low CO<sub>2</sub> emissions (in France and Switzerland);
- vehicles with low annual mileage (in Italy, Austria, France, Germany and Switzerland).
- In Italy, INA Assitalia applies special discounts for clients with an annual travel ticket in order to encourage the use of public transport.

In Italy in 2010, Europ Assistance decided to support the Per un mondo più verde facciamo di più (Let’s do more for a greener world) initiative, in partnership with Cassa di Risparmio di Volterra. This allowed bank current-account holders who had bought an Auto Protetta motor insurance policy to offset the CO<sub>2</sub> emissions from roadside assistance call-outs by planting trees. The insurance policy comes with a guide containing useful advice on responsible vehicle usage.

To encourage the installation of equipment for the production of renewable energy in homes, specific cover has been developed alongside traditional liability cover to protect against damage caused by the weather to solar or photovoltaic panels, or to similar installations.

In particular, Generali France covers the full cost of repairing equipment in the first 30 years and, thanks to an agreement with one of the leading operators in the energy sector, provides client incentives for the installation of photovoltaic panels through guaranteed access to favourable finance terms.

In Italy, INA Assitalia provides the “technological risks” policy, which covers certain structures such as hydroelectric plants, wind farms and biomass plants. There is additional cover for damage caused by fire or theft of energy-generating equipment.

To complete the services offered, household insurance policyholders in Austria are eligible for free advice to identify possible ways to optimise energy consumption in their homes and thus reduce emissions that are harmful to the environment.

In Italy, AlleanzaToro has launched the Toro Ecocasa campaign to contribute to environmental protection. As part of the initiative, and in partnership with Legambiente, the company has produced the Le dieci regole d’oro (Ten golden rules) guide with information on the production of solar energy and useful tips on saving energy and reducing CO<sub>2</sub> emissions. In addition, the company plants a tree for every Toro Sistema Solare e Master Casa policy it sells.

### **Banking and investment products**

Generali offers its clients various funds that invest in sectors which protect the environment and contribute to a more sustainable economy (renewable energy, water treatment, recycling of waste, etc.), which may also be selected as unit-linked investments in France and Switzerland.

In Germany, Deutsche Bausparkasse Badenia grants special loans for the construction and renovation of buildings meeting ecological criteria and to cover the cost of energy systems in general, including with a view to limiting consumption.

## **Risk prevention**

### **Health and domestic accidents**

As described in the Products with a particular social value section, the Generali Group offers its clients various types of policies that promote the adoption of healthy lifestyles and/or support healthcare prevention plans through regular check-ups.

As part of its collaboration with the national industry association (FFSA), Generali France became one of the founding companies of the Association of Health Insurers (APS), which publishes illustrated guides on health-related matters and on the prevention of domestic accidents. These guides, which are available to the public free of charge, are distributed through insurance companies, schools, pharmacies and medical practices. They can also be downloaded from [www.ffa.fr](http://www.ffa.fr) and [www.agirpourmasante.com](http://www.agirpourmasante.com), the Generali site that contains information on how to stop smoking and control stress.



As a member of the French Insurance Association (AFA), at which it chairs the committee on sustainable development, Generali France helped to draw up La Charte développement durable des assureurs (the Insurers' sustainable development charter). This document contains five main objectives: publicly declare commitment to sustainable development, support economic development, reduce social inequality, encourage responsible investment and include social and environmental themes in corporate business strategies.

## Road traffic

In recent years, the Generali Group has developed a number of road safety initiatives.

In Italy, in order to make young people better drivers, ANIA (National Association of Insurance Companies), the traffic police and consumer associations have formulated the Patto per i giovani (Youth agreement) initiative, to which Group companies have signed up, providing discounted tariffs for young people in specified age brackets who agree to comply with the good conduct set out in the policy, such as not driving while under the influence of alcohol or drugs, not using mobile phones while at the wheel, wearing seatbelts and fastening their crash helmets (when on a motorbike), etc.. Italian Group companies are also members of the **Foundation for Road Safety**, set up within ANIA at the request of the insurance companies, which aims to prevent traffic risks by promoting education on safe road travel. It especially targets young adults, with initiatives at universities, projects for new drivers, prize competitions, and programmes providing an understanding of the risks of drink-driving. As an additional learning tool, one of the Foundation's websites ([www.smaniadisicurezza.it](http://www.smaniadisicurezza.it)) features a driving simulator that uses virtual journeys to teach people about road hazards and how to respond to them. The site also contains information on road safety, traffic risks, and current and future initiatives. The current initiatives are: Guido con Prudenza e Brindo con Prudenza (Drive responsibly, Drink responsibly), which encourages people to appoint designated drivers, and Black Point, which helps to prevent accidents by logging traffic blackspots (dangerous junctions, poor road surfaces, etc.) indicated by users. The Foundation's other initiatives include: the scatola rosa (pink box), a GPS tracking device that women drivers can activate if they are in an accident or are assaulted, and Sicurezza nel Trasporto Pesante (Heavy goods transportation safety), theory and practical training for drivers of heavy-goods vehicles which includes free installation of a black box to monitor driving style, improve driver safety and collect useful data for risk prevention. The Foundation also works with the Roma Capitale municipal authorities to make the city's most dangerous routes safer. Initiatives include: accident-data collection to identify the most dangerous areas, an information campaign for parents on the correct way to transport babies and children, and education activities for students to promote the use of safety equipment on two-wheeled vehicles.

In Italy and Germany, direct sales companies Genertel and CosmosDirekt produce a newsletter for clients during periods of heavy traffic (summer holidays, Christmas, Easter, etc.) to provide information on how best to travel in safety. In Austria, clients purchasing a special roadside assistance package are offered a complimentary safe-driving course. The Easy Drive initiative has been launched for younger clients in France with a view to reducing accidents, especially at night. The policy offers a premium discount of up to 40% if monthly mileage is below a certain level. This is monitored by a GPS device and there is an additional premium if the vehicle is used at night. Responsible-driving booklets have also been developed for clients and reflective jackets and warning triangles have been distributed.

In Germany, Generali Versicherung and industry association GDV work together to raise awareness about traffic risks. In Spain, the Group takes part in a project run by the national industry association (UNESPA) to provide clear product information and it works with the association by supporting road safety campaigns and participating in research programmes promoted by the Zaragoza Centre, UNESPA's research institute for vehicle repair and safety.

## Climate change

In Italy, analysis of risks arising from climate change has led to the creation of certain sales initiatives. More specifically, the Toro group has developed specific cover that can be added to third party liability policies to protect retail and wholesale commercial activities against damage caused by earthquakes and floods.

## Service policies

Generali Group's commitment to increasing the level of customer satisfaction is also reflected in the continuous development of solutions and initiatives to improve the services it provides. It analyses processes and monitors activities to continuously check the initiatives it has implemented, with the aim of identifying areas for improvement. To maintain consistently high-quality standards of service, focusing on client needs, the Group provides:

- simple access to products and services;
- clear and transparent information on the services it provides, in line with professional ethics;
- appropriate and comprehensive advice at the various stages of contractual relations;
- timely responses to reports of any anomalies.
- Service development and innovation aims to simplify communication with the public and to integrate sales channels so as to facilitate client access to products.

Attention and commitment to the environment are also reflected in service innovation through targeted initiatives to reduce environmental impact and foster sustainable behaviour among clients. The Europ Assistance group has signed an agreement with Dekra, a European leader in automotive and industrial services, to prepare its roadside-assistance network for breakdowns of electric vehicles in five European countries (France, Italy, Spain, Germany and Belgium). This initiative is going to provide a high-quality service by anticipating drivers' consumption trends.

In recent years, the range of traditional communication tools available to Group companies has been expanded to include the internet and call centres, which reach out to a greater number of users and make contact easier. All companies have successfully increased public access to their products and services by developing and continuously updating their website, which has a range of different functions and applications, depending on the type of service being provided. The majority of website pages have been designed in accordance with the main W3C (World Wide Web Consortium) accessibility guidelines.

In 2010 as well as in the previous years, Migdal's **website** in Israel received an award for its insurance training activities and information.

The main services available through the **websites** are shown in the table below.

INSURANCE COMPANIES	BANKS
<p><b>Insurance companies</b> provide the following:</p> <ul style="list-style-type: none"> <li>• search tools for the identification of agencies and claim-settlement offices by area</li> <li>• a "contact us" section through which the client can contact the company directly</li> <li>• product information in terms of content and guaranteed cover</li> <li>• a glossary</li> <li>• an FAQ section</li> <li>• up-to-date share listings and historic performance of ordinary shares, investment funds and indices</li> <li>• description of available after-sales services (claim forwarding, advice of claim, etc.)</li> <li>• information on approved facilities in the area</li> </ul> <p>The CosmosDirekt website in Germany also includes the "Co-Browsing" option, which uses a dedicated adviser to solve navigation problems on the spot.</p> <p>Some companies in Italy, France, Germany, Israel and Switzerland provide web applications to calculate quotes, simulate supplementary pension products and pay policy premiums.</p> <p>On the Assicurazioni Generali, AlleanzaToro, Genertel and Genertellife websites in Italy, the Generali France website, the CosmosDirekt website in Germany and the Migdal website in Israel, limited-access areas are available for clients to check their insurance and/or pension policy statements, change their personal details, request tailored quotes and pay their policy premiums. Complete security and confidentiality of data and transactions is guaranteed by a two-level login system: username and customisable password. Payment facilities are located in protected areas.</p>	<p><b>Banks</b> provide the following:</p> <ul style="list-style-type: none"> <li>• information on the main contacts for clients: call centres, bank branches, agencies of financial a/private bankers</li> <li>• a "contact us" section where the client can contact the bank directly</li> <li>• information on bank products and transactions</li> <li>• an FAQ section</li> <li>• up-to-date listings and historic performance of ordinary shares, investment funds and indices</li> </ul> <p>On Banca Generali Group websites in Italy and on the websites of Generali Bank in Austria and BSI in Switzerland, home banking facilities offer the customer a range of functions such as conventional banking transactions, account statements, security and asset statements and the option to open accounts online. The Banca Generali Group and Generali Bank sites give clients access to security and fund sale transactions. Complete security and confidentiality of data and transactions is guaranteed by a two-level login system: username and customisable password.</p> <p>The Banca Generali Group site contains information in Italian and English.</p>

In most Group companies, the multi-channel client approach includes an additional contact tool: the **call centre**. Companies use the telephone service to provide their clients with remote support and longer opening hours, which may extend through the night for emergency-response cover (roadside assistance, healthcare and household cover).

Clients and potential clients can receive assistance on a number of levels through the **call centres**, as indicated in the following table:

INSURANCE COMPANIES	BANKS
<p>Skilled operators provide the following for <b>insurance companies</b>:</p> <ul style="list-style-type: none"> <li>• general product information</li> <li>• insurance policy advice</li> <li>• information on after-sales services</li> <li>• company website navigation support</li> <li>• quotes and/or product simulations</li> <li>• a timely response to reports of bad service</li> <li>• assistance in filling out the advice of claims and completing the paperwork</li> </ul> <p>Some companies in Italy (Genertel and Genertellife) and Germany (CosmosDirekt) and Europ Assistance companies also use this channel to sell policies. In this case, clients can contact call centres:</p> <ul style="list-style-type: none"> <li>• for information on payment methods</li> <li>• for information on insurance cover in place for each contracting party</li> <li>• to change, amend, suspend or terminate the policy</li> <li>• for quotes for other risks with favourable terms</li> <li>• to update their personal details.</li> </ul>	<p>Skilled operators provide the following for <b>banks</b>:</p> <ul style="list-style-type: none"> <li>• assistance on products and applicable conditions</li> <li>• financial advice on markets and offers</li> <li>• information on after-sales services</li> <li>• bank website navigation support</li> <li>• a timely response to reports of bad service</li> <li>• information on the sales network</li> </ul> <p>The Banca Generali group in Italy and Generali Bank in Austria provide additional services via telephone, which allow clients to transact on their own current accounts to:</p> <ul style="list-style-type: none"> <li>• arrange one-off and regular bank transfers</li> <li>• apply for credit cards or cash cards, cheques, internet access codes, etc</li> <li>• trade in securities</li> <li>• In Switzerland, BSI offers its clients the BSI e-connect Support telephone service, which provides instructions on how to use the e-banking system. This service also includes a secure mail server that clients can use at any time to send further requests.</li> </ul>

In Germany and Spain, agencies do not feature architectural barriers, which means easier access for disabled people.

A number of nationwide initiatives have been introduced to improve the diffusion of insurance and financial know-how and make it available to an increasingly vast public.

All websites feature: a glossary, annotated policy conditions and an FAQ section.

**Information and insurance/financial literacy** programmes have been implemented by the majority of Group companies, through the issue of newsletters and leaflets to clients and customers, to make it easier to understand industry terminology, primary insurance cover, basic financial instruments and new regulations.

In Italy, DAS sits alongside the Italian Committee of Legal Protection Insurance and industry association ANIA on a working group that aims to spread a culture of insurance and legal protection and to promote anti-fraud initiatives in relation to specific risks.

In order to make an active contribution to the diffusion of economic and financial know-how, the Banca Generali group, as a member of the Patti Chiari consortium, gets directly involved in financial-education projects and projects on the transparent communication of information on the products that best represent its own range. In 2009, the Group signed up to the so-called Impegni per la Qualità (Quality Commitments), a series of initiatives aimed at simplifying relations between banks with a view to supporting transactions and making them safer.

In Germany, CosmosDirekt joined forces with local media and Focus Money magazine to create the Finanzfitness (Finance Fitness) initiative, which aims to assess and improve customers' knowledge of finance and insurance. Generali Investments employees took part in Hoch im Kurs, a BVI (Bundesverband Investment and Asset Management) initiative providing lessons on finance.

In Switzerland, BSI is a member of the ASB industry association, which has a dedicated banking and financial training website aimed at young people: [www.juniorbank.ch](http://www.juniorbank.ch).

There has been a marked change to the **client base**, which is becoming increasingly **diverse in terms of origin and culture**. This has prompted some Group companies to translate their company literature into the languages which are most prevalent in their area. More specifically, clients in South Tyrol in Italy can get their information and policies in German, Turkish-language brochures are available in Austria, English and Russian are available in Israel, and information can be provided in Romanian and Arabic in Spain.

**Marketing communication**, which includes advertising, promotion and sponsorship initiatives, “is in line with the fundamental ethical values of the civil society it is targeted at. Its contents are always truthful and reject any coarse or offensive messages”, in keeping with the provisions of the Ethical Code of the Generali Group and with the directives issued by the relevant supervisory authorities. In addition to this, the spontaneous adoption by several Group companies of voluntary or self-regulatory codes also attests to the Group’s desire to express social-responsibility concepts through marketing, with the aim of establishing and maintaining serious, long-term client relations.

The following should be noted in this regard: the adhesion of the Parent Company and several other important Italian companies (AlleanzaToro, Fata and INA Assitalia) to the Codice di Autodisciplina Pubblicitaria (Advertising Self-Regulatory Code); adhesion to the Code of Advertising Self-Discipline and Advertising Practice and to the Transparency Code in Spain; the permanent membership of Generali Group Switzerland of the Ethical and Self-Discipline Chamber for Swiss Direct Marketing (Mass Marketing) Activities.

In 2010, no cases of non-compliance with regulations or voluntary codes were reported regarding the marketing communication of Group companies.

In 2010 the - Stop: Think about the future - poster, which summarises the main commitments of the Generali Group in the environmental field through four brief messages, was prepared for all the agencies.

## Management of non-life claims

In the non-life insurance segment, the quality of customer service is mainly measured at the claim settlement stage. The Group has shared facilities in all countries to optimise claim management procedures and to facilitate the settlement of claims. In Italy, such management is almost entirely entrusted to Generali Business Solutions, with the exception of large claims for elementary and property lines of business and claims involving Genertel clients, which are handled by the company’s own claim settlement department. In Germany, AMB Generali Schadenmanagement was established in 2007 to manage and settle claims on behalf of all Group companies. Group companies have introduced simplified procedures for the settlement of “simple” claims, namely those relating to damage to individual items involving small levels of compensation. This was done to improve customer service and, in particular, to reduce the amount of time it takes to settle a claim.

All processes leading up to the settlement of a claim are constantly monitored and analysed with a view to making them faster. The services offered to clients by most Group companies during the various claim management stages are shown in the table below.

Service	Modality
For further <b>information</b> and <b>assistance</b> , clients can:	<ul style="list-style-type: none"> <li>• contact the agency</li> <li>• contact the call centre. In Italy, Assicurazioni Generali has introduced a call-back system, which allows clients to schedule a return call if the line is busy</li> <li>• browse the website: for some companies, this includes an online advice of claim form</li> <li>• go to approved vehicle body shops in Italy, Austria and Switzerland that provide assistance with the paperwork</li> </ul>
The <b>advice of claim</b> can be forwarded by any of the following methods:	<ul style="list-style-type: none"> <li>• through the agency</li> <li>• through the call centre: this may be dedicated to providing customer support, as is the case in Switzerland and for some companies in Italy, or to assisting the sales network in processing the claims collected by the agency, as is the case in France</li> <li>• through the online advice of claim forms available on the websites of various companies in Italy, Austria, France, Germany, Spain and Israel</li> </ul>
<b>Insurance adjuster</b> contact details are available:	<ul style="list-style-type: none"> <li>• from the agency when the advice of claim is made</li> <li>• from client call centres or, as in France, from sales network call centres</li> <li>• from approved vehicle body shops in Austria and Italy. In Italy in 2010, Genertel reached an agreement with Car Clinic whereby minor claims are managed directly without the intervention of a insurance adjuster</li> <li>• via SMS. This service is available in Italy only for Genertel clients and also in Spain, Switzerland and Austria. A remote assessment of damage is available in Austria, France and Switzerland which reduces both the travel demands on the insurance adjuster and inconvenience to the client, as well as benefitting the environment</li> </ul>

Agreements and conventions with healthcare facilities, doctors, roadside-assistance providers, vehicle body shops, car hire firms, etc. are in place to facilitate client access to the services provided. In all countries, agreements are in place with mobile body shops specialising in the repair and replacement of damaged windscreens. Group company supplier selection procedures aim to guarantee a high level of customer service. Some agreements also envisage cover that does not require advanced payment and/or that fully reimburses losses without application of a deductible.

In Italy, Generali Group provides its clients with innovative services, which include a network of trusted vehicle body shops (Carrozzeria SiCura) to simplify claims handling and assistance. This network includes almost 1,300 body shops throughout the country, which undergo regular quality checks by the Italian regulatory body for motor repairs. This is the only research centre in Italy committed to testing vehicle vulnerability and reparability which, through greater care in the vehicle repair phase, is able to provide customers with excellent levels of service and contain the cost of claims. Information on Carrozzeria SiCura is available from all agencies, the approved body shops and the dedicated website [www.carrozzeriasicura.it](http://www.carrozzeriasicura.it), which was launched recently and contains useful information on road safety and how claims are managed. The site also allows clients to give their opinion on the service provided by the body shop, offering direct interaction with a view to improving the service and the chance to express their needs and expectations. The number of repairs carried out by the network increased by approximately 20% last year.

In Italy in 2010, the Generali Group, which is a global pioneer of applications for mobile devices, launched its i-polizza/e-polizza app for smartphones. This app allows clients to file a claim in real time and uses GPS to find the nearest approved body shop. Clients can also contact the call centre or an agency for further support. It is also possible to book a medical appointment at one of the more than 800 approved clinics and receive traffic information.

In France, the Group plans to reorganise its network of approved body shops in order to improve the service by: simplifying claim management procedures using a remote assessment of damage, preparing a courtesy car for as long as it takes to repair the vehicle, issuing a two-year warranty on repairs and reducing the price of repairs that are not covered under the insurance policy.

In Germany, in order to ensure clients receive a quick and efficient repair service at reduced costs, an agreement has been signed with insurer HUK Coburg, one of the country's leading operators, allowing Generali clients to use its network of trusted body shops.

