

ESG Presentation 2022



Integrating ESG
into Banca
Generali's 2022-
2024 financial
targets

pg. 3



Our ESG
journey,
materiality and
key trends

pg. 6



Governance -
Clear
Accountability

pg. 10



Our Sustainable
Value
Proposition –
A Unique
Commercial
Approach

pg. 16



Our people,
Our FAs, and
Training -
Distinctive
Culture

pg. 19



Digital Strategy,
Environment, &
Community
Impact

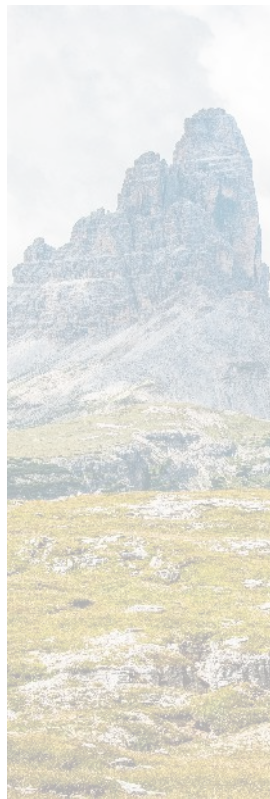
pg. 23

ESG Presentation 2022



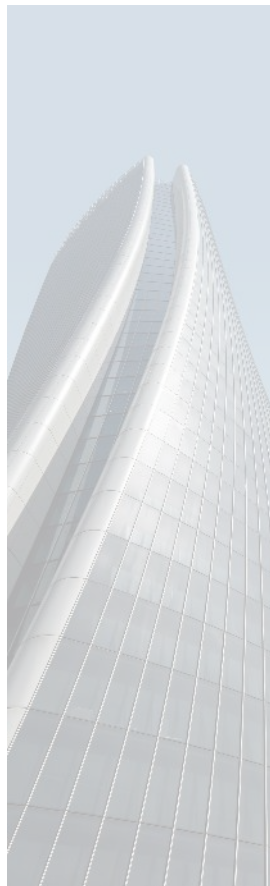
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into Banca
Generali's 2022-
2024 financial
targets

pg. 3



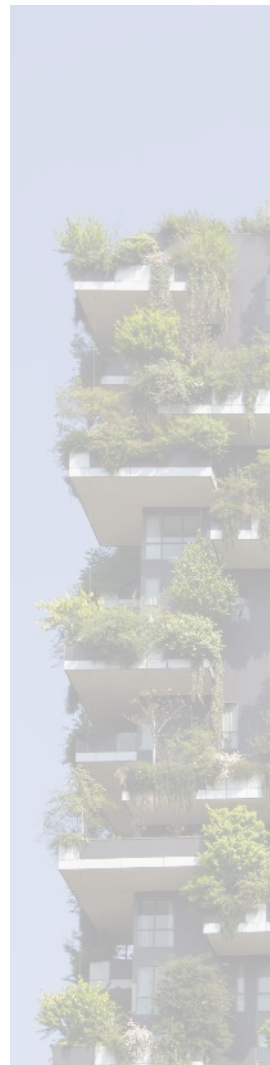
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materiality and
key trends

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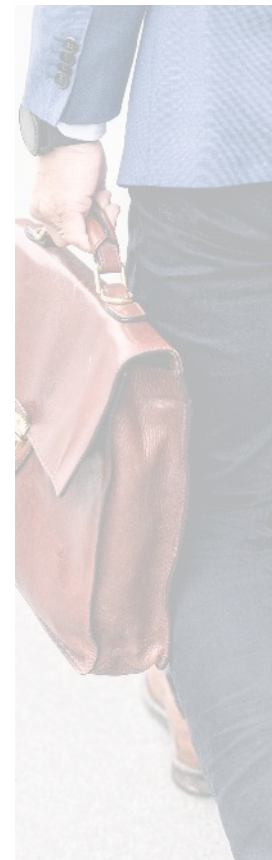
Governance -
Clear
Accountability

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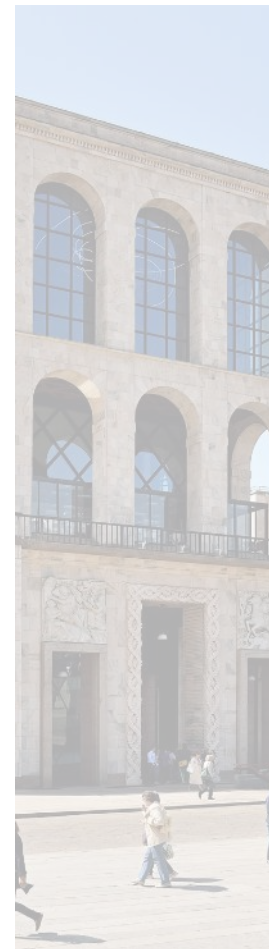
Our Sustainable
Value
Proposition -
A Unique
Commercial
Approach

pg. 16



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Training -
Distinctive
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pg. 23

ESG Presentation 2022

The 2022-24 Strategic Plan aims to take BG Growth to the next level

Building on our vision

To be the no. 1 private bank,
unique by **value of service**,
innovation and **sustainability**