## Non-life claims

	NUMBER OF CLAIMS REPORTED		NUMBER OF CLAIMS SETTLED		SUMS PAID FOR CLAIMS*	
	2009	2010	2009	2010	2009	2010
ITALY	2,103,941	2,149,730	1,903,131	1,933,814	4,825,154.1	4,715,975.1
AUSTRIA	866,603	815,784	885,456	884,210	923,300.0	942,660.0
FRANCE	718,830	737,905	707,599	727,347	1,478,065.5	1,734,306.2
GERMANY	3,506,766	3,647,577	2,954,247	3,056,238	2,595,188.9	2,624,552.8
ISRAEL	n.a.	n.a.	58,048	52,091	205,010.3	189,598.3
SPAIN	1,701,309	1,838,980	1,616,859	1,781,933	983,380.1	1,003,364.0
SWITZERLAND	226,536	236,460	222,485	236,534	325,375.0	392,418.2
<b>TOTAL</b>	<b>9,123,985</b>	<b>9,426,436</b>	<b>8,347,825</b>	<b>8,672,167</b>	<b>11,335,474.0</b>	<b>11,602,874.7</b>

\*VALUES IN THOUSAND EUROS

- In 2010, Group companies received more than 9.4 million claims, an increase of 3.3% compared with the previous year. The spread of claims over the different countries shows they were concentrated in Germany (38.7%) and Italy (22.8%), the countries with the largest number of non-life policies.
- Last year, the Group paid out on almost 8.7 million claims (+3.9% on 2009), for an overall sum in excess of 11.6 billion euros (+2.4% on 2009). Only some of the settlements were related to claims made in the year, while the remainder of the claims were made in previous years.
- 39.3% of claims were reported via call centres, an increase of 1.6 points on the previous year. This method was particularly popular in Spain, where 98.2% of claims were made over the phone.

## Speed of settling motor claims

	2009	2010
ITALY	60.7%	59.2%
AUSTRIA	69.7%	70.6%
FRANCE	61.0%	60.3%
GERMANY	65.7%	63.8%
ISRAEL	49.4%	59.0%
CZECH REP.	82.9%	79.6%
SPAIN	73.6%	72.5%
SWITZERLAND	72.3%	73.1%

- One of the factors of greatest influence on client/injured-party satisfaction at the time of the claim settlement is the time taken to receive compensation. The percentage of claims made and not cancelled in the year, and which were settled in the same year, is shown in the table. The percentage recorded in the year under review is an indicator of the time taken to handle claims through to settlement with the relative payout to the assured/injured parties.
- The overall speed of settlement fell slightly compared with 2009, owing particularly to the slowdown in Germany (-1.9 percentage points) and Italy (-1.5 percentage points). There was a clear acceleration of claims settlement in Israel, where the percentage rose by almost 10 points.
- Despite a slowdown of 3.2 points last year, the Czech Republic was still the quickest, while in Switzerland, Spain and Austria more than 70% of claims were settled in the same year they were reported.
- Accurate assessment of the efficiency of a company's settlement procedures in a given country would require more accurate information, which is currently not available, on the characteristics of insured risks for the various lines of business and the resulting types of loss, which can require fairly lengthy technical assessment timeframes to quantify the damage incurred.

## Services for life insurance policyholders

The Group life insurance segment has also reached significant proportions in terms of amounts paid to policyholders (or their beneficiaries) for expiring policy or following a claim (death, permanent disability, etc.).

## Claims and expiring life policies

	NUMBER OF CLAIMS		SUMS PAID FOR CLAIMS*		NUMBER OF EXPIRING POLICIES		SUMS PAID FOR EXPIRING POLICIES*	
	2009	2010	2009	2010	2009	2010	2009	2010
ITALY	14,265	13,922	288,674.8	320,144.4	312,185	298,804	4,617,437.4	5,320,630.0
AUSTRIA	3,914	5,723	43,445.1	45,530.0	54,921	49,561	629,877.6	586,367.0
FRANCE	n.a.	61,116	1,428,277.5	1,524,215.1	n.a.	n.a.	606,341.0	617,706.2
GERMANY	80,124	77,916	491,958.5	494,299.5	444,548	455,044	3,521,338.9	3,821,309.1
ISRAEL	65,597	70,082	161,293.1	193,408.7	6,823	6,745	92,626.8	156,535.3
SPAIN	4,008	3,979	92,437.0	96,869.0	37,527	39,830	1,111,854.6	1,078,558.0
SWITZERLAND	3,027	3,480	68,664.0	64,551.8	6,726	6,978	213,726.9	261,328.3
TOTAL	170,935	236,218	2,574,750.1	2,739,018.4	862,730	856,962	10,793,203.3	11,842,433.9

\*VALUES IN THOUSAND EUROS

- More than one million life policies were settled in 2010, with an increase of 5.8% due to a sharp rise in the number of claims (+38.2%), while the number of expiring policies fell by 0.7% year on year.
- In the life insurance segment, payments to policyholders/beneficiaries totalled nearly 14.6 billion euros (+9.1%); the majority of payments related to expired savings policies, totalling 11.8 billion euros (of which almost 87% was in lump sum). Payouts for claims relating to death or permanent disability arising from illness totalled more than 2.7 billion euros.



## Complaints

Group **insurance companies** handle claims in full compliance with current regulations in the countries where they operate, and in application of internal procedures.

To promote dialogue, multiple channels have been set up for the forwarding of reports, as indicated in the terms of contract and on the websites. Clients can submit a complaint by letter, fax, telephone or email or by filling out the relevant form in the “contact us” section of the website of certain companies.

Country	Complaints handling procedure
<b>Italy</b>	Each company has a dedicated organisational unit which handles complaints and monitors complaint processing activities. Each company has a specially designated department that is responsible for managing the complaints register. The head of Internal Audit is responsible for checking the fairness of claims management procedures and presents quarterly reports to Top Management, the board of directors and the supervisory board. Current legislation requires: adoption of internal complaints rules that govern the entire complaints management process, and sending of a response to the plaintiff within 45 days of receipt of the complaint.
<b>Austria</b>	Complaints are handled at a local level in order to provide the client with a rapid and precise response by resolving the problem directly in the branch. At Generali Versicherung, all reports are centrally monitored by a person employed in the Exklusiv Vertrieb department, and there are similar structures at the other companies which are responsible for providing periodic information to Top Management and for suggesting changes to improve the service.
<b>France</b>	There are five operating units, each with their own area of competence, which gather information, assess complaints and report to a dedicated department, which, among other things, monitors activities on a monthly basis. The ombudsman is also involved in analysing the reports made. The ombudsman is an independent person whom clients may contact if they are dissatisfied with the response they have received to a complaint. Generali France has prepared a complaint-handling policy to coordinate the various activities across all companies and to define commitments, objectives and responsibilities. Guidelines on managing complaints have been drawn up and distributed to all sales network employees.
<b>Germany</b>	Each individual company handles its own complaints through dedicated administrative departments which analyse requests, monitor activities and report regularly to Top Management. As required by current regulations, letters of response to complaints must be signed by a member of the Board of Directors. German companies are part of the Ombudsman Association, an independent institution that clients may contact to settle disputes out of court.
<b>Israel</b>	All complaints are recorded on receipt and are handled by a dedicated department, which works with the various areas and prepares monthly, quarterly and annual reports for Top Management. The complaint-handling structure also includes the ombudsman department, which checks and audits all complaints received by the company from clients and injured parties, suppliers, consumer associations, etc..
<b>Spain</b>	The Customer Service Department (which includes the ombudsman) is an independent organisational unit that catalogues, analyses and processes complaints.
<b>Switzerland</b>	The Legal and Compliance department is responsible for all complaint-handling activities and prepares an annual report for the Managing Director of Generali Group Switzerland. It is also involved in analysing problems in order to identify areas for improvement.

## Insurance complaints

	RECEIVED		ACCEPTED		REJECTED		OUTSTANDING		ACCEPTED/RECEIVED	
	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010
ITALY	25,552	30,804	9,982	11,150	14,004	17,345	1,566	2,309	39.1%	36.2%
AUSTRIA	508	1,009	446	936	62	46	0	27	87.8%	92.8%
FRANCE	2,560	3,048	810	1,079	1,676	1,847	74	122	31.6%	35.4%
GERMANY	59,021	76,105	34,796	46,056	23,520	29,506	705	543	59.0%	60.5%
SPAIN	2,212	3,182	869	977	1,299	2,187	44	18	39.3%	30.7%
SWITZERLAND	80	86	22	28	51	56	7	2	27.5%	32.6%
<b>TOTAL</b>	<b>89,933</b>	<b>114,234</b>	<b>46,925</b>	<b>60,226</b>	<b>40,612</b>	<b>50,987</b>	<b>2,396</b>	<b>3,021</b>	<b>52.2%</b>	<b>52.7%</b>

- The data for Austria refer only to Generali Versicherung AG.
- In 2010, insurance companies received 27% more complaints than in the previous year, numbering 14.7 for every 10,000 policies.
- The figure falls to 7.8 complaints in every 10,000 policies if only accepted complaints are taken into consideration, i.e., those which have been deemed justified. In spite of a 28.3% increase, accepted complaints account for only just over half of all complaints received.
- There is a strong concentration of accepted complaints: around 76.5% were in Germany, which has 14.8 complaints for every 10,000 policies. The increase of 32.4% on 2009 is due mainly to a change in cataloguing procedures by AachenMünchener Versicherung, which decided to categorise all indications of dissatisfaction as official complaints so they were analysed more thoroughly.
- In Germany, but also elsewhere, the increase in complaints was therefore not necessarily down to clients being less satisfied, but rather to companies being more willing to listen and sort out the problems and inefficiencies identified by clients. This was the case, for example, in Spain, where in 2010 there was a 43.9% jump in the number of complaints received, although the rise in complaints accepted was much smaller at 12.4%. The steep rise in the number of complaints was the result of an additional channel through which they could be sent: a dedicated email address making it easier to forward the complaints. The increase in the number of complaints in France was probably due to the distribution to sales networks of the aforementioned guidelines on complaint management and to consumer associations' online information campaigns and education on the various ways to log a complaint. There was a 19.1% rise in the number of complaints received, but this time the number of complaints accepted increased more sharply (+33.2%).
- In Austria, the number of complaints doubled due to the decision of Generali and many other companies to partially charge the client higher management expenses following the payment of premium by instalments. The client monthly receives the so called payment form duty through the post.

In the majority of cases (93%), the complaint is made by the contracting party/policyholder, whereas it is made by the injured party/beneficiary in only around 7% of all cases.

There is only partial information available on the average number of days it takes to process accepted complaints, but the slight reduction (-5.4%, or around one day) in the average time taken to process the paperwork shows that there has been an improvement in customer service. Data are available only for some countries. The time taken to process the paperwork ranges from 3 days in Austria to 39 days in Spain, although the latter has seen a sharp reduction of almost 18 days.

## Complaints by area

	ADMINISTRATIVE AREA		UNDERWRITING AREA		SETTLEMENT AREA	
	2009	2010	2009	2010	2009	2010
ITALY	13.8%	18.5%	17.2%	18.5%	69.0%	63.0%
AUSTRIA	25.8%	69.5%	70.5%	28.8%	3.7%	1.7%
FRANCE	19.5%	14.6%	37.7%	38.3%	42.8%	47.2%
GERMANY	69.3%	70.9%	15.3%	14.9%	15.4%	14.3%
SPAIN	15.1%	10.3%	19.9%	25.6%	65.0%	64.1%
SWITZERLAND	10.0%	7.0%	5.0%	1.2%	85.0%	91.9%
TOTAL	50.5%	53.5%	16.9%	16.9%	32.6%	29.6%

- More than half of all complaints are lodged against the administrative area (53.5%, up by 3 percentage points), which is the main target of complaints in Germany (70.9%) owing to shortfalls in service, difficulties encountered by clients in understanding policy terms and long paperwork-processing times, and in Austria (69.5%) owing to dissatisfaction at the aforementioned passing on of some collection costs.
- 29.6% of complaints – an improvement of 3 percentage points on 2009 - relate to settlements, where policyholders' grievances were primarily due to delays in payment of compensation or to the amount of the reimbursed sums being deemed insufficient. This area accounts for the majority of dissatisfied clients in Switzerland, Spain, Italy and France.
- In France, more than a third of complaints (38.3%) related to the underwriting area and were the result of relations with the sales force.

## Complaints by line of business

	COMPLAINTS: LIFE POLICIES		COMPLAINTS: HEALTH POLICIES		COMPLAINTS: MOTOR POLICIES		COMPLAINTS: OTHER NON-LIFE LINES	
	2009	2010	2009	2010	2009	2010	2009	2010
ITALY	37.0%	33.4%	5.2%	5.8%	45.4%	47.2%	12.4%	13.7%
AUSTRIA	9.4%	4.6%	13.4%	5.2%	21.9%	10.2%	55.3%	80.1%
FRANCE	56.1%	43.0%	4.1%	5.1%	10.5%	16.4%	29.3%	35.5%
GERMANY	54.0%	48.7%	2.7%	2.8%	17.3%	24.7%	25.9%	23.8%
SPAIN	5.2%	5.0%	15.0%	8.3%	7.5%	17.8%	72.4%	69.0%
SWITZERLAND	10.0%	5.8%	11.3%	14.0%	65.0%	64.0%	13.8%	16.3%
TOTAL	47.7%	42.8%	3.8%	3.8%	25.0%	30.2%	23.5%	23.2%

- The majority of complaints relate to life policies and are the direct result of the high concentration of complaints in this sector in Germany. This is due to a decision by the Federal Supreme Court in October 2005, which ruled that certain life policy clauses were not transparent. The Court ordered the company to replace the clauses with a minimum return calculated according to a formula defined by the Court itself. The decision led to numerous complaints relating to the recalculation of interest applied to life policies taken out between 1994 and 2001.
- In 2010, however, the proportion of complaints relating to life policies fell by around 5 percentage points, and there was a similar increase in the proportion of complaints relating to motor policies, owing to rises in Germany, Spain, France and Italy.

Group **banks** are organised differently as far as the complaint-handling process is concerned, due in part to legislation in the various countries. All banks have various methods by which customers may lodge a complaint, such as: letter, fax, telephone, email and a department which is responsible for the handling and analysing of complaints and monitoring activities for the identification of possible improvement measures.

At the **Banca Generali Group**, the Complaints Organisational Unit is responsible for handling complaints relating to both investment services and banking products and services. The unit collects and analyses complaints received and forwards them to the appropriate organisational unit for resolution. Its duties include keeping a complaints register

and preparing the relative Supervisory Authority notifications. Specific controls and a general monthly audit are performed to check the activities and report any anomalies in the various company structures.

Since 2009, the Banca Generali Group has been registered with the Conciliatore Bancario Finanziario - an arbitrator for banks and financial institutions that was set up by the Interministerial Committee on Loans and Savings (CICR) - which is an alternative judge to which clients may turn free of charge, with the exception of a contribution towards procedural expenses.

In Austria, **Generali Bank** records complaints in a special register and, if a direct solution to a complaint cannot be found, the complaint is forwarded to Ombudsstelle, a specific unit in direct contact with the Board of Directors and managers of internal departments with a view to ensuring continual improvement in internal processes and customer service. Complaint-management activities are monitored quarterly, and the results are included in the annual report. All telephone conversations with clients are recorded for security purposes.

In Germany, **Bausparkasse Badenia** has set up a special complaints-handling unit which is part of the Internal Audit department. It follows all stages of the complaint-handling process through to compensation and carries out daily checks on the status of pending claims, working together with department heads. The unit also prepares a quarterly report for Top Management.

In Switzerland, **BSI** has entrusted the Compliance department to handle complaints. It combines, coordinates and monitors the different stages of collaboration with other departments (Legal, Private Banking, Risk Management and Accounting) and prepares a quarterly report for the General Management, a summary of which is included in the Risk Report for the Board of Directors. In order to improve products and customer service, the unit works with the BSI Quality Committee to bring to the attention of Committee members the issues raised in complaints for which a solution is more complex because it requires the contribution of a number of departments.

## Bank complaints

	RECEIVED		ACCEPTED		ACCEPTED/ RECEIVED	
	2009	2010	2009	2010	2009	2010
ITALY	501	448	137	115	27.3%	25.7%
AUSTRIA	102	133	102	129	100.0%	97.0%
GERMANY	10,586	8,807	3,407	2,496	32.2%	28.3%
SWITZERLAND	243	82	89	19	36.6%	23.2%
<b>TOTAL</b>	<b>11,432</b>	<b>9,470</b>	<b>3,735</b>	<b>2,759</b>	<b>32.7%</b>	<b>29.1%</b>

- In 2010, the number of bank complaints received fell by 17.2% compared with the previous year, while the number of accepted complaints decreased by 26.1%. The reduction seen at BSI played a big part. The constant monitoring and cooperation between Compliance and other BSI units involved in complaints management resulted in a significant drop in the number of complaints from clients.
- Only 29.1% of complaints received were deemed to be justified. 90.5% of these related to Germany, where there was, however, a 26.7% reduction in the number of complaints accepted.
- The major reasons cited in the complaints were: errors, or presumed operating errors, committed by the bank in applying rates or delays in the execution of orders received; products failing to match customer expectations or needs; lack of or incomplete information in the after-sales service; and dissatisfaction with investment performance.

## Disputes

As at 31 December 2010 in the countries included in the Sustainability Report area, the Group was involved in 123,938 disputes relating to its insurance business and 724 disputes relating to bank business, which remain pending. The number of disputes includes cases in which the Generali Group companies are the defendants (passive disputes) as well as cases where Group companies have initiated proceedings.

## Passive insurance disputes

	MOTOR: NUMBER		MOTOR: VALUE*		GENERAL TPL: NUMBER		GENERAL TPL: VALUE*	
	2009	2010	2009	2010	2009	2010	2009	2010
ITALY	27,343	31,182	846,181	817,174	10,347	11,437	1,414,454	1,470,714
AUSTRIA	2,251	1,963	65,120	74,938	685	612	33,660	31,932
FRANCE	1,263	1,207	107,110	107,518	2,264	2,081	117,471	99,187
GERMANY	7,695	8,104	43,866	54,983	2,693	2,943	79,465	103,692
SPAIN	7,853	10,036	196,091	191,735	3,106	2,712	42,701	37,875
SWITZERLAND	64	67	23,329	22,247	17	29	7,545	3,251
<b>TOTAL</b>	<b>46,469</b>	<b>52,559</b>	<b>1,281,697</b>	<b>1,268,595</b>	<b>19,112</b>	<b>19,814</b>	<b>1,695,296</b>	<b>1,746,651</b>

\*VALUES IN THOUSAND EUROS

- The number of pending passive disputes, which totals 84,523, rose by 10.2%, with both motor and general TPL cases contributing to the increase.
- The biggest rise (13.1%) came in the motor insurance line, owing mainly to the increase of 14% in the number of disputes in Italy. As noted on several occasions, this situation is primarily attributable to the lack of legal mechanisms for assessing personal injuries, which are generally present in other countries, and to the lengthy timeframes of the Italian justice system. Disputes also rose sharply (+27.8%) in Spain, due primarily to the increase in personal-injury claims and to more paperwork in an attempt to prevent fraud.
- As for the value of disputes, recorded herein as the amount requested by the claimants, there was a slight decrease in the motor line (-1%) and an increase in the general TPL line (+3%).

In 2010, no Group company was fined by the EU **antitrust authority** or by national antitrust authorities.

The **insurance regulators** issued fines totalling almost 9.7 million euros to Group companies. The majority of fines were given to Italian companies, which attracted fines of more than 7.9 million euros for breaches of claim-settlement regulations, especially in motor TPL claims.

## Passive bank disputes

	NUMBER		VALUE*	
	2009	2010	2009	2010
ITALY	18	20	2,945	2,667
AUSTRIA	0	0	0	0
GERMANY	787	422	80,894	68,951
SWITZERLAND	30	28	n.a.	n.a.
<b>TOTAL</b>	<b>835</b>	<b>470</b>	<b>83,839</b>	<b>71,618</b>

\*VALUES IN THOUSAND EUROS

- Due to confidentiality, BSI bank dispute values are not available.
- There were 470 cases brought against Group banks, which was down by 43.7% on the previous year. Their combined value, considered as the amounts claimed by the counterparty, fell by 14.6%.
- The main sources of dispute relate to allegations of inefficiently managed banking products, presumed irregularities in investment services and operations performed by the bank, and market losses that plaintiffs attribute to the banks.
- Passive disputes in Germany continued to fall in 2010, particularly in terms of the number of cases brought (-46.4%). The majority of cases brought against the German bank relate to claims for losses from investors who hold the bank responsible for the negative performance of certain property investments in the early 1990s on account of not having adequately assessed the risks.

During 2010, no Group bank was fined by the national banking supervisory body, but the Banca Generali Group was fined by insurance regulator ISVAP following administrative proceedings arising from a supposed failure to notify the authority of the merger of Banca del Gottardo Italia S.p.A. (an insurance broking firm recorded in section D of the

Insurance Brokers' Register) and Banca BSI Italia S.p.A.. Cross-examination was completed in 2010, and the minimum fine was imposed and subsequently paid in January 2011.