Pillars of the 2022-24 Strategic Plan



Value of Service

Bring the Bank even closer to the FA network and Clients



Innovation

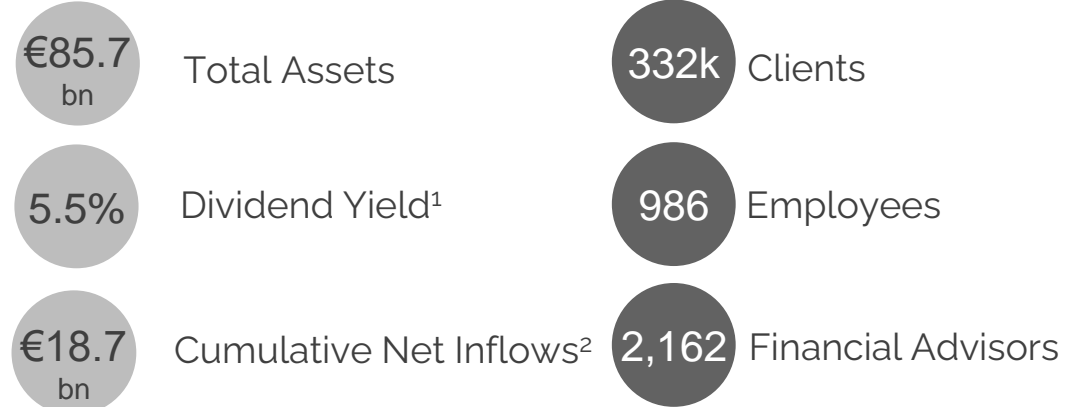
Continue to build a data-driven, digital and open bank



Sustainability

Be the ESG reference points for all our Stakeholders

Key data 2021



1. Based on stock closing price on 8/Feb/2022 of €35.64 per share.

2. Cumulative Net Inflows from 2019-2021

KPIs

Assets under Advisory
on Total Assets

8.5%-10.5% by 2024

Operating Costs /
Total Assets

≤ 28 bps by 2024

Clients with at least
one ESG solution

>50% by 2024

Managed solutions
on Total Assets

52%-56% by 2024

Digital investments
2022-2024

c. €40m

Net zero emissions

By 2040

Building Our Sustainability Pathway

alongside our main Stakeholders

Clients and Financial Advisors



Enhance our ESG offering and strengthen ESG know-how of FAs

2024 Targets:

>40% **ESG AuM** on total managed solutions

>50% FAs with advanced know-how of ESG or with EFPA ESG certification

>90% FAs taking part in **annual training on ESG** topics

Shareholders & Authorities



Reinforce transparency on BG ESG strategies

2024 Targets:

Increase ESG disclosure via **reporting frameworks**

Becoming a signatory of:



Ongoing **stakeholder engagement** to meet investors' demand

Employees



Further foster diversity & inclusion and work-life balance

2024 Targets:

50% New hiring **under 35**

70% Employees involved in **digital transformation & sustainability** projects

100% Employees in **hybrid work**, excluding front office and sales

Community & Future Generations



Climate protection and fight poverty and social exclusion

Targets:

By 2025: -25% carbon intensity in corporate investments* vs 2019

By 2030: phase out company investments to carbon fuel

By 2040: net zero emissions

Asset manager specific **engagement policies**

Increase **community engagement** and launch **social impact initiatives**



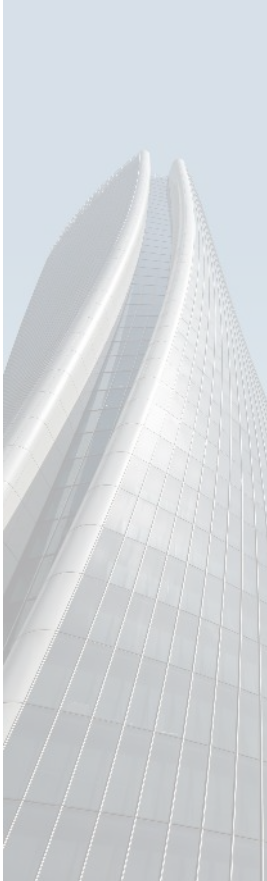
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targets

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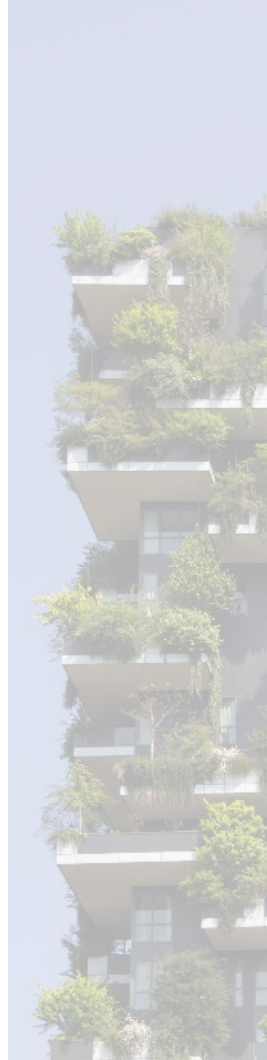
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journey,
materiality and
key trends

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Clear
Accountability

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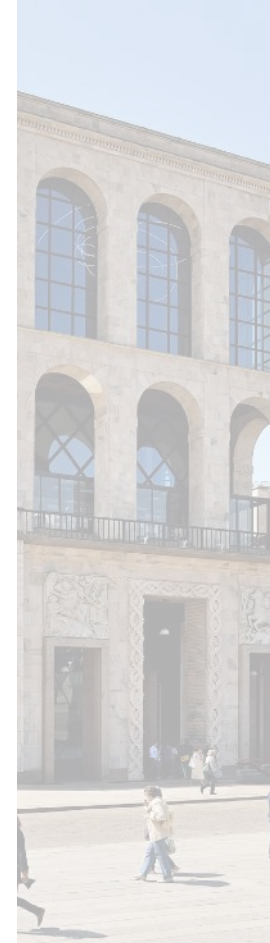
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Value
Proposition -
A Unique
Commercial
Approach

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Environment, &
Community
Impact

pg. 23

ESG Presentation 2022



**BANCA
GENERALI**

Our Journey and Main Achievements

Timeline

2017

Heightened Sustainability focus of the **Nomination, Governance & Sustainability** Board Committee

2018

400 BG employees transferred to **Hadid Tower**, reducing energy consumption

Launch of new **FA training** platform BGLab

BG Lab
LearnAbility

2019

2019-2021 Business Plan with an increased focus on sustainability and **dedicated classrooms** for FA network

**SUSTAINABLE
DEVELOPMENT
GOALS**



2020

COVID response: 92% of employees working from home within 2 weeks. **100% business continuity**

Training & Innovation Hub



2021

Establishing **Sustainability as a core part of decision-making** aligning corporate policies in all management committees

Responsible Investment strategy: finance, investment & banking

In support of

WOMEN'S EMPOWERMENT PRINCIPLES




Established by UN Women and the UN Global Compact Office

2022

New 2022-2024 ESG Strategy integrated into and complementing the overarching business strategy


INTEGRATION
ENABLER
STRATEGIC DRIVER
EVOLVING ROLE OF SUSTAINABILITY

Sustainability Performance & Focal Points

2021 Sustainability Performance			1-Year Trend
 Clients and Financial Advisors	Clients / ESG AuM	331,646 / 14.6%	+6.3% / +1.6 pps.
	ESG AuM in managed solutions	€6.5bn	+1.6bn
	Customer retention rate	95.9%	-0.4 pps.
	FA training hours / Per FA	131,867 / 61	+17% / +13%
 Shareholders & Authorities	Presence of ESG Investors in institutional shareholder base	34.3%	+16.5 pps
 Employees	Employees / Gender split	986 / 49% F : 51% M	+2.5% / ±0%
	Training hours / Per employee	55,145 / 56	+13% / +10%
 Community & Future Generations	GHG Emissions	1,257 tCO ₂ equivalent	-5.5%
	Energy Consumption per capita	28.36 GJ	-4.5%
	Global Economic Value Added	€1,218 (m)	+15.3%
	Renewable power purchased	100%	+/- 0%

ESG Ratings and Awards

Sustainability Credentials

Rating Agencies



ISS (1/10 = Best)

Governance = 1
Environment = 2
Social = 1



Score:
60/100
"Advanced"

Other ESG Ratings

Standard Ethics Rating

- Rated EE (strong)
- Outlook improved from stable to positive

**Top Performer
– ESG Identity**
(Integrated Governance Index)



Membership to UNGC
and CDP as a result of
the Generali Group
adhesion



**"B" on
climate**

MIB ESG Index
inclusion in
2021 due to
Vigeo Eiris
ESG score



**German Quality and
Finance Institute Awards:**

Best Employer in 2021 with full score

1st in traditional asset management

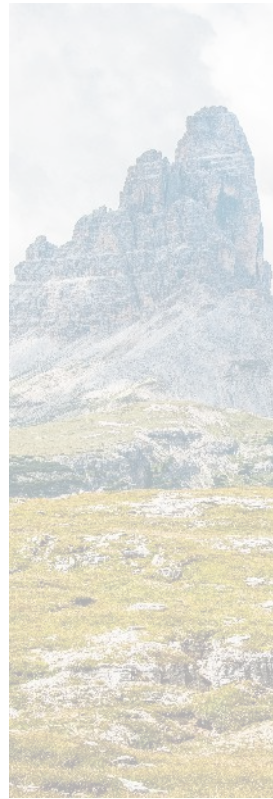
2nd in green asset management

Awards & Membership



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Generali's 2022-
2024 financial
targets

pg. 3



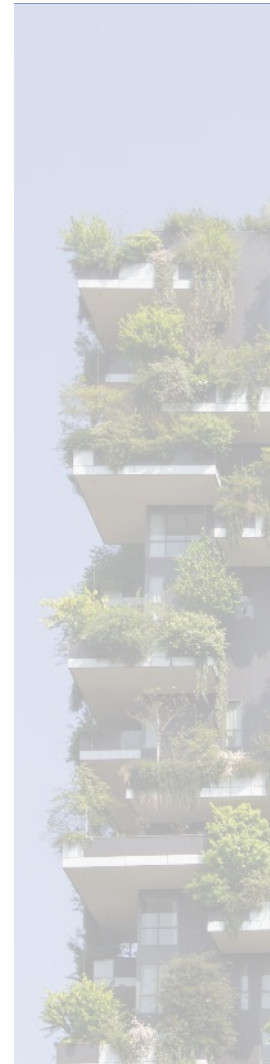
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journey,
materiality and
key trends

pg. 6



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Clear
Accountability

pg. 10



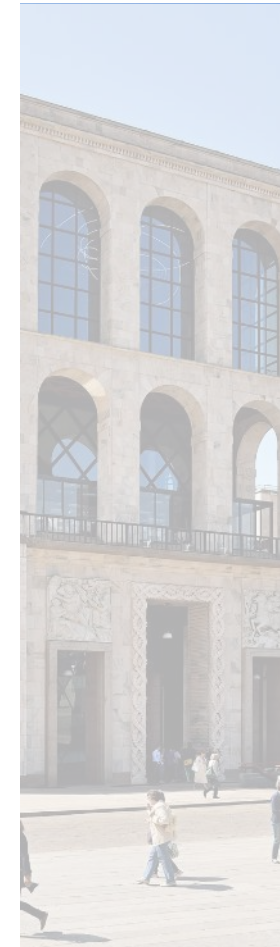
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Value
Proposition -
A Unique
Commercial
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pg. 16