## Engagement of clients

The Group is continuously committed to improving the quality of its services and places particular emphasis on dialogue with clients and analysing the results emerging from the numerous surveys it conducts on a regular basis. Findings regarding brand perception and client satisfaction with regard to Generali products and services, as well as surveys on client/customer expectations and the reasons behind their decisions are the starting point for developing and completing the product range, the internal organisational processes and communication. In certain cases, survey objectives include assessing the level of company services against those of its competitors.

Europ Assistance companies are especially active in dialogue with clients, partly because of their specific type of business, and conduct interviews with representative samples of clients on a monthly basis. There was a high level of customer satisfaction in all the Sustainability Report area countries, with more than 90% of respondents in Spain declaring to be satisfied. The results obtained in France showed a need to keep clients informed more promptly through the use of text messages and other means.

### Client satisfaction surveys

Country	Type/Topics/Frequency	Participation and results
Italy	Type: Computer-Assisted Telephone Interviews (C.A.T.I.) Frequency: annual	Participants: 10,000 clients Results: stable level of satisfaction
France	Type: telephone interviews Frequency: annual	Participants: 2,201 clients Results: stable level of satisfaction
	Type: telephone interviews Frequency: one-off	Participants: 1,204 small and medium-sized business clients Results: good level of satisfaction, particularly for the sales force service
	Type: telephone and face-to-face interviews Topics: reasons for changing insurer Frequency: one-off	Participants: former clients Results: price was only one of the key factors; methods of contact and various aspects of agent-client relations also influenced the decision
Germany	Type: Computer-Assisted Telephone Interviews (C.A.T.I.) Frequency: annual	Participants: 1,300 insurance clients Results: stable level of satisfaction compared to the previous survey
	Type: telephone interviews conducted by Bausparkasse Badenia Frequency: annual	Participants: 600 banking clients Results: improved level of satisfaction; the interviews revealed a high level of satisfaction with the telephone services provided and a need to develop customer loyalty
Israel	Type: telephone interviews Topics: client satisfaction with the service provided Frequency: sample surveys are carried out daily	Participants: 400 clients a month Results: very high and improved level of satisfaction
	Type: telephone interviews Topics: client satisfaction with the customers-only area of the website Frequency: annual	Participants: 200 clients Results: very high level of satisfaction
Switzerland	Type: direct interview conducted by BSI Frequency: annual	Participants: around 500 BSI clients Results: the level of satisfaction was very high (99%) and was unchanged from the previous interview; respondents were particularly satisfied with the service provided by skilled operators and the trust they instil in clients



## Net Promoter Score (survey evaluating the tendency of clients to recommend their insurance company to third parties)

Country	Type/Topics/Frequency	Participation and results
France	Type: telephone interview Frequency: usually annual	Participants: 2,200 clients Results: the data are not yet available, since they are still being processed and compared with the 2009 results
Germany	Type: Computer-Assisted Telephone Interviews (C.A.T.I.) Topics: claim management and satisfaction for new clients Frequency: monthly	Results: improved level of satisfaction
Israel	Type: telephone interview Frequency: sample surveys are carried out daily	Participants: around 500 clients each month Results: improved level of satisfaction
Spain	Type: interviews Frequency: quarterly	Participants: around 1,000 clients in a year Results: around 65% of respondents would recommend the company, a considerably higher figure than in previous surveys

## Customer satisfaction with the claim management/settlement department

Country	Type/Frequency	Participation and results
Austria	Type: telephone interviews Frequency: annual	Participants: 700 clients and 105 brokers Results: very high level of satisfaction: 60% of respondents were "very satisfied" and 20% were "satisfied" with the service provided
France	Type: telephone interviews Frequency: annual	Participants: 2,200 clients Results: the data are not yet available, since they are still being processed and compared with the 2009 results
Spain	Type: interviews Frequency: quarterly	Participants: around 1,000 clients in a year Results: the level of satisfaction was 85%, unchanged from the previous survey

The survey results showed a high level of satisfaction throughout relations with clients, from the sales service provided and the products on offer to the claim settlement process.

The results also enabled the Group to identify a number of areas in which it can act quickly to develop measures to improve customer satisfaction. The Group decided in particular to improve the transparency and completeness of its communications, develop its product range and make its customer services more effective and efficient.

## Brand perception surveys

**Brand perception**, image and advertising surveys are conducted in all countries. Surveys are conducted on customers drawn from representative samples of the population, generally selected by age and sometimes by more specific criteria (gender, profession, region, etc.); occasionally surveys are also conducted on the sales networks.

Brand perception surveys are generally carried out annually or, as is the case in Germany, twice a year. Surveys conducted to assess the impact of a specific advertising campaign, such as one carried out in Spain this year, often involve one set of results taken immediately prior to the campaign launch and another afterwards.

The surveys are usually carried out by telephone, except in France, where face-to-face interviews are more common. The results obtained showed strong brand perception in France, Germany, Spain and Switzerland, and confirmed that Migdal is the most popular operator in its sector in Israel.

**Company image and advertising** surveys are only conducted in certain countries and use different methods and different participants.

In Austria, quarterly surveys are used to evaluate whether advertising messages and communication initiatives are being understood, and are conducted through one-to-one interviews with a representative sample of customers. In France over the last year, a number of surveys have been conducted through telephone interviews with clients and customers to assess image perception following successful advertising campaigns featuring famous people. A focus group survey involving representative samples of customers ascertained that the television advertising campaign had yielded good results.

In Germany, various risk analysis are conducted annually on agents and brokers to improve and plan communication strategies. Surveys are also conducted on representative samples of customers to gauge reactions to the Group's advertising campaigns.

An online consumer survey was conducted in Israel to assess the effectiveness of a current advertising campaign. The survey conducted in Spain through telephone interviews both before and after the launch of the company's advertising campaign revealed an improved image positioning.

## Other survey activity

In 2010 research was specifically targeted towards understanding the needs, aspirations and attitudes of clients/customers in order to develop and further improve products and services in all Group companies. The results of these surveys have strengthened client relations in a number of ways.

The below table provides a summary of the most significant surveys conducted in 2010.

### Surveys to identify customer needs and expectations

Country	Type/Topics/Frequency	Participation and results
<b>Italy</b>	Type: telephone interview conducted by DAS Topics: use of complementary legal protection services (legal consultancy, training, etc.) Frequency: occasional	Participants: 7 companies Results: the survey, which began in 2010, is still under way
<b>Austria</b>	Type: various, depending on the topic in question Topics: motor and life insurance, health insurance and the healthcare system, and customer behaviour, with a view to developing new products and services Frequency: variable, depending on the topic in question	Participants: customers
<b>France</b>	Type: online questionnaire Topics: consumer perception of life insurance Frequency: one-off	Participants: 2,000 customers
<b>Israel</b>	Type: telephone interviews Topics: pension schemes and health cover. The surveys also covered potential changes to the website, particularly the customers-only areas Frequency: one-off	Participants: 1,600 customers Results: the surveys revealed a lack of knowledge about pension products and the various types of health cover

## Surveys on financial decisions by customers

Country	Type/Topics/Frequency	Participation and results
Italy	Type: interviews Frequency: half-yearly	Participants: 4,500 customers (consisting exclusively of individuals who make the financial decisions in their household) Results: the survey provided the complete data required for assessing financial market trends
Austria	Type: interviews Topics: customer expenditure planning Frequency: annual	Participants: customers Results: customers' priority and essential purchases were identified
Israel	Type: focus group and telephone interviews Topics: behaviour and motivations of pension customers Frequency: one-off	Participants: clients who have surrendered a policy before maturity Results: the reasons for the decisions to take out policies initially and to surrender them before maturity were identified

## Surveys on services

Country	Type/Topics/Frequency	Participation and results
Italy	Type: Computer-Assisted Web Interviewing (C.A.W.I.): password-protected online questionnaires Topics: products based on "black box" technology and post-installation services, such as accident assistance and vehicle geolocation Frequency: one-off	Participants: 400 customers Results: the data obtained will be used to identify any services that need to be improved
Israel	Type: telephone interviews Topics: customer behaviour prior to purchasing a motor insurance policy Frequency: one-off	Soggetti intervistati: 400 consumatori Risultati: i dati ottenuti saranno utilizzati per individuare eventuali servizi ancora da sviluppare
	Type: online questionnaire Topics: the survey explored consumer demand for services or cover relating to loss or theft of car keys Frequency: one-off	Participants: 300 customers



*Alerta Vial  
Argentina*

# CONTRACTUAL PARTNERS

## Size and characteristics of the suppliers

### Number of suppliers

	NUMBER		OF WHICH EUROP ASSISTANCE	
	2009	2010	2009	2010
ITALY	17,241	17,998	6,207	6,618
AUSTRIA	3,943	4,394	2,449	2,833
FRANCE	6,300	6,800	4,500	5,000
GERMANY	103,415	110,199	86,350	94,002
ISRAEL	3,414	3,700	0	0
SPAIN	15,938	16,266	15,497	15,944
SWITZERLAND	4,615	4,241	1,450	1,470
<b>TOTAL</b>	<b>154,866</b>	<b>163,598</b>	<b>116,453</b>	<b>125,867</b>

- In the countries within the Sustainability Report area, the Generali Group has relations with around 163,600 suppliers, bearing expenses for more than 2 billion euros.
- The number of suppliers increased by 5.6% compared with 2009.
- The presence of certain Europ Assistance group companies in the report area, whose suppliers account for 79% of the total, is at the root of the high number of suppliers. This also depends on the specific activity undertaken, which envisages the provision of various types of service that require the availability of suppliers (car hire companies, roadside assistance providers, plumbers, smiths, electricians, carpenters, clinics, hospitals, diagnostic centres, analysis laboratories, ambulances, doctors, nurses, physiotherapists, etc.) throughout the country.
- It is partly for this reason that most Group suppliers offer services connected with Group business, while a much smaller number of suppliers provide various services in support of company businesses (cleaning, maintenance, transport, etc.) and the supply of goods.

## Purchasing policies

The Ethical Code of the Generali Group outlines a commitment in relations with contractual partners to uphold the principles of fairness, impartiality and transparency and, when choosing suppliers, to use only criteria relating to the competitiveness and quality of the services and products on offer.

Based on these principles, special codes have been developed and published in Italy and Austria which provide more detailed rules on relations with suppliers, while in Israel, where the local companies drew up an own Ethical Code, a section of the latter has been dedicated to the subject.

Although they have not put into a specific code the principles that govern relations with suppliers, the other countries operate in line with the Ethical Code of the Generali Group by formalising purchasing procedures and practices in internal regulations and circulars.

These documents also establish rules aimed at preventing episodes of corruption. In particular, they contain procedures aimed at avoiding conflicts of interest and regulating the acceptance of gifts by buyers.

For example, in Italy, Israel and Spain, to avoid any conflict of interest, one person requests the order and another chooses the supplier and stipulates the contract.

In selecting suppliers, Group companies give precedence to national suppliers, and in particular companies able to provide goods and/or services on a national scale.

This policy is also good for the social and economic fabric of the communities where Group companies operate, because it creates jobs and stimulates economic growth.

## Expenses for suppliers

	TOTAL EXPENSES*	OF WHICH WITH LOCATION OF OPERATION IN THE COUNTRY
	2010	2010
ITALY	939,575.5	94.4%
AUSTRIA	37,918.6	90.6%
FRANCE	360,000.0	100.0%
GERMANY	376,983.0	97.6%
ISRAEL	197,217.5	97.5%
SPAIN	93,839.5	85.3%
SWITZERLAND	54,724.5	76.6%
<b>TOTAL</b>	<b>2,060,258.6</b>	<b>95.3%</b>

\*VALUES IN THOUSAND EUROS

- On average, 95.3% of supplier expenses are on national operators.
- The lowest percentage is in Switzerland and is due to the purchasing choices of BSI, which, for reasons of geographical proximity, makes some of its purchases in Italy. The other Swiss companies use only national suppliers.

### Supply chain integrity

The Ethical Code of the Generali Group requires that contractual partners' compliance with the Code's ethical principles be considered when selecting suppliers.

The Group therefore encourages its suppliers to adopt the principles laid down in the Ethical Code and, where possible, takes operational measures to prevent supplier and supply chain violation of workplace health and safety, environmental protection and public health regulations.

All things being equal, preference is given to suppliers whose policies align with Generali's in terms of the **environment** and key social aspects such as **respecting fundamental human rights**. This policy is implemented with a view to supply chain integrity and to encouraging suppliers to comply with the 10 principles on human rights and labour, the environment and anti-corruption promoted by the Global Compact, a UN initiative to which the Group signed up in 2007.

Respecting fundamental human rights is considered particularly essential when establishing relations with suppliers, which is why suppliers are checked in every country.

In the **area covered by this Sustainability Report** and in other **European countries**, supply contracts contain clauses obliging suppliers to comply with laws on workplace health and safety, workers' rights and the environment. Sub-contracting is regulated contractually and requires suppliers to indicate when they use third parties to carry out their service. Logistics sub-contracting is not permitted in Switzerland.

In Austria, suppliers of textiles and advertising materials (often produced abroad) are required to certify the origin of their products, and in particular to prove they do not use child labour.

When choosing suppliers in **Eastern Europe**, preference is given to those who show they are able to respect human rights (Belarus, Bulgaria, Croatia, Serbia, Montenegro and Romania). In Serbia and Montenegro, there are also annual checks on workers' conditions and rights.

In Hungary, supply contracts contain specific clauses on respecting the principles of fair trade and social responsibility.

In **the Americas**, companies based in Argentina undergo frequent checks, primarily government checks, to assess their compliance with laws on employment and employees' rights. Generali is responsible for verifying that its suppliers



operate in compliance with the law. In Brazil, though there are no specific contractual provisions, Generali may suspend contracts in the event of infringement of the law or conduct that is damaging to the corporate image. When selecting suppliers in Guatemala, checks are carried out to ensure application of national law and international standards on employment.

In **Asia**, and more specifically in China, only companies that have been set up in compliance with the law and that are at the top of their sector are selected, as they provide firmer guarantees on compliance with current legislation. Potential suppliers are also subject to pre-emptive inspections and contracts are not signed if anomalies or illegalities should emerge. Contracts are cancelled in the event of the infringement of laws or in the event of behaviour that is not socially responsible. In the Philippines, suppliers must go through an accreditation procedure which requires the protection of human rights, in particular the prohibition of forced and child labour.

In Japan, when a supplier is deemed at risk of violating human rights, it is automatically struck off the supplier list. In Thailand, suppliers are monitored on the risk of possible human rights violations before the contract is signed.

## Purchasing procedures

In almost all countries covered by this Sustainability Report, purchasing procedures (from researching suppliers to signing contracts) are carried out either by a common services company, as is the case in Italy, Austria, Germany and Spain, or by a central purchasing service at the holding company, as is the case in France, in Italy for the Banca Generali Group and in Switzerland for BSI. Other frameworks are adopted:

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

In the IT sector, the Corporate Centre recently set up the Group ICT Procurement (GIP) department to manage commercial relations with global suppliers of IT goods and services on a Group level, exploiting economies of scale.

Collaboration with contractual partners makes it possible for the Group to carry out its daily business. The creation of a network of lasting and mutually satisfactory relations with qualified suppliers is one of the Group's strategic objectives and an opportunity for competitive success.

In Italy and Austria, suppliers are accredited on IT platforms where they enter their corporate information and can view Generali documents such as the Ethical Code and the Environmental Policy. In France and Germany, suppliers fill in an assessment form on which they enter their corporate information and answer questions on issues such as solvency and quality.

In Israel, an internet platform is used to exchange information between the company and supplier on goods and services, costs and supply methods.

In consideration of the specific nature of the business, which envisages the direct involvement of suppliers in the service provided to the client, previous contacts with suppliers and management of supplier relations are particularly important to Europ Assistance group companies. A database is made available to all companies so that supplier information is available on a national level.

When selecting contractual partners, there are clear, firm and non-discriminatory procedures which are based on objective criteria linked to competitiveness and to the quality of the products and services provided.

As stated previously, in addition to the measures adopted to ensure supply chain integrity, the Group has adopted preferential selection criteria as part of its purchasing processes to encourage its suppliers to adopt socially and environmentally responsible behaviour. All countries have similar procedures and practices in place, although for the time being none requires suppliers to provide mandatory environmental certification (such as ISO 14001) or social certification (SA 8000).

In some cases, the criteria used to select suppliers reflect a particular attention to the environment (local purchases) or to disadvantaged persons (purchases from non-profit organisations or social cooperatives).

Country	Description
<b>Italy</b>	<p>Preference is given to suppliers with suitable references or to those the company has known for a long time. Green Procurement procedures were introduced for some purchases (toner and stationery) in 2009.</p> <p>Land reclamation and drainage activities require enrolment to the National Register of Environmental Operators. Certificates are verified.</p> <p>The direct network of suppliers for Europ Assistance's 24-hour breakdown service is ISO 9001 certified.</p>
<b>Austria</b>	<p>Preference is given to companies that have a written statement of compliance with labour legislation, especially those with SA 8000 international certification.</p> <p>Preference is given to suppliers with a focus on the environment, for example those who use ecological material, who recycle resources and have adopted selective waste collection, etc., or those with ISO 14001 and/or EMAS certification. In 2010, purchases from environmentally friendly suppliers accounted for 12% of total revenues.</p> <p>Local produce is predominantly used to supply company canteens, while PC cleaning sets are bought from the Austrian association for the blind and printing products are bought from companies that employ former prisoners.</p>
<b>France</b>	<p>There is a preference for suppliers who are committed to the environment, particularly those with an environmental policy or certification.</p> <p>The use of ecological products is demanded in some areas (e.g., in contracts for cleaning companies).</p> <p>Almost all major suppliers are ISO 14001 certified.</p>
<b>Germany</b>	<p>Preference is given to suppliers with suitable references or to those the company has known for a long time. Environmental certification is requested.</p> <p>In 2010, purchases from environmentally friendly suppliers accounted for 18% of total supplier expenses.</p> <p>Purchases of toner, paper and certain other items of stationery have a low environmental impact.</p>
<b>Israel</b>	<p>Preference is given to experienced, reliable suppliers with good financial standing and a good reputation.</p> <p>For some supplies, the company uses social cooperatives that employ disadvantaged persons or that pursue a social objective in their day-to-day activities.</p>
<b>Spain</b>	<p>Preference is given to suppliers who demonstrate compliance with human rights and environmental awareness.</p> <p>In 2010, purchases from environmentally friendly suppliers accounted for 7% of supplier expenses. Suppliers include companies that employ disadvantaged and disabled persons.</p> <p>Europ Assistance has ISO 9001 certification for selecting and assessing supplier procedures and for procedures managing relations with suppliers who provide various types of assistance to its clients.</p>
<b>Switzerland</b>	<p>Preference is given to suppliers who demonstrate environmental awareness, in particular those with an environmental policy or certification.</p> <p>Ecological products are used in certain areas (in contracts for cleaning and garden landscaping companies, toner and paper).</p> <p>Suppliers include social cooperatives that employ disabled people.</p>

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

In Austria, the supplier monitoring system process involves computer-based procedures. Performance is checked on a regular basis against supplier benchmarks for the various sectors and is measured against certain indicators identified by the local Purchasing Department in order to optimise costs and nurture relations with top suppliers. In 2010, checks on suppliers led to two contracts being cancelled with cleaning companies and to two written requests being sent to a vending-machine company asking for irregularities to be resolved.

In Israel, each purchasing manager performs supplier checks and analyses possible offers from the market so as to choose the best suppliers based on the parameters supplied annually by the company's procurement committee.

In Switzerland, supplies are subject to quarterly quality controls.



Alma - Citroni  
Serbia

inganna

# ISSUING COMPANIES

## Investment policy

The Generali Group knows that, as an institutional investor, it has an important role to play in protecting the environment, respecting human rights and improving society as a whole. That is why for years it has taken steps to influence the conduct of the issuing companies in which it invests.

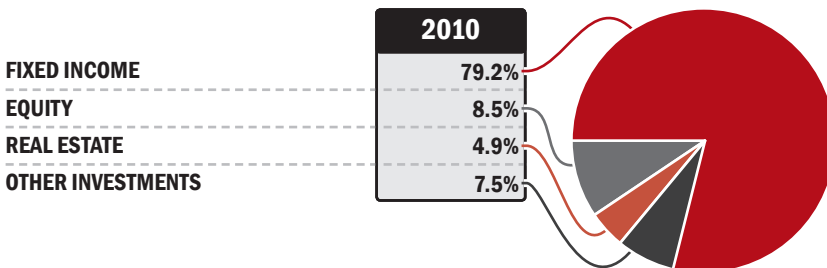
As mentioned previously, in 2006 the Group decided to adopt the ethical guidelines of the Norwegian Government Pension Fund - Global and, more specifically, to exclude from its own investment universe all companies excluded from that of the Fund. Following changes made to the ethical criteria applied by the Fund - in particular, the negative screening a priori of all tobacco producers - in 2010 the Group decided to stop precisely replicating the criteria and exclusions of the Fund. This decision was also influenced by criticisms of the Norwegian Pension Fund in relation to certain investment or supplier choices that were not in line with the stated ethical criteria and, above all, by the need to assess how investments in companies which are not monitored by the Norwegian Fund (on account of the Fund not investing in them) conform to the ethical guidelines.

As such, the Group decided to draw up its own ethical guidelines that contain Generali's opinion on investment requirements. The continuity of the criteria previously applied is thus ensured because it was precisely the broad similarity of the sustainability concept and objectives applied to investments that led the Group to adopt the ethical guidelines of the Norwegian Government Pension Fund.

Above all, Group investment policy adheres to the principles of **safety** and **reliability** of the issuer: speculative investments are refused and great care is taken to avoid investments with a high risk of any type, including environmental and social risk.

Prudent investment management and the right balance between risk and medium-to-long-term returns are the foundations of the capital and financial solidity that has always been a feature of the Group.

### Breakdown of investments



- This breakdown of investments considers own investments, amounting to 322 billion euros. Unit-linked investments and third-party assets are therefore excluded.
- Government bonds represent 55.9% of the bond portfolio.
- 80.7% of the corporate bonds are rated A or higher.
- Net exposure to structured finance is limited to 1 billion euros.

The ethicality of investments, i.e., how they conform to the Group's ethical guidelines outlined below, is also considered.

## Ethical guidelines and scope of application

As stated in the Ethical Code of the Generali Group, when pursuing its growth objectives the Group remains faithful to the fundamental principles that have always been its trademark and that characterise its ethics: transparency, fairness and impartiality. The Group also believes that social interaction and environmental protection go hand in hand with good ethics.

To this end, in 2007 the Group signed up to the UN Global Compact, a UN initiative to promote and spread sustainable development practices. In doing so, it undertook to implement in its strategies, policies and day-to-day business 10 principles on human rights, labour, protection of the environment and anti-corruption.

The Group drew up a clear investment policy and prepared its own ethical guidelines designed to eliminate the risk of supporting through investments companies that do not respect the aforementioned principles.

The Group decided not to adopt certain controversial moral issues likely to change over time (e.g., the use of nuclear energy or genetic engineering techniques and the production of alcohol or tobacco) as general exclusion criteria, preferring instead, also within these sectors, to assess the conduct of each company on the basis of environmental, social and governance (ESG) issues.

The Group's **ethical guidelines** forbid investment in financial instruments issued by companies that, directly or through subsidiaries:

- produce weapons that, when used normally, may violate fundamental humanitarian principles (cluster bombs, anti-personnel mines, nuclear weapons, etc.);
- sell military equipment or weapons to countries on the European Union's arms embargo list and on the list drawn up by the Stockholm International Peace Research Institute (SIPRI);
- are involved in:
  - serious or systematic violations of human rights, such as killings, torture, deprivation of freedom, forced labour and child labour;
  - severe environmental damage;
  - serious corruption;
  - other particularly serious violations of fundamental ethical norms.

The ethical guidelines are applied to all direct investments in portfolios where the investment risk is borne by the Group. In other words, investments made to cover technical reserves put aside to meet contractual commitments made with policyholders, as well as investments using the Company's capital, meet the Group's ethical criteria.

### Management system

The Group aims to bring about change by asking companies that do not meet the aforementioned ethical criteria to justify their objectionable conduct. Dialogue therefore encourages companies to act responsibly in the interests of the environment, their employees, the community and other stakeholders. Companies are excluded from the Group's investment universe only if they fail to respond positively and risk repeating their objectionable conduct.

In order to ensure impartiality during assessment and exclusion procedures, the Group set up the **Council on Ethics**, a consultative body comprising Group heads of the departments most involved in investments (Strategic Asset Allocation, Risk Management and ALM in the finance area and Corporate Social Responsibility) and two external academics. The Council is charged with assessing the justifications given by the companies and, where they are non-existent or unsatisfactory, drawing up reasoned proposals to exclude companies that violate the Group's ethical criteria. The Chief Financial Officer (CFO) is ultimately responsible for deciding on exclusions. If the reasons for exclusion no longer apply, the Council on Ethics may suggest the readmission of companies to the Group's investment universe.

The system provides for constant monitoring of investments, including checks designed to prevent the acquisition of securities issued by excluded companies.

A half-yearly report is also sent to the Corporate Centre's Group Risk Management service.

## Principles for Responsible Investment

In order to strengthen and publicise its commitment to ethical investment, the Group signed up to the **Principles for Responsible Investment (PRI)**, an initiative launched and backed by the UN which aims to spread and integrate environmental, social and governance (ESG) issues in the assessment of investments.

More than 850 organisations, representing some 25,000 billion dollars of assets under management, have already signed up to the Principles. The signatories include institutional investors (asset owners), asset managers and financial service providers. The signatories are asked to uphold the following Principles:

- **incorporate** ESG issues into investment analysis and decision-making processes;
- be **active owners** and incorporate ESG issues into their ownership policies and practices;
- **seek appropriate disclosure** on ESG issues from the entities in which they invest;
- **promote** acceptance and implementation of the Principles within the investment industry;
- **work together** to enhance their effectiveness in implementing the Principles;
- **report** periodically on their activities and progress towards implementing the Principles.

More information on PRI can be found at [www.unpri.org](http://www.unpri.org).







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CHAPTER 3  
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# SOCIAL-ENVIRONMENTAL STAKEHOLDERS

# COMMUNITY

## Community policies

Forging relations with local communities has always been a priority for Generali Group companies, which have capitalised on local talent to develop their business in new areas. As a rule, the Group employs local staff members at both acquired and newly created companies, with the result that Generali's global expansion and consolidation have always been a source of growth for the local economy in the regions where it operates. In the countries where it now has a strong presence, the Generali Group is a key point of reference for local communities, particularly public bodies and associations that work to help those in need.

As mentioned previously, the Group recognises, as a matter of principle, its moral responsibility to contribute to the improvement of the society in which it operates. To this end, it provides financial and other support to a number of social, cultural, environmental and sporting initiatives, working together with reliable partners from the public and private sectors.

### Guidelines for community initiatives

The Group has identified four **key areas** on which to focus its activities:

- **Social area** - initiatives aimed at improving all aspects of society, with a particular focus on those aimed at:
  - providing **assistance** (covering primary needs such as health and medical services and basic education) to those in difficulty (people suffering from poverty or illness, orphans, disaster- or war-stricken communities, etc.);
  - **integrating** the disadvantaged into society and employment through rescue work and education;
  - **raising awareness** among the community with regard to road safety, health and volunteer work;
  - **supporting** medical, scientific and economic research and educational training on topics related to the Group's activities.
- **Cultural area** - initiatives aimed at preserving and enhancing the artistic, historical and cultural heritage of the areas in which Generali operates and helping citizens to benefit from it.
- **Environmental area** - initiatives aimed at protecting the environment and raising awareness about issues such as climate change, energy saving, separate waste collection and pollution.
- **Sports area** - sports-related initiatives for young people, amateurs and professionals alike.

More specifically, the Group gives priority to initiatives involving children and young people, who represent the future of society. The Group's unfailing attention to the changes taking place in society has also resulted in an increase in the number of projects involving senior citizens.

In addition to the Group's priority areas, the criteria used to choose which initiatives to support also take into account the social value of each proposed initiative and the reliability of its promoters. Checks are made at a later date to ensure that the funds actually arrive at the designated destination and long-term sponsorship may be available for those who demonstrate good use of the financial resources allocated. This is particularly important when the investment concerns long-term activities or targets that cannot be achieved within the space of a single year.

The Group favours initiatives that maximise the resources involved so as to provide concrete and direct benefits for the communities in question.

Keeping these common principles in mind, each Group company decides autonomously which initiatives to support. Some companies prefer to concentrate the resources earmarked for the community on a single or a few large-scale initiatives, or on one specific issue, while others split the funds between several initiatives covering various topics. In some cases, employees are involved in choosing which organisations should benefit from the resources available.

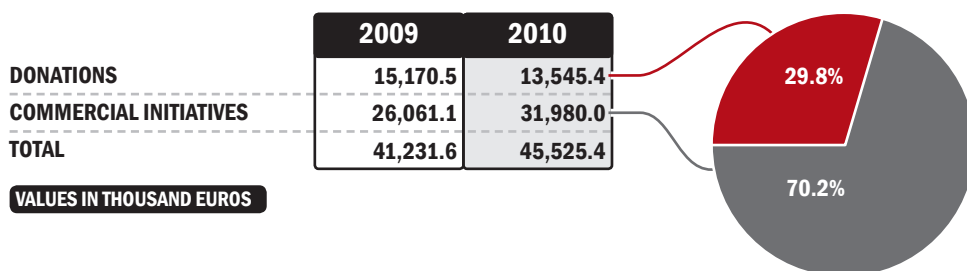
Based on their type, which may be either philanthropic or predominantly commercial, community-oriented initiatives implemented within the areas identified by the Group may be divided into two categories:

- **donations**, consisting of the allocation of funds or resources in kind to support a wide range of good causes in response to the needs and requests of volunteering organisations or local institutions;
- **commercial initiatives**, consisting of sponsorship of cultural, artistic and sporting activities directly aimed at promoting the brand or a particular company product or improving its image.

By their very nature, commercial initiatives are developed over time according to business requirements and may therefore present irregular patterns, peaking, for example, when important cultural or sporting events take place in countries where the Group is present (World championships, Olympic Games, etc.), providing an opportunity for the Group to increase its brand familiarity. These initiatives form a fundamental part of the Group's communication policy thanks to their ability to combine commercial and social goals and offer the community the opportunity to enjoy high-quality cultural and sporting events.

The Group's policy of involvement in the community therefore relates exclusively to donations, which accounted for 29.8% of total funds allocated to community-oriented initiatives in 2010. This is a significant proportion, given the much higher unit costs of commercial initiatives.

#### Allocation to the community by type

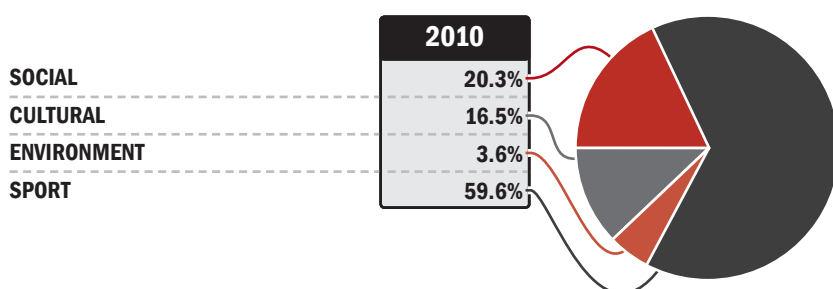


- In an ongoing difficult macroeconomic and financial climate, the Group's total funds allocated to the community increased by 10.4% compared with 2009.
- The two components showed opposite trends: commercial initiatives grew by 22.7%, while donations fell by 10.7%.
- Donations represented 0.8% of consolidated profit after taxes.

## Description of the initiatives

The initiatives supported by the Group are many and varied, ranging from occasional measures in support of individual projects or when disasters take place to more structured initiatives involving a several-year-long commitment from the Group.

#### Allocation to the community by area



- The largest part of the funds (59.6%) is allocated to sport, and in particular to a number of commercial events that require a considerable financial commitment from the Group.
- Social initiatives account for 20.3%, including a number of charitable projects that generally involve lower levels of unit expenditure.
- Cultural area includes both commercial and charitable projects.

A large number of activities are also carried out via foundations present in Austria, the Czech Republic, Hungary, Mexico and Italy. At the end of 2010, the Board of Directors of the Parent Company decided to relaunch the Generali Foundation in Italy to promote welfare, cultural and environmental activities.

The aforementioned areas are described below, with some examples. Some of these are accompanied by a more detailed description of an initiative which, due to either its scope or the type of activity it involves, broadly reflects the Group's policies and goals.

## Social area

The Group is strongly committed to supporting associations that provide assistance to those affected by poverty, disease, war, violence and social hardship.

One example of this is the support that the Group has been providing since 2006 in **Slovenia** to Red Noses, an association whose volunteers visit hospitals to entertain long-term child patients. In May 2010, Generali accompanied the volunteers on a three-day tour of hospitals around the country.

The Group is particularly keen to support initiatives aimed at facilitating a lasting improvement in living conditions for the disadvantaged, and backs rescue and integration projects designed to offer people in difficulty for whatever reason equal opportunities for development and integration into society and the job market.

For example, in **Israel** the Group supports organisations such as Elem, Gag Ve Gam and Musot, which operate assistance and/or educational programmes for teenagers at risk, and Tlalim association which provides virtual schooling for young people forced to miss school for long periods due to illness, offering tools such as e-learning, call centres and closed-circuit connections. In **Ecuador**, the Group supports FASINARM, a private non-profit foundation that provides educational assistance to children and young people suffering from poverty and mental disability right the way through to their integration into the job market.

Through two major initiatives in particular, the Group has replied to the appeal to companies, governments and international organisations to make an effort to achieve the Millennium Development Goals, a series of eight objectives aimed at eradicating extreme poverty, hunger and serious diseases by 2015.

In **Italy**, the Group has launched the Generali Millennium project, which aims to contribute to the economic development of the poorest, most disadvantaged inhabitants of India, where the Group has been active for several years. The project is designed to support the launch of new business ventures and micro-insurance initiatives, thereby exploiting the skills of Generali's core business. In 2010, a canteen for 200 people and managed by five women and a brick-production facility employing three men and three women were built at the Jesuit mission in Ongur, in the state of Tamil Nadu. All staff members received the necessary training from the Jesuits before beginning their employment. Since 2008, Generali has also supported DREAM (Drug Resource Enhancement against AIDS and Malnutrition), a programme run by the Community of Sant'Egidio for the treatment of AIDS in Africa. The funds donated by the Group are used to create a network of health centres in the Democratic Republic of the Congo and to cover the costs of therapy provided to enable pregnant women who are HIV positive to give birth to healthy babies.

The Group also expresses its social commitment by playing a vital role, alongside public and private associations and institutions, in raising awareness in the community about insurance-related topics, such as health and road-safety education, and issues of social importance, such as promoting volunteer work by citizens and businesses.

With regard to road traffic, the Group works with government institutions and various associations to organise programmes aimed at preventing accidents caused by violation of road-safety rules. Most of these are aimed at children and young people in order to help them become careful drivers in the future. Eastern European countries have been particularly active in this respect; in **Serbia**, in partnership with the state police, the Group organises Alma-Citrom (Apple and lemon), an annual road-safety education campaign aimed at adults and children aged between 10 and 14. The campaign is divided into a theory part, in which road-safety rules are taught, and a practical part, in which the children participate in traffic control by rewarding safe drivers with an apple and punishing those who break the rules with a lemon. In 2010, a total of 56 schools and 6,500 children took part in the initiative.

The Group also supports a number of road-safety activities aimed at young drivers in South America. These include in **Argentina** the Guarda con la previa initiative ('previa' is the term young people use to describe the time they spend drinking spirits before going out in the evening), a Buenos Aires-based project that aims to educate and inform people about the consequences of drink-driving and driving under the influence of drugs. The company has helped to distribute leaflets on beaches, in bars and in nightclubs containing information on good driving, the effects of alcohol, who to turn to in case of need, etc.

In terms of health, the initiatives backed by the Group aim mainly to prevent and cure diseases, particularly those that represent the biggest causes of death and have a severe impact on people's quality of life and independence.

In **Portugal**, Generali has since December 2006 been the main sponsor of the training initiatives run by APFADA (the Portuguese association of friends and family members of Alzheimer's sufferers), which provides care for people suffering from the disease and is involved in research aimed at finding a cure. In **Italy**, Generali supports through



various initiatives the AISM (Italian Association for Multiple Sclerosis). In **Romania**, the Group supports a large-scale free programme named Overland for Smile - Smile of child, which provides dental care for orphans. The project also aims to inform people who come into contact with the children about preventing tooth diseases and to promote exchanges between Romanian and Italian dental associations and universities. Over the last four years, 150 dentists have provided treatment to 5,227 children in 227 orphanages in 25 cities throughout the country.

The companies also maintain valuable relations with universities and postgraduate education institutions, involving a number of exchanges: work placements, class talks by Group employees, study grants, etc. In so doing, the companies contribute directly to training highly specialised individuals whom they will consider when looking to hire new staff.

The Group's social area includes the Generali Zukunftsfonds (Generali fund for the future) project in **Germany**, which aims to play an important, publicly recognised corporate citizenship role, focusing on promoting social commitment among the community, particularly the over-55s, who represent a growing proportion of the population due to ongoing demographic changes and offer great potential in terms of knowledge, energy and, once they are retired, time. Various economic studies form the basis of the various fund initiatives. The Engagement Atlas created by Generali in 2008 and updated in 2009 is of particular importance, highlighting the range of voluntary activities in Germany, its potential development and the needs of the population. In response to such needs, Zukunftsfonds plays an active role by collaborating with national, regional and local institutions and supporting the coordination, disclosure of information and integration of the different voluntary organisations.

All community-oriented social responsibility initiatives are channelled into the Bürger unternehmen Zukunft (Citizens for the future) programme, which sponsors a number of local and regional projects and provides support to associations and institutions committed to involving the general public in community work. More than 50 initiatives were funded in 2010. Campaigns have also been developed to promote social commitment among the general public, as have initiatives which aim to create a voluntary-work culture among employees. More information on this initiative can be found at [www.generali-zukunftsfonds.de](http://www.generali-zukunftsfonds.de).

## Cultural area

The Group has always supported activities that aim to preserve and enhance the artistic and cultural heritage of the areas in which it operates, with a view to promoting knowledge and healthy recreation to encourage reflection and lift spirits. The Group has been involved in a great many initiatives, which testify to the important role it plays in the region. These cover a wide range of activities, including providing support both to major cultural institutions, particularly the leading theatres, which increasingly need financing from private sponsors, and to initiatives promoted by local organisations aimed specifically at helping young artists.

Projects of this kind include the financial support for the training and artistic development of highly promising **young musicians** in Switzerland. The grant recipients, who are selected by a committee of leading international musicians, are also given the opportunity to take part in major musical events organised with the Group's help, such as the Martha Argerich Project, the BSI Winter Festival and the BSI Monaco Music Master.

Generali is also involved in the world of art, both through the pieces it owns, such as the BSI collections, the works of the Generali Foundation in Vienna and the collection at the Česká Pojišťovna gallery in Prague, and by supporting the activities of museums, theatres, schools, foundations and cultural associations.

The Generali brand is also promoted thanks to the Group's sponsorship of exhibitions that attract large audiences and/or considerable media attention.

The Group also supports shows, musical events and theatre works by leading artists, composers and musicians, as well as sponsoring musical, literary and artistic festivals and awards on a national and international scale. Different choices are made in each country, depending on its cultural characteristics. In Italy, the Group sponsors a number of **art and cultural history exhibits**, including the following in 2010: Munch, spirito del nord (Munch and the spirit of the North); Dino, Afro e Mirko. I Basaldella; Il Risorgimento è qui! 150 luoghi dove si è fatta l'Italia (The Risorgimento is here! 150 places where Italy was made); and Fiabe e Leggende del folklore insubre (Fables and legends of Insubrian folklore). In Austria, France, Switzerland and the Czech Republic, Generali is particularly active in the **music sector**, sponsoring three concerts at Musikverein (Austria), the Pablo Casals Chamber Music Festival (France),



the musical event dedicated to famous Argentinian pianist Martha Argerich, the Montebello international chamber music festival and the BSI Engadin Festival (Switzerland), as well as a tour by renowned violinist Pavel Šporcl (Czech Republic).

In Germany, on the other hand, Generali is focusing its attention on **literature and film**, sponsoring the Max Ophüls Preis film festival and the LitKöln international literature festival, while in the Czech Republic it is supporting the Shakespeare theatre festival, Letní shakespearovské slavnost.