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Distinctive
Culture

pg. 19



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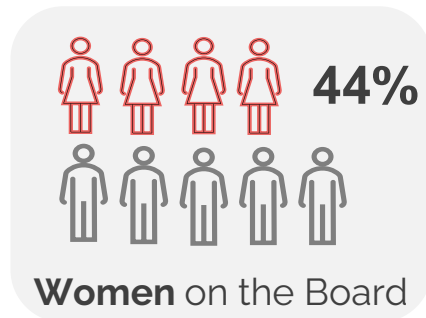
pg. 23

ESG Presentation 2022

Responsibility for Sustainability Oversight

Board of Directors

- ✓ **Agile structure:** 9 members (1 executive (CEO) only)
- ✓ **Independent members: 56%**
- ✓ Split roles for Chair and CEO
- ✓ **High attendance** (91%)
- ✓ International profiles and leading roles



Sustainability Embedded into Responsibilities of:

Management

Executive
Committee

Group
Sustainability

Board of Directors

Nomination Governance
and Sustainability
Committee

Internal Audit
and Risk
Committee

Remuneration
Committee

Credit
Committee

Capital-focused competencies of board members

Competencies referred to by the International Reporting Council.

Name	Role					
Antonio Cangeri	Chairman					
Gian Maria Mossa	CEO, General Manager	€				
Azzurra Caltagirone	Non-executive director					
Lorenzo Caprio	Non-executive director	I	€			
Massimo Lapucci	Non-executive director	I	€			
Annalisa Pescatori*	Non-executive director	I	€			
Cristina Rustignoli	Non-executive director		€			
Vittorio Emanuele Terzi	Non-executive director	I	€			
Roberta Cocco	Non-executive director	I				

Legend

I Independent
€ Economic capital



Intellectual capital

Human capital

Social & relationship capital

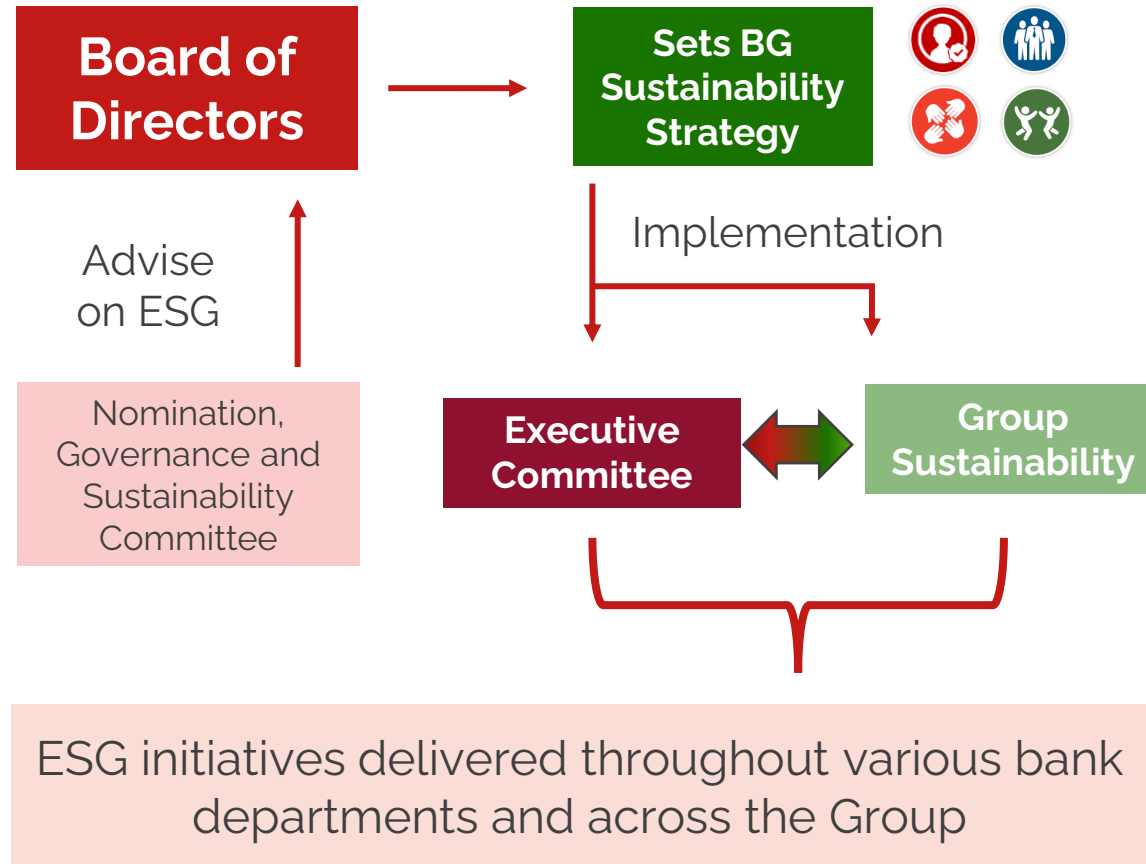


Natural capital



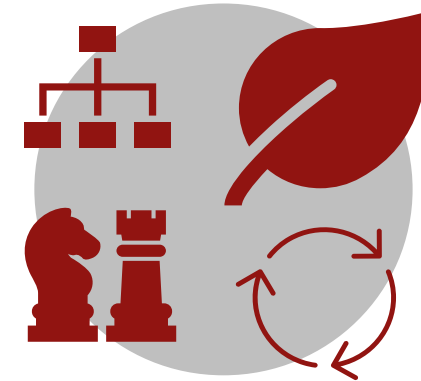
Manufactured capital

Oversight and implementation of sustainability:

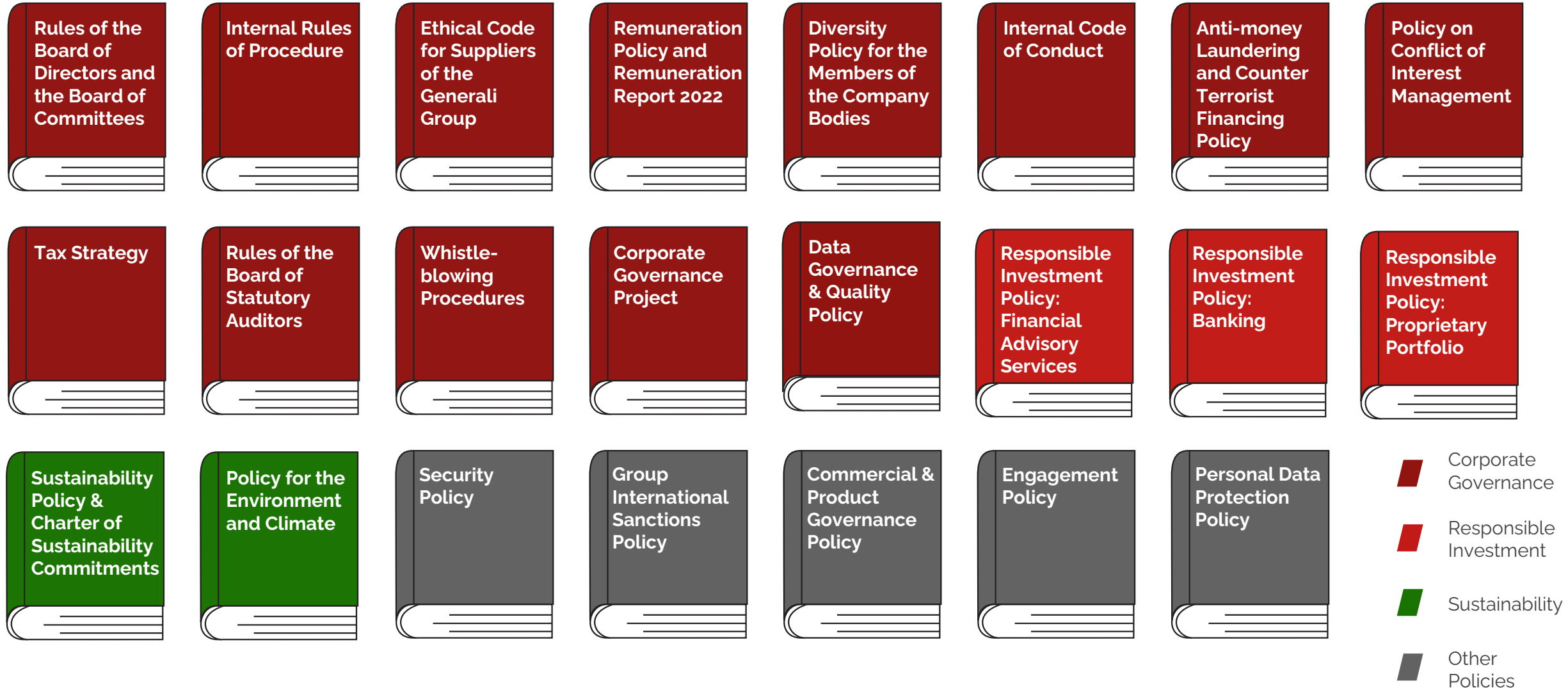


Sustainability is now embedded into our Articles of Association:

At the 2022 Annual General Meeting, Banca Generali's shareholders approved an amendment to the articles of association to integrate sustainability as a competency of the Board of directors.



Key Documents



Our Responsible Investment Process

ESG Fundamentals in all Investment Decisions

Banca Generali's approach towards the integration of sustainability is applied to:

Advisory and Managed Assets

Our sustainable advisory and managed portfolios integrate ESG valuations and ratings and measure the alignment with UN SDGs. The sustainability rating is provided by an external advisor and the portfolio's overall ESG rating is at least equal to 3 on a 5-point scale

Proprietary Portfolio

Exclusion of Governmental issuers subject to UN sanctions. Due-diligence process verifies that Corporate issuers are consistent with Banca Generali's Responsible Investment Policies.

Banking and Loans

When granting credit, the Bank conducts due diligence on key ESG principles and key criteria which includes the UN Global Compact and controversial activities in addition to our Responsible Investment Guidelines.