Finally, activities intended to boost Generali's brand visibility include a multi-year partnership with shipping company Alster, which operates boat tours on the Alster river in Hamburg.

## Environmental area

The Group has funded a series of activities in this area of varying type and scope, aimed at protecting the environment and animals, developing and promoting alternative energies, and providing education on environmental matters.

One such project in **Italy** is the educational programme entitled Salvagranaio – Le origini agricole dell'economia (The agricultural origins of the economy), which is aimed at final-year primary school and middle school students. The project, which has seen more than 3,000 pupils and 200 teachers take part, aims to take visitors on a voyage of discovery about the evolution of man, from the birth of agriculture to the present day. The main topics covered are the drainage of marshland, an example of the planning skills that man developed with the discovery of agriculture and the importance of intelligent and sustainable use of the energy resources that nature provides.

In **France**, Generali has sponsored the General Arctic Observer expedition by doctor and explorer Jean-Louis Etienne, a 3,500-kilometre solo balloon flight from Spitsbergen - the largest island of the Svalbard archipelago in Norway - to Alaska, passing over the North Pole. In addition to the feat itself, which had never been done before, the crossing over the North Pole was intended to draw the world's attention to sea ice decline and the consequences of the melting of the ice caps on Arctic biodiversity and, more generally, on global climate balance. The North Pole is one of the most sensitive and significant areas in terms of the balance of our planet, for which no objective measurements existed until now. During the expedition, both the level of CO<sub>2</sub> in the atmosphere and the Earth's magnetic field were constantly measured; the latter has been shifting particularly rapidly in recent years (at a rate of 60-80 km/year, compared with 10-20 km/year previously). This acceleration appears to be coinciding with a weakening of the magnetic field in general. The project also aimed to disseminate the information collected among the general public with a view to raising awareness about environmental issues and the need to change our behaviour by showing more respect for the environment. To this end, the expedition was followed by two environmental-education initiatives: the European Carboschools programme, which is designed to increase awareness among secondary-school pupils about local and global climate change, and help them discover the world of scientific research and understand what steps can be taken at a local level to reduce greenhouse-gas emissions; and the Calisph'Ai programme promoted by the CNES – Centre National d'Étude Spatiales (National Space Studies Centre), which enables students to learn about climate change and tackle environmental and sustainable-development issues through courses in physics, technology, geography, maths, IT and civic education.

## Sports area

Generali considers sport an educational and training tool that imparts sound principles and values. That is why it supports **youth and amateur sports** through a number of initiatives, which often consist simply of providing sports kits or equipment which enable a great many young people and communities to enjoy a wide range of sporting disciplines, such as: tennis, golf, football, swimming, volleyball, basketball, rugby, sailing, motorcycle racing, triathlon, cycling and marathon running.

The Group companies play an active role in sponsoring **professional sports** and popular events in the areas where they operate. With the Group's assistance, communities can stage national and international events with positive effects on both the local economy and city image and the Group's corporate image and business. In developing markets, this can mean a chance for great economic growth, with implications on a number of levels.

Sponsoring famous teams and athletes can also encourage young people to take up sports and emulate great champions. In many cases, companies welcome popular sporting and cultural events as an opportunity to enhance loyalty among their clients, employees and sales networks.

The Group's main sporting sponsorships of 2010 involved international professional events, federations, national teams and Olympic committees, club teams and famous athletes.

The Group supports a wide range of sports, with a particular emphasis on winter sports through its sponsorship of the 2011 Alpine Skiing World Cup in Austria, Adam Malysz of Poland, winner of four Ski Jumping World Cup titles, and Slovenian skier Tina Maze, who competed in the Vancouver Winter Olympics. In ice hockey, the Group sponsors Switzerland's Spengler Cup, the sport's oldest international invitational tournament, as well as the national federation of the Czech Republic and Italian team Aquile FVG.

Generali is also a great supporter of equestrian events, sponsoring Germany's CHIO Aachen for more than 50 years, Velká pardubická in the Czech Republic, and the Generali Open de France championships, an amateur riding contest involving thousands of competitors, most of whom are under 18. Also in France, the Group sponsors the Jumping Bordeaux, Complet de Fontainebleau, Jumping la Baule and Jumping de Cannes events.

The Group's sponsorship of Italy's Ducati team, which competes in the MotoGP World Championships, has boosted its involvement in the sport in the various countries on the MotoGP circuit: Spain, Indonesia and the Czech Republic.

Generali also sponsors professional and amateur football teams in almost all the countries where it operates.

The numerous sporting projects supported by Group companies include:

- in **Italy**, the Un campione per amico (A champion and a friend) event, during which children aged between 6 and 13 are given the chance to practise a number of sports in Italy's main public squares with the help of expert coaches, such as Adriano Panatta (tennis), Andrea Lucchetta (volleyball), Ciccio Graziani (football) and Jury Chechi (gymnastics);
- in **France**, the first Charte du Sport Responsable (Responsible sports charter), which Generali signed initially with the French Equestrian Federation (FFE) and later with the national governing bodies of golf and volleyball. The document aims to uphold and promote six basic principles: making sports accessible to everyone, including the disabled; promoting the values of sport; raising awareness of the health benefits of sport and of the correct safety precautions; adopting eco-responsible practices in managing the facilities and equipment used in sports; supporting athletes in their professional integration or retraining; and promoting awareness among sporting associations, athletes, the public and sponsors about the implementation of this initiative.

## Other kinds of initiatives

In addition to the projects implemented using the funds set aside by Group companies, there are some in which the companies' participation consists not of cash donations, but of providing material goods or direct services. **Workers have been involved** in a number of initiatives by collecting money or goods or doing voluntary work to help the less fortunate. Some of these are individual projects, while others are promoted by the companies.

### Donations in kind

This form of donating involves providing goods and/or services instead of money. Various kinds of goods are donated by the companies, either independently or with the help of their employees.

The services donated often consist of various types of insurance cover. For example, in 2010 insurance was provided to a medical-aid team operating in Sichuan Province, China, which suffered lasting damage from the 2008 earthquake, while in Poland a photography expedition to some of the most striking parts of the world was insured.

Country	Description of the initiative
Italy	Europ Assistance donates its disused PCs to <b>Banco Informatico</b> , a non-profit organisation that works to combat e-waste and the digital divide - the gap between those with and without access to the new computer and communication technologies - by collecting used PCs, monitors and printers still in working condition and redistributing them to non-profit organisations in Italy and abroad. All leftovers from the cakes the company gives to its employees at Christmas and Easter are donated to <b>Pane Quotidiano</b> , which distributes them to the poorest people in society.
Argentina	<p>In June, following an email request from the company, employees collected 200kg of food to donate to <b>Estación Vida</b>, an association that takes care of the homeless children and families living at the railway station in Buenos Aires.</p> <p>In response to another request from the company, employees collected 100 textbooks and novels for the rural school run by <b>Fundación Pescar</b> in the province of Mendoza. The foundation operates a network of professional training centres for adolescents with limited resources and opportunities, and facilitates integration into the job market.</p> <p>The Group is involved in the paper- and plastic-bottle-top-recycling scheme run by <b>Fundación Garrahan</b>, which works to raise awareness among companies and the general public with regard to selective waste collection, providing special containers which it later collects. The money raised from these activities was used to build accommodation facilities for parents of long-term patients at the Garrahan children's hospital in Buenos Aires.</p>
Austria	The Group has a long-term association with <b>SOS-Kinderdorf</b> , an international organisation that cares for orphaned, poor and disadvantaged children. Each regional department "adopts" a village and provides direct aid to the children, sometimes with the personal involvement of members of staff. In 2010, the company also donated some disused PCs to the village of Pinkafeld in Burgenland.
Belgium	Via an association named <b>Dyadis</b> , the company and its employees support two-year training programmes for guide dogs for the disabled. The employees organise various initiatives to raise money to look after the dogs, including an internal library for CD and DVD rentals, preparing and selling home-made meals, and cultural shows and events.
Brazil	<p>For the third year running, Generali is supporting <b>Casa do Menor São Miguel Arcanjo</b>, which rescues over 3,000 children and young people from the streets who have been abandoned or are at risk. Employees have collected educational materials, books, clothes, garments for newborn babies, toys, food, and personal-hygiene and cleaning products for the Casa Garantia de Vida programme, which runs family homes at the Don Adriano Hipolito Integration Centre that offer children a family environment alongside educational, entertainment, cultural and sporting activities to aid their physical and personal development. For its part, the company has donated some second-hand IT equipment.</p> <p>The Group's collaboration with Casa do Menor São Miguel Arcanjo continues all year round: at the end of January, the beginning of the school year, Generali organised the <b>Ritorno a scuola</b> (Back to school) campaign, which managed to collect 1,163 school items for the children the organisation supports. In October, using the slogan "Donate a toy and make a child happy", employees collected old and new toys which were given out to 84 children on Children's Day. Finally, at the end of the year the Christmas campaign took place: using the slogan "Clothe someone for Christmas", employees donated shoes and clothes to a number of the children looked after by the organisation.</p> <p>In June and July, the "Winter campaign" helped to collect clothes and shoes for <b>Casa Resgate Vida</b>, an association that takes care of young people suffering from drug problems.</p> <p>Following the severe <b>floods</b> and landslides in the state of Rio de Janeiro that resulted in hundreds of deaths and caused 15,000 families to leave their homes, the company provided three articulated lorries and two 4x4 pick-ups for civil-protection purposes to provide basic services and humanitarian aid, such as the transportation of food, clothing, water, medicines, stoves and other essential items. They were also used to take a number of injured people to hospital. The funds donated were also used to buy food for the victims of the disaster. For their part, employees collected more than 4,000 items of clothing, shoes, food, etc., which were distributed to evacuees by the network of suppliers operating in the affected areas.</p>
China	<p>At the end of December, the <b>Gan En Li Zhi Building</b>, the second primary school built by Generali, was inaugurated in the Guanghan region of Sichuan Province, which suffered lasting damage from the 2008 earthquake. The four-storey building, which can cater for more than 700 children, also received computers, educational materials and sports equipment from the company.</p> <p>In March, 40 Generali employees provided the <b>Shatiyuminzidi</b> primary school in Taishan, Guangdong Province, with a number of school supplies and computers donated by the company. Five study grants were also provided for students from poorer backgrounds.</p>



Country	Description of the initiative
France	More than 5,000 books were collected by employees and the Generali library during Sustainable Development Week. The books were donated to <b>Recyclivre</b> , a company that employs disabled people to sell books, with 10% of revenues going to associations that work to combat illiteracy.
Germany	At Christmas, employees created the <b>Weihnachten im Schuhkarton</b> (Christmas in a shoebox) project, packing up more than 300 shoeboxes with toys, sweets, school supplies and items of clothing, which the Geschenke der Hoffnung (Gifts of hope) association sent to poor children in central and eastern Europe, Mongolia and South Africa.
Guatemala	Employees raised funds which were used to buy essential items (water, powdered milk, food, personal-hygiene products, etc.) for the village of <b>El Pepinal</b> , which was devastated by Tropical Storm Agatha and volcanic ash rain. The company asked its employees to collect food, drinks, clothes and everyday hygiene products to donate to survivors of the Haiti earthquake via <b>Caritas</b> Guatemala.
Hungary	Following the <b>floods</b> that affected the country in the spring, employees organised a fund-raising campaign and the company also contributed in both cash and kind. Through Generali-Providencia Biztosító Zrt foundation, generators, pumps, motor boats and lifejackets have been donated, and rescue efforts have been organised in the towns of Felsőzsolca and Edelény. The Group also arranged a stay at the Generali training centre located at Római Beach for 80 children affected by the flooding, organising trips to monuments, museums, the zoo and the botanical gardens. In October, Generali sent financial assistance to some of its customers whose homes had been damaged by the <b>toxic mud spill</b> in the Rába river originating from nearby metallurgical works. Equipment for the rescue teams and food for inhabitants of the affected villages were also sent. Following these tragic events in Hungary and Austria, employees organised a collection to help victims of the disaster, with the companies themselves matching the amount of money donated (gift matching). The funds donated were used to buy household appliances, electrical equipment, clothing and furniture for families who lost their homes in the village of Kolontár. The local school was also given computer desks, bookshelves and a television. The items were presented to the village of Kolontár at a ceremony organised by Generali.
India	Employees took part in the “Joy of giving” project by collecting food, personal-hygiene and cleaning products, mats and clothes for <b>CINI</b> (Child in Need Institute), which provides nutrition, healthcare and education for women and children.
Israel	The company donates second-hand computers, screens and other electronic equipment to various <b>charitable organisations</b> .
Panama	Employees collected books and uniforms to donate to the <b>Padrino Escolar</b> project run by Pro Niñez Panameña, an association which provides education and support to children from poor backgrounds, particularly those from indigenous communities who live in rural areas.
Poland	In December, Generali launched the <b>One Father Christmas is not enough</b> project, which collects gifts to be given out to orphaned children. A gift-giving event was also organised.
Portugal	A group of 150 employees gave up their free time to do some gardening and decorate the communal areas at the first <b>residential home</b> for <b>Alzheimer’s</b> sufferers. Fitted with specialised facilities, the residential unit aims to provide effective assistance and play an active role in improving the quality of life of Alzheimer’s patients, whose specific needs are difficult to cater for in conventional residential homes.
Slovakia	Generali donated 150 household appliances that were damaged but in working condition or repairable, including refrigerators, freezers, washing machines and stoves, to communities affected by the severe <b>flooding</b> that took place in the summer. The company had acquired the appliances after paying out on a claim by a large electronics retailer.
South Africa	Workers collected food, clothing and toys to donate to <b>Banco de Alimentos</b> , an association that collects food and other items to distribute to the poor.
Spain	Employees donated food, clothes, toys and other items to <b>Clinton Branders</b> , a residence that houses a total of 15 disadvantaged children.
USA	Employees gave tins of food, clothing and children’s books to the <b>Baltimore Women’s Center</b> , which works to help homeless women and their children.

### Gift-matching initiatives

Gift matching is a concept that originated in the English-speaking world and is used by companies to support the charitable donations of their employees by adding to the sums they give to non-profit organisations. It is based on an employee's choice to make cash donations to one or more non-profit organisations, which the company will then add to with an amount equal to or greater than the employee's donations.

Gift-matching initiatives were implemented in **Austria**, for international organisation SOS-Kinderdorf for the distribution of food to families affected by the flooding in Pakistan; in **Canada**, for victims of the Haiti earthquake and the Heart & Stroke foundation; in **Germany**, for the Cologne children's hospital (Kinderkrankenhaus Amsterdamerstr) and Diakonie Michaelshoven e.V., an organisation that carries out voluntary work ranging from educating children and young people in difficulty to providing care for the elderly; in the **Netherlands**, for victims of the Haiti earthquake; in the **Czech Republic**, for communities affected by flooding; and in the **United States**, for victims of the Haiti earthquake via the Red Cross and for United Way, an organisation that takes care of poor children and their families, helping them to develop their potential in a safe, loving and educational environment.

In **Hong Kong**, for the eighth year running, a team of workers took part in the annual Green Power Hike organised by Green Power, an independent environmental association that is particularly committed to promoting renewable energies. The hike helps to raise funds which are then used to finance environmental education programmes in nurseries and primary and middle schools. The company made its own donation to the fund-raising campaign.

### Payroll-giving schemes

These involve donations made regularly over a period of time or on a one-off basis by employees of a company by setting aside a given portion of their salary - for example, one hour's pay - to be deducted directly from their pay slip, with their employer/withholding agent being liable for the tax payable on the donations.

During the December Festa del bambino (Children's Festival) in **Italy**, group employees were given the chance to donate to charity all or some of the money set aside by the company for gifts to employees' children. The funds raised were divided between three non-profit organisations: A.B.C. Burlo, which provides care for children suffering from severe deformities requiring multiple and complex operations; Peter Pan, which caters specifically for the parents of children with cancer, helping them to cope with living with the disease; and Save the Children, the world's largest independent international organisation dedicated to defending and promoting children's rights. This year, the sums donated by employees who gave up all or part of the money set aside for gifts for their children were added to with the funds that all employees decided to have deducted from their salary to be given to one or more of the three aforementioned charities to fund important aid projects aimed in particular at protecting children, young people and the disabled.

### Employee-secondment initiatives

These projects involve activities carried out by employees for non-profit organisations during their working hours.

Country	Description of the initiative
<b>Czech Republic</b>	A team of 60 employees spent a whole day working to improve conditions at the <b>Klokánek</b> orphanage, bringing hope and fun to the lives of mentally disabled children.
<b>France</b>	Three employees carried out humanitarian-aid missions abroad with <b>Planète Urgence</b> , an organisation that works to protect the environment and fight poverty.
<b>Germany</b>	In the last week of September, more than 400 employees took part in a national corporate volunteering scheme ( <b>Freiwilligentag</b> ). Using the motto "Helfen hilft - Gemeinsam stark" (To help help - together we are strong), they personally contributed to 36 different social projects implemented in Aachen, Frankfurt, Hamburg, Karlsruhe, Cologne, Munich and Saarbrücken, spending an entire day doing activities such as renovating nurseries and schools, working with migrants, taking disabled people to the zoo and providing educational activities for disadvantaged adolescents.
<b>Hungary</b>	In the autumn, a number of employees worked at the <b>Felsozsolca</b> nursery, which had been damaged by floods in June.
<b>Israel</b>	A group of 24 managers spent two hours each for a half-year period taking part in the <b>A Different Lesson</b> programme at Na'amat High School, in the Petah Tikva area, which is home to a number of children from poor socio-economic backgrounds, giving the children lessons in law, business ethics, marketing, economics and other insurance-related topics.



Country	Description of the initiative
Panama	Between May and November, 15 employees volunteered as teachers with youth-education organisation <b>Junior Achievement</b> of Panama during their working hours, giving lessons intended to prepare young people to be competitive in a global economy.
Poland	A group of 20 employees dedicated four working hours to organising a Christmas party at the <b>Dom Dziecka</b> orphanage, during which gifts were given out to the children.
Portugal	Employees supported the <b>Order of Malta</b> in assisting pilgrims during their journey to Fatima. Europ Assistance provided logistics and medical equipment (an ambulance and two assistance vehicles). Employees volunteered at the <b>Centro Apoio à Infância e Juventude</b> orphanage both by raising funds for the institution and by spending three weeks organising a special day for the children, to which the company's customers and commercial partners were also invited. During the year, some employees also put up the children in their own homes, and a visit to Monte Selvagem, in Alentejo, was organised.
USA	Generali USA supports <b>Junior Achievement of Middle America</b> , which helps to prepare young people for a rapidly changing economy. The company's employees volunteered as economics and finance teachers one day a week for a period of five to eight weeks.





Day Nursery Maglians Veneto  
Italy

# ENVIRONMENT

## Environmental Policy and Environmental Management System

As indicated in the Environmental Policy of the Generali Group and Ethical Code, safeguarding the environment as a primary asset is one of the guiding values of the Generali Group, which is committed to gearing its own choices towards guaranteeing compatibility between economic initiatives and environmental requirements.

The **Environmental Policy of the Generali Group**, published in 2009, covers 100% of employees; it is available on the Group's website at [www.generali.com](http://www.generali.com) in Italian and English, but has also been translated into French, Spanish and German up to this point, in order to broadly disseminate it and for it be correctly understood by the various stakeholders. The document defines objectives and commitments which guide the choices and actions of the Group, with the aim of making a positive contribution to sustainable development.

The defined objectives and commitments refer to either **direct environmental impact**, which is related to the Group's financial and insurance activities, or to **indirect impact**, which is linked to supply, planning and distribution activities for financial and insurance products, as well as to institutional investment activities.

Since 2009 the Group has been involved in a project aimed at introducing an **Environmental Management System (EMS)** which complies with the requirements of the ISO 14001 standard. The principal goal of the System is to manage the most important environmental aspects, thereby implementing the Environmental Policy.

In order to identify the relevant impacts of business activity on the environment, an environmental analysis was conducted on the main buildings of the companies in the Group.

For the time being, six of the most important countries for corporate business are involved in the implementation of the System: Italy, Austria, France, Germany, Spain and Switzerland, excluding companies in the Europ Assistance group. Within the area considered, a set of buildings was identified that are used as insurance and bank corporate offices, including related service activities, which resulted in coverage equivalent to 35.2% in terms of total Group workforce and 79.3% in terms of premiums.