Remuneration Aligned with Sustainability Ambitions

Short-Term Incentive

People Value



Diversity & Inclusion



Digitalisation



Next Normal



Engagement Survey

Sustainability Commitment

Sustainable **products**;
increasing AUM of ESG solutions

Sustainable **processes**;
for customers and investible assets

Sustainable **plans**;
*Planning our roadmap for engagement
across a range of ESG issues*

Sustainable **people**;
Advanced ESG training for FA network

Long-Term Incentive

BG (80%)

Generali
Group (20%)

Financial targets

20% of which = targets relating
to % of ESG AUM ranging from
<15% to ≥30% of total solutions

20% of which = targets relating
to New Green & Sustainable
Bond Investments & Women in
Strategic Positions

Remuneration
Best Practices



1:1 Ratio of variable to
fixed remuneration, with
2:1 for specific individual
company personnel



Robust Malus
and Claw-back
mechanisms



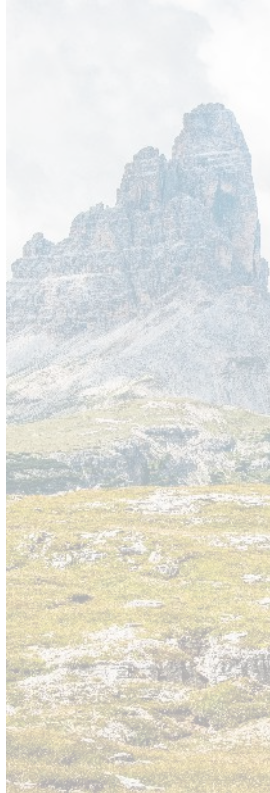
At least 175% maximum paid
in shares bonus compared to
gross annual remuneration
for Top Managers

[Please find the relevant
documents here.](#)



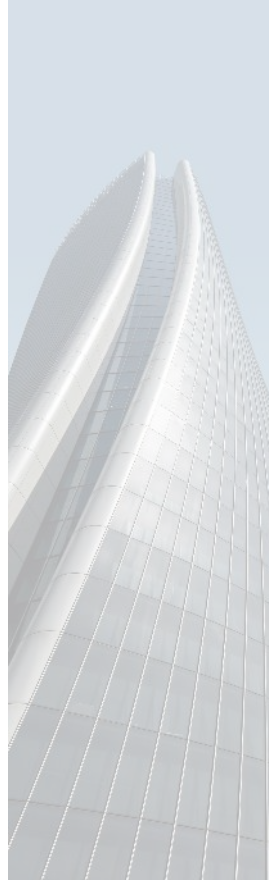
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into Banca
Generali's 2022-
2024 financial
targets

pg. 3



Our ESG
journey,
materiality and
key trends

pg. 6



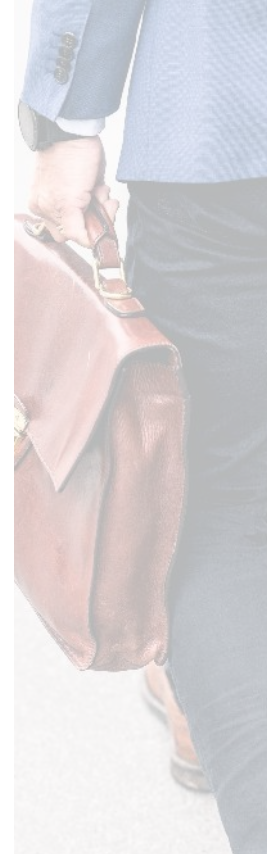
Governance -
Clear
Accountability

pg. 10



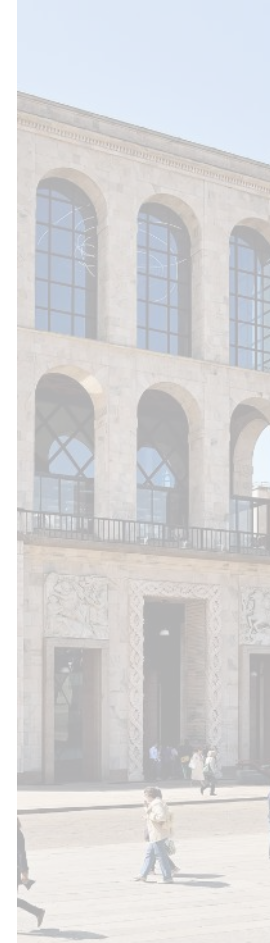
Our Sustainable
Value
Proposition -
A Unique
Commercial
Approach

pg. 16



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Our FAs, and
Training -
Distinctive
Culture

pg. 19



Digital Strategy,
Environment, &
Community
Impact

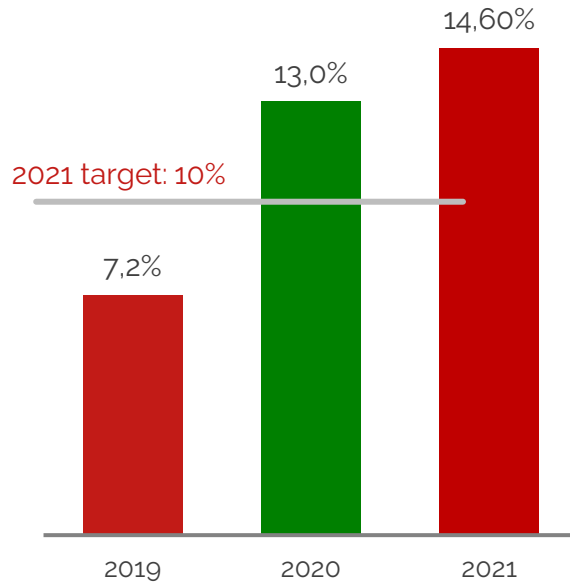
pg. 23

ESG Presentation 2022

Our Sustainable Value Proposition

ESG Investment Solutions and Regulation Alignment

% of ESG products¹ on Managed Solutions



- **ESG products exceeded target in 2021**
- Total ESG products reached €6.5bn at year-end 2021
- Representing 14.6% of total managed solutions