With the aim of achieving and maintaining the objectives contained in the Environmental Policy, the document **Group objectives and targets for environmental improvement** was drafted, which defines specific targets that the countries involved in the EMS are committed to attaining within a three-year period. The initial values which make reference to the targets set are those that were announced on 31/12/2009. The table below provides a summary of the objectives and targets relating to direct environmental impacts.

### Group objectives and targets for environmental improvement

	Objective	Target	Indicator
<b>Energy</b>	Electrical energy consumption optimisation	5% reduction of per capita electrical energy consumption	Annual per capita electrical energy consumption
<b>Paper</b>	Paper consumption optimisation	5% reduction of total paper consumption	Total annual paper consumption
<b>Water</b>	Water consumption optimisation	5% reduction of per capita water consumption	Annual per capita water consumption
<b>Waste</b>	Waste management optimisation	10% increase in separate waste collection	% of separate waste collection to total waste
<b>Greenhouse gas emissions</b>	Reducing emissions from corporate mobility	10% reduction of CO <sub>2</sub> emissions from corporate mobility	Annual CO <sub>2</sub> emissions from corporate mobility

Furthermore, the Group committed to introducing increasing amounts of energy from **renewable sources** and **ecological paper**.

In order to provide a more extensive database from which decisions relating to the areas of improvement could be made, a general objective was also established, geared towards extending the scope of environmental accountability, both in terms of countries/companies, and in terms of indicators.

In February 2010, every country involved in the EMS defined and formulated its **own environmental programme**, containing specific targets and actions to work towards attaining the Group objectives.

The System is supported by an **organisational structure** that is composed of a Sustainability Committee, the decision-making body which defines, evaluates and reviews the Group environmental policies, objectives and targets, and an EMS Committee, the operative body consisting of the Group EMS Representative and Country EMS Representatives. It is responsible for disseminating and attaining the objectives contained in the Environmental Policy, evaluates the EMS' services according to the terms defined in the Group objectives and targets for environmental improvement document, and, in the event of a failure to attain them, proposes potential intervention actions.

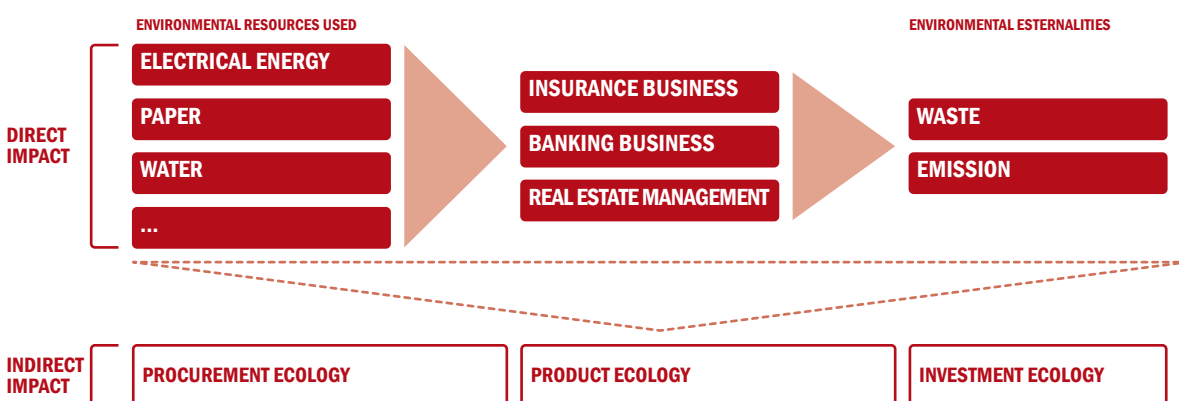
The task of coordinating the Committees and drafting documentation for the System at the Group level is carried out by the Corporate Social Responsibility unit.

Each country also has a Country CSR Committee, which are operative bodies that coordinate the activities of disseminating and adopting Environmental Policy, approve the Country Environmental Programme, and evaluate the suitability of the actions proposed by the individual companies with the policies, objectives and goals of the country. Furthermore, in certain countries, there are national support structures for the Country CSR Committees which have solely environmental powers.

In order for the System to be uniformly implemented, certain Group procedures have been defined for managing communication, documentation and environmental data, which must be adopted at an individual country level. The document system supporting environmental management at the Group level is, however, still in the development phase.

The proper implementation of the EMS and the specific attainment of the objectives are guaranteed by periodic monitoring and by an **internal information system** which provides for two reports a year, in order to evaluate the position as of June 30 and December 31. In November, the EMS Committee met and discussed and approved the **report for a review by Top Management** with a view towards continued improvement.

## Direct environmental impact



Also in 2010, the process for standardising the methods of collecting data relating to consumption of energy, paper and water, as well as information on methods of collecting and disposing of waste moved forward in all of the countries involved in the Environmental Management System (EMS).

The data published in this report refer to the companies included in the EMS, so as to allow a comparison with the objectives and targets contained in the Group objectives and targets for environmental improvement document. For certain countries, the 2009 data may differ from the data published in the previous Sustainability Report; this is due to the fact that the scope of accountability is still evolving and the 2009 data was recalculated in order to render it uniform to that of 2010.

## Direct environmental aspects

### Energy

#### Energy consumption

	CONSUMPTION (TJ)		CHANGE	PER CAPITA CONSUMPTION (TJ)		CHANGE
	2009	2010	2010/2009	2009	2010	2010/2009
ITALY	175.1	193.4	10.5%	0.03	0.04	7.9%
AUSTRIA	66.2	65.3	-1.3%	0.01	0.01	1.1%
FRANCE	96.6	98.9	2.4%	0.02	0.02	3.3%
GERMANY	314.3	322.0	2.5%	0.03	0.03	5.6%
SPAIN	51.1	46.9	-8.2%	0.03	0.03	-1.1%
SWITZERLAND	108.2	102.7	-5.1%	0.04	0.04	-0.5%
<b>TOTAL</b>	<b>811.5</b>	<b>829.3</b>	<b>2.2%</b>	<b>0.03</b>	<b>0.03</b>	<b>4.3%</b>

- In 2010 the companies included under the EMS consumed a total of 829.3 terajoules (TJ) of energy (+2.2% from 2010). Despite the Group's objective of gradually reducing this number, there were no net energy savings during the year.
- The 67.5% consumption is representative of electrical energy the 18.3% consists of energy consumption from district heating, while the remaining 14.2% refers to the direct consumption of energy from fuel, used to heat the work environments.
- There is also an increase in consumption in per capita terms, calculated as the ratio between overall consumption and the total number of employees who work in the sites monitored under the EMS. As is clear in this and the subsequent charts containing per capita indicators, the latter increased to a greater extent than that of the absolute indicators. This is primarily due to Germany, where a portion of the staff that was previously housed at the Aachen office transferred to a new building in Cologne over the course of the year, with consequent additional consumption compared to a number of primarily stable employees.

At the current time, no company included in the System independently produces energy, which is therefore purchased from suppliers or directly from producers. In almost all of the countries, a decision was made to use electrical energy coming from renewable sources and to decrease the use of highly polluting fuels.

#### Electrical energy consumption

	CONSUMPTION (KWH)		CHANGE	PER CAPITA CONSUMPTION (KWH)		CHANGE
	2009	2010	2010/2009	2009	2010	2010/2009
ITALY	35,506,099.1	38,576,912.0	8.6%	6,791.5	7,203.9	6.1%
AUSTRIA	11,277,634.0	11,257,341.0	-0.2%	2,159.6	2,207.3	2.2%
FRANCE	20,787,343.0	23,090,088.0	11.1%	4,358.8	4,883.7	12.0%
GERMANY	50,691,074.0	49,706,431.0	-1.9%	4,694.5	4,744.3	1.1%
SPAIN	14,199,889.1	13,040,581.0	-8.2%	7,078.7	6,999.8	-1.1%
SWITZERLAND	21,309,805.0	19,835,526.0	-6.9%	7,621.5	7,434.6	-2.5%
<b>TOTAL</b>	<b>153,771,844.2</b>	<b>155,506,879.0</b>	<b>1.1%</b>	<b>4,989.5</b>	<b>5,150.8</b>	<b>3.2%</b>

- In 2010 an overall 155.5 million kWh (155.5 GWh) of electrical energy (+1.1% from 2009) were consumed, used primarily for lighting, operating machinery, air conditioning and, in France and Spain, for heating as well. The per capita electrical energy consumption, calculated as the ratio between overall consumption and the total number of employees that work in offices monitored under the EMS, shows a 3.2% increase from 2009.
- The total energy consumption also includes the consumption of data processing centres (DPCs), which in 2010 was equivalent to 39.8 GWh (38.1 GWh in 2009). In Italy and Germany the DPCs also carry out activities on behalf of companies in the Group that are located in other countries. In 2010, in Italy the DPC was expanded, allowing certain activities that were previously carried by offices on-territory to be transferred to Management. The recorded

consumption, equal to 15.8 GWh compared to 15.4 GWh in 2009, does not, however, cancel out the reduction in consumption at the agencies, which is not indicated in the System. In Germany the DPC consumed 12.3 GWh compared to 11.9 GWh in 2009. Both Italy and Germany are undergoing feasibility studies aimed at optimising the DPCs' consumption. In Italy there was an experiment, which had excellent results, with turning off certain servers at night and on weekends, and in Germany the Green IT firm was nominated for the 2010 Green IT Best Practices Award in the category of IT energy efficient systems. The prize aims to distinguish the green IT projects that are particularly effective in increasing the energy efficiency of processors through the use of already established or new experimental technologies.

- The increase in electricity consumption recorded in Italy is also attributable to the transfer from a natural gas air conditioning system to an electrical energy one in one of the buildings considered.
- In order to reduce environmental impact, the Group also committed to introducing increasing amounts of electrical energy from **renewable sources**. At this time, in all of the countries involved in the System (except for Italy which will, however, introduce it in 2011), a portion of electrical energy from renewable sources is consumed (47.9% in 2010 compared to 27.3% in 2009). In particular, 100% of the consumption of Germany and the BSI bank in Switzerland and 83% in Austria is from renewable sources; in the vast majority of cases, it is hydroelectric energy. In Germany, the TÜV SÜD certification entity also attests that all of the electrical energy comes from a hydroelectric source produced by the generator almost simultaneously with usage.

As concerns the consumption of **thermal energy**, in 2010 Italy, Germany and Switzerland consumed a total of 2,572,378.5 m<sup>3</sup> of natural gas (+13.5% from 2009) and 475.3 m<sup>3</sup> of diesel fuel (-19.4% from 2009). It should be noted that other types of fuel were not used for heating in any country.

In Austria, France and Germany as well, energy from **district heating** systems was also used. On the whole, the three countries consumed 42.1 GWh (+2.7% from 2009) of district heating energy, of which 30.9 GWh was in Germany, 6.9 GWh in Austria and 4.4 GWh in France.

Generali Austria is also participating in the project by Fernwärme Wien AG (the Viennese district heating company) aimed at using this type of energy for air conditioning as well.

### Management of buildings and corporate structures

In all companies of the Group, the management of buildings, corporate structures and real estate in use by third parties is in full compliance with the current national standards in the country. Furthermore, this is increasingly geared towards minimising environmental impact and consistently improving the operative well-being of the employees. Generally, representatives from the primary corporate and technical functions involved are responsible for managing building structures and facilities, and also for managing health and safety at the workplace and purchases.

Additionally, in the redevelopment/restructuring of buildings, as well as in new constructions, eco-friendly criteria are applied whenever possible, paying special attention to energy savings, limiting greenhouse gas emissions and the materials used.

In **Italy** an energy certificate was requested for certain Group properties. The measures introduced in the restructuring of the buildings allow them to be placed in energy classes B or C. The possibility of certifying certain materials used for construction/restructuring is being evaluating and it has been performed a feasibility study regarding the installation of photovoltaic systems on roofs covering the parking areas of the Mogliano Veneto complex.

In 2010 two corporate nurseries were inaugurated in Trieste and Mogliano Veneto, which were planned with particular attention towards the environment. Both nurseries have a floor heating system, condensing boiler, LED lighting and ecological furniture.

In particular, the Mogliano Veneto nursery which is developed over a surface area of 500 m<sup>2</sup>, attained energy class A, thanks to it being equipped with photovoltaic and solar panels, which allow the structure to be completely energy self-sufficient. It is also equipped with a wooden ventilated roof, an insulating cover and light sensors (dusk sensors).

In **Austria** the majority of the buildings owned, both those used directly and those in use by third parties, were certified for energy efficiency, receiving a "building passport" or energy performance certificates.

In **France** all of the new buildings have a certificate of high environmental quality (HQE); the existing building management, as well as the management for new planned constructions, comply with these criteria. An environmental

plan was also drafted, which reports the environmental and health criteria to be followed when restructuring the Group's real estate assets.

The Maison Generali project began in 2009. It provides for reducing the sites occupied by Generali; the goal is to bring the sites down from 150 to 100, decreasing the occupied surface area from 39,000 m<sup>2</sup> to 34,000 m<sup>2</sup> (down approximately 15%). Based on the project, the old sites will be sold and the new buildings constructed according to eco-compatible criteria, with low energy consumption and increased employee comfort.

In **Germany**, the "Energy management" project is now in operation, which concerns all German companies, and has the following objectives:

- implementation of an integrated and sustainable energy management system;
- significant reduction of energy consumption and harmful emissions;
- business optimisation, with consequent reduction in costs;
- choice of energy supply at advantageous conditions, based on the medium/long-term;
- supply of data required to implement the Group's Environmental Management System.

The project is broken down into four sub-projects, which concern, respectively: technical aspects for optimising the management of the buildings and corporate structures; collection, management, analysis of data and their use; provision of energy, with the aim of reducing the costs relating to energy supply; human resources, to define actions to raise awareness about more efficient and correct use of energy geared towards employees, clients and the general public.

In **Switzerland** the Technische Sanierung Sood Adliswil (TSSA) project began, which provides for reusing the heat produced from IT equipment at the data processing centre, which would otherwise be dispersed into the atmosphere, through a heat pump system. This system allows there to be savings of up to 75% of natural gas consumption during the winter months.

#### **Main initiatives for improving energy efficiency**

- Installation of **devices to automatically turn on/off lighting fixtures**: in many offices in all six of the countries, presence sensors and/or clocks/timers were installed to control the lights, as well as outside facades. Furthermore, in some offices in France, Germany and Switzerland, light sensors were installed, and some Italian offices were equipped with photocells.
- Installation of **devices to automatically turn on/off/control air conditioning equipment**: in almost all of the corporate buildings in Italy, Austria, France, Germany and Switzerland, there are timer systems, presence sensors, outside temperature and thermostat probes to control the turning on/off of the heating and cooling systems, as well as the temperature, humidity and rate of ventilation. In Italy, Austria, France and Spain there are refrigeration and/or multisplit units which allow the temperature to be regulated as necessary.
- Use of **building covers and other energy saving solutions**: there is insulation and thermal doors and windows in many corporate buildings in all of the countries. In particular, in certain buildings in Italy, Austria, Germany and Switzerland, external solar screening has been installed. In Italy, there is direct expansion heating equipment on certain buildings, such as a heat pump.
- Use of **energy saving light bulbs**: in all countries, lights were replaced by low-absorbency light-emitting diodes. Furthermore, in Italy, Austria, France, Germany and Spain, LED lighting systems were introduced in certain corporate buildings, which offer significant advantages compared to traditional light sources, such as greater reliability, high efficiency and notable duration. In Italy in particular, the fluorescent tubes from luminous signs of Assicurazioni Generali were replaced with LED lights, with electrical energy savings of approximately 60%.

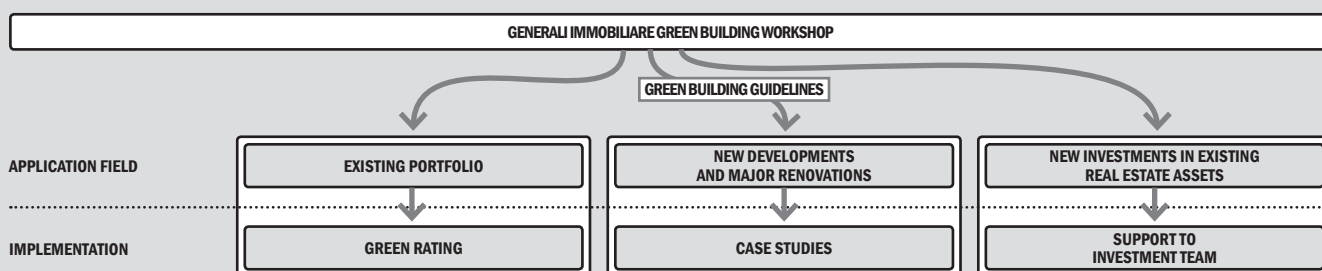


## Green Building Workshop

The Generali Group owns real estate assets for approximately 24.8 billion euros, only partially designated for own use and the rest is intended for use by third parties. The idea of environmental sustainability concerns all properties, regardless of their intended use.

In 2010, the Group, through its corporate real-estate arm, Generali Immobiliare launched an international workshop **Green Building Workshop** bringing together key players in the real estate group, to define and implement a set of Green Building Guidelines (GBG). These guidelines endeavor to set common goals and targets with a view to ensuring the respect of high environmental standards within the Group property portfolio. Improvement of performance combined with a reduction in environmental impact will create “green value” for Generali real estate assets. The objectives of this initiative also include anticipating future regulations in order to limit the future obsolescence of the property, as well as leveraging the Group green initiatives in order to remove perceived barriers and cement positive relationships between landlord, occupier and managing agent.

In order to best focus efforts where the Group can bring the most value the buildings have been divided into three groups: buildings in the existing portfolio; new developments and major renovations; new investments to be made in existing buildings.



### The Green Rating pilot project

During the initial stages, the project concentrated on the existing buildings that represent an important part of Generali’s property assets, and within this group, it concentrated on the office buildings that represent over 70%.

During the fourth quarter, in order to measure the energy-environmental sustainability of the buildings, an initial representative sample, comprising three properties for each country (Italy, Austria, Belgium, France, Germany, Spain and Switzerland), was identified, with one building partly or entirely designated for own use, making a total of 21 buildings.

The sample of Generali buildings was compared, using a shared measuring tool called **Green Rating**, with an European sample of more than 300 buildings in 60 cities in 12 European countries. The Green Rating measures and evaluates the environmental performance of each building according to the following criteria: energy, transport, environmental footprint, water, well-being/comfort, waste. The comparison was carried out both for actual performance based on the actual operational usage of the building by the occupants and actual consumption, and for intrinsic performance which is based on the existing building design, equipments and installations, related to a conventional scenario of real estate use.

The Green Rating reported for each building a series of concrete recommendations, costs and payback periods in order to improve the environmental performance of the buildings, which will be carried out by the Green Building Workshop members and their local teams over a 12 month period, after which the buildings will be reassessed to evaluate progress.

Additionally, the following goals have been set with reference to the sample buildings, namely: a 5% reduction in energy consumption; the systematic proposal of a “green appendix” to Group leases upon renewal, in order to establish a contractual incentive with the tenants; setting up of “Green Groups” at all buildings and establish periodic meetings with the tenants to involve them on responsible building occupation; the creation of a sustainability guide for tenants; the installation of sub-metering to detect any abnormalities in tenant consumption.

### Other initiatives of the Green Building Workshop

The members of the Green Building Workshop are also working actively towards the implementation of measures in the other two groups of buildings, which will be developed during the second stage of the workshop.

As far as the new developments and major renovations are concerned, pilot projects are being selected for each country. As for the new investments in existing buildings, environmental aspects start to become non-negotiable criteria in the context of due-diligence processes, i.e., expert opinions on the condition of the buildings; the members of the Workshop will support the investment teams making these assessments, proposing appropriate environmental measures and targets for these buildings.

## Paper

### Paper consumption

	QUINTALS	10	20	30	
ITALY					25,537.2 2009
					23,814.6 [-6.7%] 2010
AUSTRIA	3,556.0				2009
	3,566.0 [+0.3%]				2010
FRANCE		8,817.0			2009
		10,621.0 [+20.5%]			2010
GERMANY			14,692.8		2009
			15,207.4 [+3.5%]		2010
SPAIN		5,174.0			2009
		5,774.3 [+11.6%]			2010
SWITZERLAND		5,794.0			2009
		5,753.0 [-0.7%]			2010

**TOTAL 2009: 63,571.0; TOTAL 2010: 64,736.2; CHANGE 2010/2009: +1.8%**

- In 2010, a total of 64,736.2 quintals of paper were consumed (+1.8% from 2009). Total consumption includes 21,690.3 quintals (33.5%) of white paper and 43,045.9 quintals (66.5%) of printed paper, that is, paper purchased from suppliers for printing Group documents and publications such as policies, reports, studies, bulletins, etc..
- Compared to 2009 a 4.5% decrease in the consumption of white paper was recorded, thanks, above all, to the actions undertaken in all of the countries to improve paper management. In general, it should be noted a high consumption of printed paper (+5.4% from 2009), in large part due to the application of European legislation which requires companies to provide a paper copy of all documentation relating to contracts and the relative correspondence to its clients. The noted increase in consumption is primarily attributable to exceptional reasons, such as a mass client communication in France and, in Spain, the merger of Estrella Seguros and Vitalicio Seguros into Generali España, with rendered the printed materials from the pre-existing companies obsolete.
- The Group also committed to increasing the portion of **ecological paper** in its total consumption, which in 2010 reached 45% (34.9% in 2009). It is considered ecological paper that paper that in all of its processes, from forest management to the retrieval of raw material for its production, has a limited and controlled impact on the environment. Currently, almost 100% of the paper purchased in Austria, France, Spain, Switzerland (with the exception of the BSI bank) and the printed paper from Germany is eco-friendly and satisfies the eco-friendly criteria established by national and international certification systems like Ecolabel europeo, The Nordic Swan, Der Blaue Engel in Germany, Umweltzeichen Baume in Austria, FSC (Forest Stewardship Council) and PEFC (Programme for Endorsement of Forest Certification). In Italy, just as of the start of 2010 it was decided to only purchase FSC certified eco-friendly paper. Consequently the portion thereof is still somewhat limited (18%).

The companies included under the EMS are furthermore committed to purchasing not only ecological paper, but also stationery and toner that have a low environmental impact. Indeed, many countries have a **catalogue with green products**, which include, for example, pens with water-based ink, solvent-free pens, pencils made out of wood that comes from sustainably managed forests, toner produced with recycled and/or regenerable materials. In 2010, the countries included in the System bought 884.8 quintals of toner, 20.6% of which was recyclable, and 32% of which was regenerated.

#### Main initiative for improving paper management

- Establishment of the **front/back printing** option on printers, where available, and printing in colour only if necessary: this method is used in large part by the companies of the Group.
- Replacement of individual printers, photocopiers and fax machines with **multifunction equipment** or centralised printers per office/floor: they have already been installed in the majority of sites/companies of the Group.
- **Electronic archiving** of documents: this is being carried out more and more extensively in Italy, Austria, Germany and Switzerland; in Austria the paper mail received from clients is scanned and distributed electronically to the recipients.
- Use of **low grammage** ecological paper: in Italy, Austria and Switzerland, substituting the paper that is currently in use with paper of a lower unit weight guarantees a decrease in terms of weight, and therefore savings in terms of the natural resources used, even assuming that current levels of consumption in number of pages are maintained.

- Introduction of measures **to reduce agency paper consumption**: in Italy, many agencies print policies when they are issued, eliminating pre-printed forms; in Austria, policy conditions, viewable on the Internet, are only sent to the client in paper form upon specific request; in France, there was a rationalisation of the printed materials used; in Switzerland, the BSI bank introduced Leo-Long reporting, in other words, the summary account extract, in replacement of the individual notices that were sent to clients for each transaction performed.
- Use of **alternative systems to paper for communications between companies/agencies/clients**: in Italy some companies communicate via sms when the policy is completed; in Austria sms and e-mail are used to inform clients about claims management and the payment of indemnities; in Spain only e-mail is used for internal correspondence and they send paper letters only when it is strictly necessary. The results achieved in terms of the organisation of communications and the reduction of office paper waste was encouraging in all of the countries. It should be noted, however, that many communications in the insurance-banking sector must be in paper by law.
- **Other initiatives**: in Austria, some work stations were equipped with two monitors, so as to avoid printing documents, and cloth handtowels were used in the restrooms rather than paper ones. In many countries, it was decided to substitute paper Christmas cards with electronic ones and to use electronic forms for employee requests such as expense reimbursements, special payments, holiday allowances and permits, etc.. In Italy, Austria, Germany and in Switzerland, at BSI, the same container or envelope was used to distribute the mail and internal communications.

A large part of the measures described above had positive effects on areas other than paper consumption, such as toner and energy consumption. This decrease in consumption is added to the one deriving from the interventions on the Group's real estate, which were already implemented or are in the process of being implemented.

## Water

### Water consumption

	CONSUMPTION (M <sup>3</sup> )		CHANGE	PER CAPITA CONSUMPTION (M <sup>3</sup> )		CHANGE PER CAPITA
	2009	2010	2010/2009	2009	2010	2010/2009
ITALY	225,206.5	231,332.0	2.7%	43.1	43.2	0.3%
AUSTRIA	48,728.0	47,111.0	-3.3%	9.3	9.2	-1.0%
FRANCE	37,979.0	30,940.0	-18.5%	8.0	6.5	-17.8%
GERMANY	149,533.0	151,256.0	1.2%	13.8	14.4	4.3%
SPAIN	37,467.0	32,310.0	-13.8%	18.7	17.3	-7.1%
SWITZERLAND	82,918.0	75,466.0	-9.0%	29.7	28.3	-4.6%
TOTAL	581,831.5	568,415.0	-2.3%	18.9	18.8	-0.3%

- In 2010 the countries included in the System consumed a total of 568,415.0 m<sup>3</sup> of water [-2.3% from 2009]. The water is primarily used for hygiene-health purposes and for the operation and cooling of air conditioning equipment; only in some sites the water is also used to water the green spaces. Almost all of the water consumed comes from communal or state water mains; only an extremely small quantity of consumption, equal to 0.07% is of subsoil water, which is used in rare cases, above all in summer, in Austria (200 m<sup>3</sup>) and Germany (191 m<sup>3</sup>). The insurance-banking activity essentially produces wastewater, which washes into the urban sewage systems.
- The per capita consumption of water, which is calculated as the ratio between total consumption and the total number of employees that work in the sites monitored under the EMS, has remained virtually stable (-0.3% compared to 2009). Italy is the country with the highest water consumption, equal to 40.7% of the total, with a growth, in absolute terms, of 2.7%, due primarily to certain losses in the water mains of the sites in Trieste and Mogliano Veneto. The figure recorded is, nevertheless, in line with those of its Italian competitors.
- The notable 18.5% reduction recorded in France is the result of containment measures, including transferring to a food services provider that is more efficient with respect to this aspect.
- Furthermore it should be noted a water sampling in Italy of 43,290 m<sup>3</sup> from the River Po and in Switzerland of 412,652 m<sup>3</sup> from Lake Lugano, which is used as industrial water for the cooling systems.
- For the time being no company is providing for water recycling or reuse.

In all countries, there are ongoing actions to improve the management of water consumption; in particular, in Switzerland there are timers for regulating tap water, in Austria and Spain devices have been activated which regulate

the flow of water in restrooms and in certain Italian sites, taps have been installed which mix air and water together. Lastly, in Italy, Austria, Germany and Switzerland, air rather than water cooling equipment is being used.

In order to reinforce and provide a public verification of the commitment to reduce water consumption, in 2011 the Group signed the Carbon Disclosure Project (CDP) Water Disclosure, an international initiative whose objective is to raise company awareness about sustainable management of water.

## Waste

### Quintals of waste subject to separate waste collection

	TOTAL SEPARATE WASTE		OF WHICH PAPER-CARDBOARD		OF WHICH IT		OF WHICH TONER	
	2009	2010	2009	2010	2009	2010	2009	2010
ITALY	4,514.0	5,321.1	2,263.3	1,662.2	336.7	625.8	76.3	85.1
AUSTRIA	4,496.9	4,035.2	2,749.0	1,943.4	53.5	69.5	105.0	90.9
FRANCE	2,908.8	2,694.5	n.a.	562.0	358.8	459.3	29.0	48.8
GERMANY	32,696.3	33,534.3	19,813.1	20,776.7	212.9	122.6	n.a.	290.0
SPAIN	1,514.7	4,850.8	1,464.8	4,787.4	9.0	4.0	2.6	13.7
SWITZERLAND	4,449.6	6,638.1	3,110.7	3,442.9	27.4	64.3	21.3	34.0
<b>TOTAL</b>	<b>50,580.2</b>	<b>57,074.0</b>	<b>29,400.9</b>	<b>33,174.5</b>	<b>998.3</b>	<b>1,345.5</b>	<b>234.2</b>	<b>562.5</b>

- In 2010 the countries involved in the System produced a total of 74,779.6 quintals of waste, of which 57,074 (equal to 76.3%) was subject to separate waste collection and 17,705.6 quintals (23.7%) of which was incinerated or dumped. Paper and cardboard, plastic, glass, aluminium and other metals, wood, wet waste, sanitary waste, hazardous waste, IT and toner waste are subject to separate waste collection (+12.8% from 2009) in all countries, thanks to the actions undertaken to improve waste management, such as for example increasing separate waste containers and new terms for collection and recycling of materials, since the majority of this waste is recycled. Furthermore, in all countries companies are working towards better data accountability. In order to increase the effectiveness of the actions, many companies have carried out special campaigns to raise employees' awareness about separate collection.
- The majority of the waste collected using separate methods consist of **paper and cardboard** (58.1%), which in all countries was collected using separate methods and completely recycled. In Austria and Germany, there is an extremely high level of recycling of these materials, thanks to the very specific regulations in effect in these countries, which aim to avoid wasting resources by regulating the methods of disposal of materials in an ecologically correct and, wherever possible, simple way.
- **IT and toner waste**, which is **considered hazardous** (neon tubes, batteries, etc.), is collected and disposed of separately in an appropriate manner, according to the current regulations in force in the various countries, using specialised companies and by maintaining registries and mandatory documentation.
- Wherever possible, discarded electronic devices are returned to suppliers or to plants that carry out the disposal and recovery of reusable parts. The IT waste data may show peaks insofar as computers, monitors and other IT materials are replaced on a cyclical basis with new devices that are more sustainable from an environmental point of view. In Germany and Austria, in certain cases, the replaced electronic devices are donated to schools and charitable organisations.
- Toner consumption is another significant environmental aspect for the type of activity performed by the companies in the Group, and in all countries the accountability of this waste is improving. Overall in 2010, 562.5 quintals of toner were consumed, 70.2% of which was recycled and/or regenerated. In Germany, the 2009 information is not available as the accountability criteria were refined and what was published last year is not comparable. In Austria, France and Germany, regenerated toner is used almost entirely.
- In 2010, 51.1 quintals of hazardous waste (+46.4%) and 3.2 quintals of health waste (+10.3%) such as gauze, bandages, etc. was collected from companies in the System, which was used in those sites that have an infirmary.
- In some sites in Italy, Austria, Germany and Spain, wood is also collected, which is entirely sent for recycling.

## Greenhouse gas emissions

For insurance companies and banks, the emission of greenhouse gases released into the atmosphere when carrying out their activities mainly relates to the consumption of electricity and energy used by heating/air conditioning systems and through mobility.

### Mobility

In 2010, the Group's employees made work-related journeys totalling 204,736,399 kilometres (Km), of which approximately 59.1% were by car, 26.8% by aeroplane and 14.1% by train.

#### Road kilometres travelled by employees on duty

	MILLION KM	10	20	30	40	50	
ITALY				*29,223,098.8		45,482,638.8	2009
				*29,675,131.8		44,144,142.8 [-2.9%]	2010
AUSTRIA	n.a.	12,800,000.0					2009
	n.a.	12,800,000.0 [0.0%]					2010
FRANCE			*24,141,518.0	26,499,867.0			2009
			*23,422,980.0	25,694,720.0 [-3.0%]			2010
GERMANY			*19,563,490.6		39,388,037.0		2009
			*15,368,012.4		30,854,177.0 [-21.7%]		2010
SPAIN		5,941,455.9 [*5,540,247.6]					2009
		5,084,556.3 [-14.4%]	*4,485,188.5				2010
SWITZERLAND	2,179,361.0 [*704,158.0]						2009
	2,408,332.0 [+10.5%]		*768,153.0				2010

**TOTAL 2009: 132,291,359.7 [OF WHICH \*SALES FORCE 79,172,513.0]; TOTAL 2010: 120,985,928.1 [OF WHICH \*SALES FORCE 73,719,465.7]**

**CHANGE 2010/2009: -8.5%**

- Thanks to the various mobility management initiatives, there was a fall of 8.5% over the year in mileage travelled by car by employees on duty, which involved almost all countries except Switzerland, where mileage increased following the expansion of the corporate fleet.
- The greatest contribution to the reduction came from Germany, a fall of 21.7% as a result of both a consistent decrease in the number of cars in the corporate fleet, which went from 1,240 to 810, and less travelling by sales force. In Spain too, these latter features led to a significant decrease (-19%).
- For Austrian and the Swiss insurance companies it was only possible to measure the mileage travelled for journeys made in corporate cars.
- In all countries there is a corporate fleet, which in 2010 covered a total of 30.6 million kilometres, equal to 25.3% of the total mileage.
- Although there was a reduction in mileage recorded in Germany and Spain, the impact of the mileage travelled by sales force on the total remains high, consistent with the nature of the job; it is, on average, around 60%, with peaks of 91.2% in France and 88.2% in Spain. It has not yet been possible to provide information about the journeys of sales force in Austria because there is no information relating to the journeys that many sales staff make using their own vehicles or public transport for which there are no figures as they are not reimbursed.

## Flight and train kilometres travelled by employees on duty

	MILLION KM	5	10	15	20	25	
ITALY						16,728,028	AIR
			9,463,668				TRAIN
AUSTRIA		1,359,448					AIR
		369,606					TRAIN
FRANCE			4,847,660				AIR
			7,222,793				TRAIN
GERMANY						24,248,799	AIR
				9,346,173			TRAIN
SPAIN		1,114,764					AIR
		1,353,031					TRAIN
SWITZERLAND			6,567,500				AIR
		1,129,000					TRAIN

TOTAL 2010: AIR 54,866,200 KM; TRAIN 28,884,271 KM

- In all countries involved in the System, the system for reporting journeys by air and train are being improved, taking the information directly from the travel agencies that make the bookings for employees.
- In Spain, thanks to the activation in 2009 of the high speed section between Madrid and Barcelona, journeys by train continue to increase (+54.7% compared to 2009), compared to a fall in journeys by air (-6.9%).
- In Austria journeys by train have increased by 29% compared to 2009 as a result of the reorganisation of the Generali Versicherung company. In this country, journeys by train are environmentally friendly because most of the energy used by the Austrian railway network comes from renewable sources (hydroelectric power).
- It should be remembered that, outside of the Group's policies, preferences for different methods of transport for journeys for work are linked to the location of the Group's sites in the country, as well as the quality of the existing rail and air connections.

### Main initiatives for improving mobility

- Presence of a **mobility/travel manager**: in the majority of countries. In Italy, there is a specialist unit who deals with mobility; in Trieste the mobility manager is active and has the task of planning sustainability initiatives and improving home/work movements and maintaining relations on these topics with the municipal authorities. In Austria and in BSI in Switzerland, there is a mobility manager with the job of managing the corporate fleet. In Spain there is a travel manager who deals with journeys for work. In Germany there is both a mobility manager and a travel manager; the latter's responsibilities include handling contractual conditions with suppliers of transport services and checking and reviewing the travel policy.
- Adoption of a **travel policy** that favours the use of public transport and promotes the methods that create the least pollution: in all countries. In Austria, specifically, all air journeys have to be authorised by the Top Management of the company.
- Adoption of a **car policy** which sets out maximum carbon dioxide (CO<sub>2</sub>) limits for corporate cars: in Italy, Austria and France (for the sales network as well).
- Purchase of **electric or hybrid cars** for company use: in France, two electric cars are used for transporting packages and post between the three buildings located at Saint-Denis and a hybrid car has been purchased for a member of the company's Top Management. In Italy, DAS, in conjunction with one of its agents, has bought an electric car.
- Reduction of public **transport costs** for employees: in Italy, some companies in Milan, in addition to the 10% reduction from the Municipality, are paying for a further 10% reduction in annual public transport season tickets for the Milan transport system; in addition, Alleanza Toro is contributing 10% to the annual train season ticket for travel in Lombardy. In France, Generali France is bearing 60% of the cost of the annual season ticket valid for all public transport in Paris and the suburbs. In Switzerland, the BSI bank is contributing 50% towards the railway network season ticket for sales force who use the train for work as well and 5% towards a public transport season ticket.
- Provision of **shuttle services** connecting several premises located in various parts of the same town or connecting offices with the railway station or the nearest public transport stop: in Italy, in Rome and in Mogliano Veneto.
- Promotion of **car pooling/car sharing**: the Group company intranet in Germany has a dedicated car pooling section. In France, employees have access to an internet portal where they can make arrangements if there is a public transport



strike. In Italy, in Trieste, employees can offer/take lifts from colleagues who make the same journey through a special application; an agreement has also been signed for transporting employees via a transfer-sharing shuttle from/to Trieste, from/to the airport of Ronchi dei Legionari, Venice, Treviso and Ljubljana (Slovenia). The service is provided in conjunction with other companies and/or private individuals.

- Promoting the use of **bicycles**: in Italy, Austria and France, where some premises have parking facilities for bicycles.
- Implementation of a **tele-expertise** system for motor claims, to limit the number of car journeys by experts: in Austria, France and Switzerland.
- Initiatives for **low CO<sub>2</sub>** or other greenhouse gas emission journeys: in Germany, the Group has launched a partnership with Deutsche Bahn (the German national railway company) whereby all journeys made by train by employees for work are carbon neutral, in other words they use electricity from renewable sources, as certified at the end of the year by TÜV SÜD.
- **Teleworking**: in Austria, France, Germany and Switzerland, some employees have the opportunity of working from home, reducing both home-work journeys, and journeys to clients, with a reduction in greenhouse gas emissions.

In 2010 as well, development continued in **videoconference systems** with the aim of reducing movements and, at the same time, setting up a visual link between people in the various countries. In 2010, in particular, the number of videoconference calls was, in total, 12,742, an increase of 16.7% compared to 2009. The increase mainly involved Switzerland (+66.9%) and Italy (+20.8%).

Initiatives aimed at reducing emissions from corporate mobility in 2010 included the participation of Europ Assistance Italia in the **10x10 Project**, an initiative promoted in 2007 by the monthly magazine Quattroruote. The company is committed to reduce the CO<sub>2</sub> emissions of its own company fleet by 10% through a series of measures that also includes the purchase of hybrid cars.

### Calculating emissions

As far as the emission of greenhouse gases (GHG) from direct or indirect consumption of energy from fossil fuels is concerned, there have been estimates of the emissions from the consumption of fuels for heating (natural gas and diesel fuel), electrical energy purchased, district heating and corporate mobility, where corporate mobility refers to mileage travelled by car, train or aeroplane by employees on duty.

In 2010, total GHG emissions were equal to 67,377.4 tonnes of carbon dioxide equivalent (CO<sub>2</sub>e) obtained by converting the quantities of nitrous oxide (N<sub>2</sub>O) and methane (CH<sub>4</sub>) using suitable coefficients. The above mentioned emissions derive 27.6% from the consumption of electrical energy, 19.8% from thermal energy and 52.6% from corporate mobility.

The GHG emissions are given below, grouped together into three different categories (scopes) adopting the Greenhouse Gas Protocol approach.

**Scope 1** – Direct emissions, produced by heating systems and the corporate fleet of cars, are estimated at 12,506.1 tonnes of CO<sub>2</sub>e. It is estimated that total emissions are equal to 6,139.6 tonnes of CO<sub>2</sub>e compared to an energy consumption of 2,572,378.5 m<sup>3</sup> of natural gas and 475.3 m<sup>3</sup> of diesel fuel. Emissions produced directly by the corporate fleet are estimated at 6,366.6 tonnes of CO<sub>2</sub>e.

**Scope 2** – Indirect emissions from energy consumption, associated with the use of electrical energy from fossil fuels and district heating, are estimated at 25,781 tonnes of CO<sub>2</sub> in total. Specifically, emissions from the consumption of electrical energy purchased by the Group's companies in 2010, equal, in total, to 155.5 GWh, have been estimated at 18,602.9 tonnes of CO<sub>2</sub>, with a decrease of 31.1% compared to 2009, thanks, above all, to the decision by Germany to purchase electrical energy from renewable sources only, while emissions due to the consumption of 42.1 GWh of energy from district heating are estimated at 7,178.1 tonnes of CO<sub>2</sub>.

**Scope 3** – Indirect emissions not from energy consumption, connected to the employee work journeys, have been estimated, in total, at 29,090.3 tonnes of CO<sub>2</sub>e, of which 18,828.8 tonnes of CO<sub>2</sub>e are related to car journeys, 8,658.8 tonnes of CO<sub>2</sub>e are related to air journeys and 1,602.8 tonnes of CO<sub>2</sub>e are related to train journeys.

The emissions have been estimated using the Greenhouse Gas Protocol guidelines, from the World Business Council on Sustainable Development (WBCSD) and the World Resources Institute (WRI), and the emission factors in the calculation tools. A Distance-based Methodology approach has been adopted for emissions relating to corporate mobility.

## Initiatives for reducing greenhouse gas emissions

In addition to the measures already described in the paragraph dedicated to energy, aimed at limiting energy consumption and emissions from heating/air conditioning and lighting, and in the "mobility" paragraph, aimed at reducing greenhouse gas emissions from corporate mobility, all sites have a monitoring system which also checks the correct operation of the systems which, in compliance with the regulations in force, includes regular checks both by outside firms and by Group technicians, as well as all other measures necessary for ensuring the efficiency of the systems and preventing the release of harmful emissions into the atmosphere.

In all countries under the System, the process for eliminating **refrigerant gases** (R22) from all air conditioning systems is in progress; this process has already been completed by the companies in France, while in Italy, Austria, Germany, Spain and Switzerland it should reach completion by 2014.

Initiatives have been set up in various countries aimed at **compensating for emissions**; specifically in Germany, through the effect of the GoGreen agreement with Deutsche Post/DHL, CO<sub>2</sub> emissions relating to every package sent are compensated for by the purchase of certificates that neutralise them through environmental schemes. In Switzerland, in 2010 the Group compensated for CO<sub>2</sub> emissions associated with several mailing campaigns (made, that is, by sending letters to clients) involving a total consumption of paper equal to 43 tonnes through the purchase of certificates for a specific reforestation project in Brazil.

Initiatives aimed at reducing emissions include Il bosco dei 100 passi (The forest of 100 steps) of the Europ Assistance Italia Group. The company has adopted a green area, in the park south of Milan, an area seized from the Camorra, where the trees bear the names of the victims of organised crime, having made a 10 year commitment to protect the forest. This project allows Europ Assistance to compensate every year for 101.3 tonnes of CO<sub>2</sub>, which corresponds to approximately 4,500 roadside assistance call outs.

The Generali Group has joined the **Carbon Disclosure Project** (CDP), an international scheme supported by more than 500 large corporate investors aimed at gathering information at major companies worldwide about their greenhouse gas emissions and the strategies adopted to deal with the risks and opportunities from climate change. In 2010, the Group supplied the CDP database with their information and managed to access the entire database, as a signatory investor, to find out about the environmental performance of the companies that they have invested in or intend to invest in.

In 2010, in order to further promote the integration of sustainable development in corporate processes, the German group has joined the **VfU - Verein für Umweltmanagement und Nachhaltigkeit in Finanzinstituten e.V.** (Association for environmental management and sustainability in financial institutions). The purpose of the association is to act as a forum for the exchange of opinions and information to create new strategies and tools for sustainable development. The VfU organises meetings with experts on specific subjects and, through seminars, conferences and publications, makes the results available, not only to members of the association, but also to other outside people.

## Environment protection expenditures and investments

In 2010, the countries involved in the Environmental Management System started preparing to record the expenditures incurred and investments made in the renovation of buildings, disposal of waste, ecological purchases, etc.. As it was the first year records were kept, not all countries were able to provide full information about costs incurred and investments made so, as a result, the figures published are not complete.

From the available information it appears that the six countries have, in total, invested more than 36.5 million euros in environmental assets, of which 42.7% was in renovation of buildings in terms of eco-efficiency, 25.8% was in schemes for reducing greenhouse gas emissions, 29% in green purchases and the remaining 2.5% in consulting, certifications, education, waste management and awareness initiatives. Only France managed to supply figures for the cost of separate waste collection (approximately 102 thousand euros).

## Fines and penalties

From the information available in 2010 there are no fines or non-monetary penalties imposed on Group companies for failing to comply with environmental regulations or laws.

## Biodiversity

In Italy, an extremely small part (150 m<sup>2</sup>) of the Mogliano Veneto site is located in an area subject to restrictions by the river Dese pursuant to Article 142 of Legislative Decree no. 42/2004. However, no activities are carried out by the Company in this area.

## Education and awareness initiatives

As it is felt that education is a fundamental element in furthering eco-compatible behaviour, the Group is promoting numerous education and awareness initiatives about the environment, directed at both its own employees and sales force, through various kinds of programmes and schemes, and also at its clients and the general public, through awareness campaigns, conferences on the subject, guides and information booklets giving useful advice and suggestions. Specifically, there are documents, guidelines and information about current social-environmental initiatives on the majority of company intranets. There are also posters or brochures in public areas designed to make staff aware about respecting the environment, saving energy, reducing the consumption of paper and water, and separate waste collection aimed at reusing and recycling natural resources. There is the tendency everywhere to provide a large number of e-learning training courses, which has a dual benefit for the environment: decreasing the consumption of paper for the distribution of hard copies and saving CO<sub>2</sub> emissions by reducing movements.

### Major education and awareness initiatives

Country	Type of initiative/ Targets	Diffusion methods	Main objectives and/or contents
Italy	Training <ul style="list-style-type: none"> <li>employees</li> </ul>	<ul style="list-style-type: none"> <li>workshops for Country EMS Representatives</li> </ul>	<ul style="list-style-type: none"> <li>definition of the EMS organisation</li> <li>training in EMS Group procedures</li> <li>definition of data collection methods</li> <li>training in emission calculation method</li> <li>information in the joint internet area dedicated to the EMS, used for the exchange of data and information</li> </ul>
	Feeding the planet, energy for life. Thirteenth Overland expedition of vehicles sponsored by AlleanzaToro <ul style="list-style-type: none"> <li>general public</li> </ul>	<ul style="list-style-type: none"> <li>travelling initiative: 4 vehicles running on solar energy and equipped with an independent driving system travelled 20,000 Km (Milan-Rome-Moscow-Shanghai)</li> </ul>	<ul style="list-style-type: none"> <li>production of a television reportage illustrating the operation of the innovative vehicles used, describing the legs of a journey exploring remote lands</li> </ul>
Austria	Guidelines for the sustainable management of natural resources <ul style="list-style-type: none"> <li>employees and sales force</li> </ul>	<ul style="list-style-type: none"> <li>leaflets and notices in public areas</li> <li>specific articles in company newsletter</li> </ul>	<ul style="list-style-type: none"> <li>information and awareness about environmental topics and sustainable management of resources</li> </ul>
	Training of employees involved in the management of environmental aspects <ul style="list-style-type: none"> <li>employees</li> </ul>	<ul style="list-style-type: none"> <li>courses</li> </ul>	<ul style="list-style-type: none"> <li>specific training in relation to the management of environmental aspects</li> </ul>



Country	Type of initiative/ Targets	Diffusion methods	Main objectives and/or contents
France	Generation en action <ul style="list-style-type: none"> <li>• general public</li> </ul>	<ul style="list-style-type: none"> <li>• website <a href="http://www.generation-en-action.com">www.generation-en-action.com</a></li> </ul>	<ul style="list-style-type: none"> <li>• promoting or taking part in environmental projects</li> <li>• encouraging the development of a company that adopts sustainable behaviour aimed at improving the company and the environment and creating a better future</li> </ul>
	Le Parlement des Entrepreneurs d'avenir. Les pionniers d'une économie plus humaine (The Parliament of Entrepreneurs of the future. The pioneers of a more human economy) <ul style="list-style-type: none"> <li>• general public</li> </ul>	<ul style="list-style-type: none"> <li>• an observatory including companies which, through their products and services, they are capable of generating a new growth model founded on efficiency and responsibility, fairness and sustainability</li> <li>• website <a href="http://www.entrepreneursdavenir.com">www.entrepreneursdavenir.com</a></li> </ul>	<ul style="list-style-type: none"> <li>• promoting a new global performance model, in which competitiveness is combined with respect of the individual and their well-being at work, ethical principles, society and the environment</li> </ul>
	The funding, for four years, of a university chair for the study of climate change <ul style="list-style-type: none"> <li>• students and the general public</li> </ul>	<ul style="list-style-type: none"> <li>• university lectures and conferences</li> </ul>	<ul style="list-style-type: none"> <li>• increasing awareness about climate change</li> <li>• improving natural risk actuarial models</li> </ul>
	A sustainable development week organised every year by Generali <ul style="list-style-type: none"> <li>• employees and sales force</li> </ul>	<ul style="list-style-type: none"> <li>• conferences, exhibitions and presentations on the theme of biodiversity, book collections, organic food in group canteens</li> </ul>	<ul style="list-style-type: none"> <li>• information and awareness about environmental topics in general</li> </ul>
	People and organisations <ul style="list-style-type: none"> <li>• employees and sales force</li> </ul>	<ul style="list-style-type: none"> <li>• internal dialogue project, based on organisation, training, communication and incentives</li> </ul>	<ul style="list-style-type: none"> <li>• awareness and information about environmental topics and energy saving</li> </ul>
Germany	Environmental and Energy Saving Day <ul style="list-style-type: none"> <li>• employees, sales force and the general public</li> </ul>	<ul style="list-style-type: none"> <li>• stands in various German towns organised by Generali and by other companies outside of the Group</li> </ul>	<ul style="list-style-type: none"> <li>• information and awareness about natural resources and greenhouse gas emissions</li> <li>• information about measures to be adopted to save energy and reduce waste</li> </ul>
	Environmental workshop <ul style="list-style-type: none"> <li>• employees</li> </ul>	<ul style="list-style-type: none"> <li>• workshops for managers and employees directly involved in the management of environmental themes</li> </ul>	<ul style="list-style-type: none"> <li>• informing and training employees about the Group's EMS</li> <li>• actions and programmes for achieving the Group's goals and targets</li> <li>• creation of an online forum for everyone who works at the Group's EMS to guarantee a better exchange of information and experiences</li> </ul>
	Training and awareness <ul style="list-style-type: none"> <li>• employees and sales force</li> </ul>	<ul style="list-style-type: none"> <li>• brochures</li> </ul>	<ul style="list-style-type: none"> <li>• promotion of eco-compatible behaviour</li> <li>• checking and reducing the consumption of energy, water and CO<sub>2</sub></li> <li>• information about the management of separate waste collection</li> </ul>
Spain	Education and awareness <ul style="list-style-type: none"> <li>• employees and sales force</li> </ul>	<ul style="list-style-type: none"> <li>• internal magazine</li> </ul>	<ul style="list-style-type: none"> <li>• awareness about environmental themes, with special attention paid to the consumption of paper and energy</li> </ul>
	Energy saving weeks <ul style="list-style-type: none"> <li>• employees and sales force</li> </ul>	<ul style="list-style-type: none"> <li>• various activities</li> </ul>	<ul style="list-style-type: none"> <li>• information and awareness about energy saving</li> </ul>
Switzerland	Education and awareness <ul style="list-style-type: none"> <li>• employees and sales force</li> </ul>	<ul style="list-style-type: none"> <li>• internal magazine</li> </ul>	<ul style="list-style-type: none"> <li>• awareness about environmental themes, with special attention paid to the consumption of paper and energy</li> </ul>
	Energy saving weeks <ul style="list-style-type: none"> <li>• employees and sales force</li> </ul>	<ul style="list-style-type: none"> <li>• various activities</li> </ul>	<ul style="list-style-type: none"> <li>• information and awareness about energy saving</li> </ul>

## Current initiatives in other countries

The countries which do not belong to the Environmental Management System deserve a separate mention. They are working in various ways on important environmental themes, through committees and a variety of initiatives.

Specifically, the countries of South America (Argentina, Brazil, Guatemala and Panama), Hong Kong, India, Poland, the Czech Republic and Hungary have set up special committees and formalised policies, already existing or newly introduced, on environmental themes.

Awareness campaigns are being conducted in all countries, through the internet, intranet, portals or by sending information by email to reduce the consumption of energy, water and paper and for separate waste management. In Brazil, the initiative is continuing in 2010 for the donation of different species of seeds and small plants to employees, brokers and suppliers with the aim of contributing to the recovery of Brazilian vegetation, and at the same time, reducing CO<sub>2</sub> emissions. In 2010, Generali launched the Sustainable Office and Green Bag Initiative and Recycling schemes in Hong Kong, two internal campaigns aimed at making employees aware of adopting eco-sustainable behaviour in the office and recycling paper. Since January 2011, for every ten paper bags collected for recycling, the company will get a certificate from the Carbon Care Asia organisation for reducing greenhouse gas emissions (100 kg of VER- Verified Emissions Reduction).

A large number of companies in various countries are active in associations or organisations for safeguarding the environment. Since 2002, the Hong Kong Branch has been supporting the non-profit Green Power organisation, which deals with environmental problems and education, through several employees taking part in the Green Power Hike.

In Guatemala, Generali is a member of the CentraRSE – Centro para la Acción de la Responsabilidad Social en Guatemala (Centre for Corporate Social Responsibility in Guatemala), an organisation to which more than 100 businesses belong, which promotes corporate social responsibility good practices. This organisation regularly coordinates forums, courses, chats for discussing questions such as environmental legislation, good practices for preserving the environment, etc.. The initiatives in Guatemala also include the production of a “green office” manual containing the good practices to be adopted for working in a sustainable office.

In Guatemala and Hong Kong, Generali has taken part in Earth Hour, the initiative promoted annually by the WWF which involves turning all the lights off for one hour.

In recent years an increasing number of companies have been buying ecological furniture. In China, specifically, furniture has been purchased for the Group’s building made from wood that comes from sustainable forests.

In Israel, the Migdal company has launched the Migdal Forest initiative for the redevelopment of a forest. The scheme involves donating new trees and renewing three piezometric tanks. All employees have been invited to the inauguration ceremony and every employee has received a personal certificate for the tree planted by the company in their name.

### Main initiatives for reducing consumption of resources

#### Energy:

- **installation of temperature regulation devices:** in Belgium, China, Croatia, Israel, the Netherlands, Panama, Guatemala and Hungary, timers have been installed to switch the air conditioning and/or heating off automatically;
- **installation of devices for switching the lights on/off automatically:** in Argentina, Belgium, Colombia, Croatia, Guatemala, Israel, the Netherlands, Panama, Portugal, Poland, the Czech Republic, Romania, Hungary and the United States, photodetectors or presence detection sensors have been installed in the offices. There is an energy saving policy in China and Guatemala whereby all employees switch off electronic equipment and lights before they leave; in Guatemala, in particular, the security staff check at 19.00 that the lights, computers, printers, etc. have been switched off;
- **use of energy saving light bulbs:** in Argentina, Brazil, China, Greece, Guatemala, Israel, Panama, Portugal, the Czech Republic;
- **LED lighting:** in Argentina in the new branch offices, in Belgium in the public areas and the toilets, and in Brazil;
- **renovation of buildings:** in Belgium, liquid fuel boilers have been replaced with condensing boilers and the insulation of building roofs and walls has been improved. In Argentina, China and the Czech Republic, double glazing has been installed, whilst in Portugal and Brazil glass film has been applied to the windows to reduce air conditioning consumption;

- **buildings with energy certificates and/or other certification:** in the United States, the building which houses the branch has an energy certificate, whilst in China two buildings have obtained LEED certification;
- **energy from renewable sources:** in Brazil, Colombia and Slovakia;
- **other initiatives:** in Belgium, meters have been installed on every floor in order to have greater control over energy consumption.

#### Paper:

- **use of ecological paper:** in Belgium, Belarus, Brazil, China, Colombia, Guatemala, Greece, Hong Kong, India and Portugal, this paper is commonly used;
- **setting front/back printing option on printers:** in many countries;
- **electronic archiving:** in Argentina, Belgium, Belarus, China, Guatemala, India, the Netherlands, Portugal, the Czech Republic, Serbia, Slovakia, the United States, Hungary and Kazakhstan.
- **use of intranet, internet and portals:** in Belgium there is a Gensite extranet for communicating with brokers and communication of information to employees by email is the preferred method; in Guatemala, an internal internet portal has been set up to improve the process of communication between employees and the company;
- **magazines, newsletters, electronic communication:** in Belgium, Brazil and Colombia, there is an electronic newsletter for employees and the sales force; communications are often sent, in all countries, through channels other than by hard copy, such as, for example, email; in the Czech Republic the use of the telephone is being promoted rather than sending letters on paper, in Poland, customers are sent CDs rather than paper copies;
- **centralised and/or multifunction printers:** in most countries individual printers are being replaced with multifunction computerised equipment in designated locations on different floors;
- **use of recycled materials:** in Brazil, offices are showing preference to recycled materials; in India and Panama, envelopes and packaging are being reused several times internally; in Guatemala, the wipes in the toilets are being produced from recycled material.

#### Water:

- **water flow adjustment devices in toilets:** in Argentina, Brazil, Colombia and Israel, special devices have been installed for regulating the flow of water; in Portugal, there are photodetectors for the water supply; in Guatemala, at 19.00, the security guards check that the taps are properly turned off;
- **reuse and recycling:** in Guatemala, the renovation or construction of buildings takes place in compliance with ecological systems: for example, the new parking area has been covered in special tiles that allow the collection of rainwater and it is recycled for domestic use.

#### Waste:

- **separate collection of paper, plastic, glass, aluminium, etc.:** in Belgium, Brazil, China, Colombia, Croatia, Japan, Israel, Poland, the Czech Republic, Hungary and the United States, separate collection for recycling takes place for most materials. Paper is collected and recycled in all countries. In Portugal, plastic and batteries are also part of separate waste collection, in Guatemala, Hong Kong and the Philippines, aluminium is also recycled, whilst in Greece and China, even used batteries are collected;
- **IT waste disposal:** in Belgium, Bulgaria, Mexico, Portugal, the Czech Republic and Slovakia, electronic equipment is returned to the supplier or collected by recycling businesses; in Greece, small electronic equipment (faxes, printers, monitors, etc.) are donated to employees or collected by an outside company which disposes of them or recycles them. Lastly, large equipment (company printers) are returned to the supplier at the end of the leasing period, without any additional cost; in Argentina, Belgium, Brazil, Colombia, China, Guatemala, Israel, Hong Kong, Montenegro, Poland, the Czech Republic, Serbia, the United States, Thailand and Hungary, at the end of its useful life, IT equipment is, where possible, donated to charity;
- **toner:** in Argentina, Bulgaria, China, Colombia, Ecuador, the Philippines, Greece, Hong Kong, Mexico, Poland, Portugal, Slovakia and Hungary, toner is returned directly to the supplier for recycling, in Belarus, Montenegro, Serbia, Israel and the Ukraine, toner is also refilled.

In many countries, schemes have also been set up involving **corporate mobility**, specifically in China and Belgium, where there is a dedicated unit responsible for managing corporate mobility, a mobility policy has been implemented based on promoting public transport and buying company cars with low greenhouse gas emissions. In Belgium, a car pooling scheme with nearby companies has been launched and a feasibility study is under way for home working, in order to reduce employee movements. In the Netherlands, the company reimburses the equivalent amount in tax for buying a bicycle. In Israel, electric cars are being purchased for the corporate fleet and employees are being given the incentive of a 500 shekel credit for the purchase of a hybrid car.



## Indirect environmental impact

The Group's activities also have an indirect impact on the environment, especially through purchasing processes, the planning and provision of insurance products and company investment activities.

As far as **procurement ecology** is concerned, refer to the chapter Competitive Stakeholders - Contractual partners, and for **product ecology** refer to the chapter Competitive Stakeholders - Customers, and for **investment ecology**, refer to the chapter Competitive Stakeholders - Issuing companies.





**Co-ordination:**

Corporate Social Responsibility  
Sustainability Report

**Graphic co-ordination:**

Group Communications

**Project:** Trivioquadrivio

**Art direction / information design:** Stefano Cardini

**This report is available at:**

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**Photos:**

The images published in this book refer to initiatives supported by following Companies of the Group Assicurazioni Generali, Assicurazioni Generali - Sucursal de Panamá, Caja de Ahorro y Seguro, Delta Generali Osiguranje, Generali China Life Insurance, Generali Deutschland Holding AG, Grupo Generali España, Generali Holding Vienna AG, Generali Schweiz Holding AG, Generali Zavarovalnica, Migdal Insurance.

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Printed in May 2011 by Mediaprint, Milan

Printed on certified paper CoC-FSC 000010 CQ Mixed.