1. Funds with ESG strategies rated by Mainstreet Partners

Flagship ESG Products



Our platform allowing for a unique investment choice aligned to the UN SDGs

A project focused on the real economy, with unique investments in small & medium enterprises

BG4Real recognised with the 'Golden Lion' award for the "Best Product Campaign in Private Banking". The prize was based on our sustainable approach and support for excellence.



ESG Regulation

SFDR Article 8¹

€ 4.2 bn
Strategies integrating ESG factors



SFDR Article 9¹

€ 2.3 bn
Strategies integrating ESG factors with a measurable sustainable objective

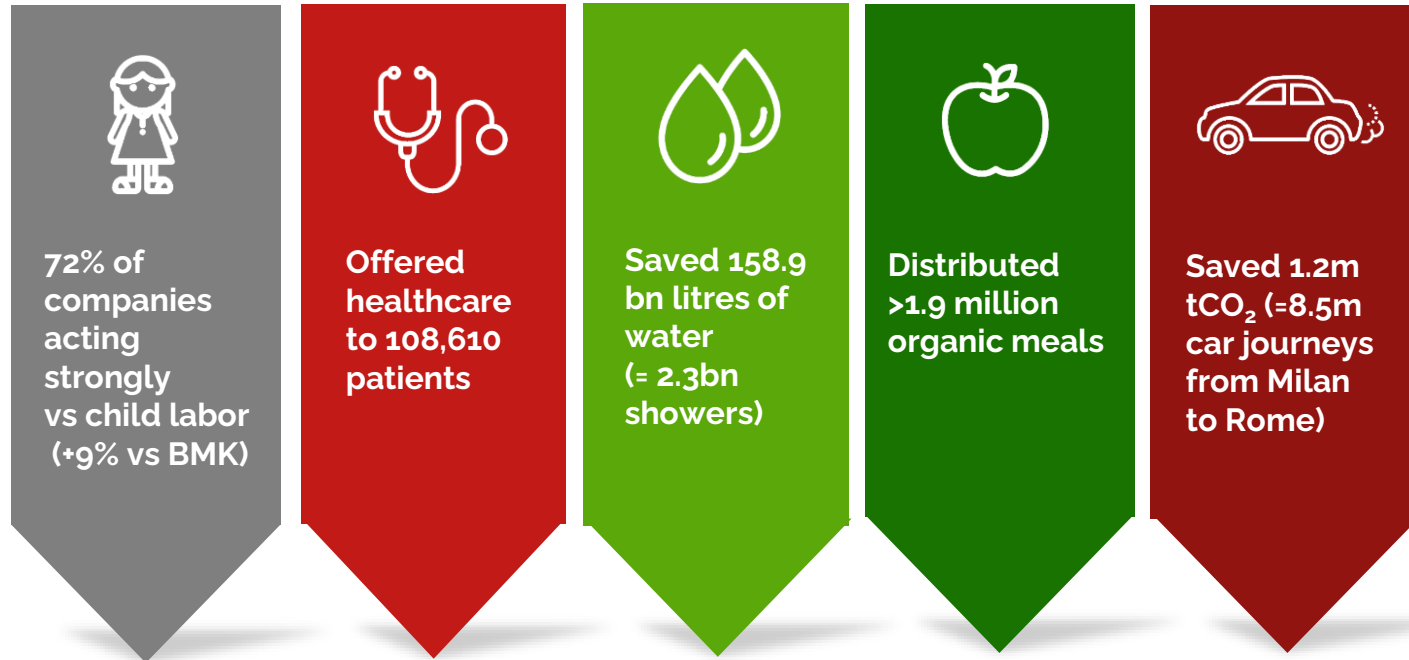
In preparation for the **EU Green Taxonomy**, in 2020 and 2021, Banca Generali developed a pilot test for the calculation of a **Green Asset Ratio (GAR)** aiming to:

- Assess the implementation of the taxonomy and KPIs
- Establish a reporting methodology
- Adapt existing data collection and management systems to suit the new regulatory regime

1. Funds with ESG strategies rated by Mainstreet Partners

Our Sustainable Value Proposition

An ESG Offering that Measures Impact



Our clients' sustainable investment feats in 2021

BG Personal Portfolio (BGPP) gives our clients access to a unique platform to invest in solutions which contribute towards the 17

UN Sustainable Development Goals as well as extensive **ESG Risk and Controversy Portfolio Analysis**



Top 3 SDGs prioritised by our clients in 2021:

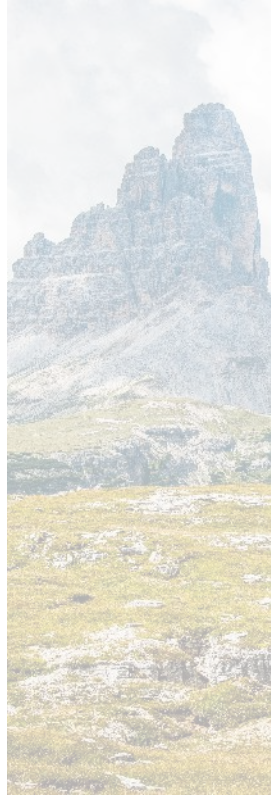


**SUSTAINABLE
DEVELOPMENT
GOALS**



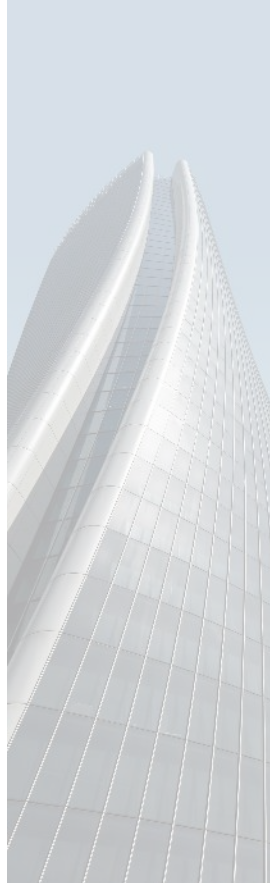
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into Banca
Generali's 2022-
2024 financial
targets

pg. 3



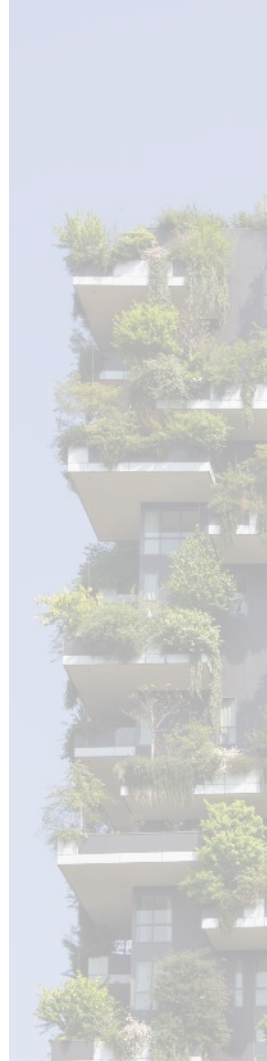
Our ESG
journey,
materiality and
key trends

pg. 6



Governance -
Clear
Accountability

pg. 10



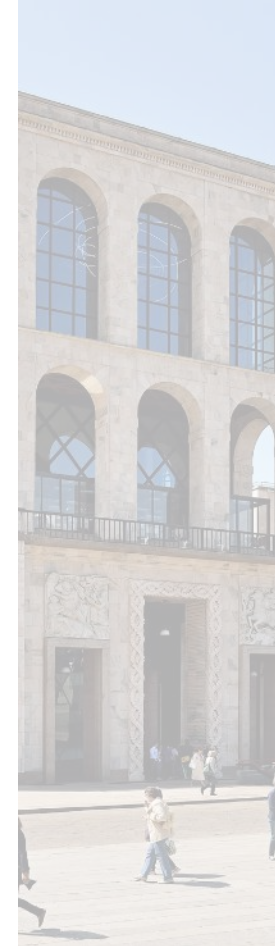
Our Sustainable
Value
Proposition -
A Unique
Commercial
Approach

pg. 16



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Training -
Distinctive
Culture

pg. 19



Digital Strategy,
Environment, &
Community
Impact

pg. 23

ESG Presentation 2022

Key Figures



986
people

Male 51%
Female 49%



Italy 94%
Abroad 6%

Average
Age 45



55,145
training hrs

(60%) rate of
new recruits
aged <30



Diversity Equity and Inclusion is a key focus of Banca Generali's People strategy.

Commitment

1

✓ Commitment delivered through
Focus on the age/generations theme (BG
Forever Young and Generation Month
initiative)



✓ **Training & development of female leadership**, including on Woman Empowerment, Diversity Management, and the gender pay gap

Partnerships and Programmes

2

✓ Banca Generali is a Supporter of
Women's Empowerment Principles, a
UN Women and UN Global Compact
initiative



✓ **Women & Tech**, supporting the
promotion of female talent in tech

Meaningful Action

3

✓ **At least 25%** of the people on our short
lists within hiring processes must be
women
✓ **Zero discrimination cases** confirmed in
2021



✓ **BGWomen/BG Impact People**, webinar
and training programmes to support
women professional development
✓ **BG Forever Young**, a 1-year training &
development programme, dedicated to a
selected group of under 35s

2021 Remuneration ratio: Our goal on gender pay is to be as transparent as possible and to gradually reduce pay gaps over the next 4-5 years.

Managers	71%
Executives	77%
Employees	96%

Key Figures

55,145 training hours in 2021
(+13.0%)



Average Yearly Training Hours

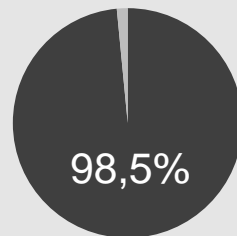
56 (+3) — Managers
56 (+7) — Executives
55 (+3) — Employees
58 (+5) — Women
54 (+6) — Men

Our **Training Actions** focus on four strategic areas:

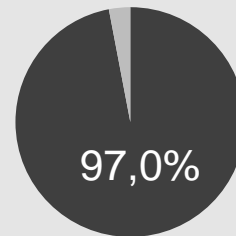
1. New hybrid and **adaptive working culture**
2. **Personal training**
3. **Culture projects**
4. **Individual training**

Extensive Anti-Corruption Training

In 2021, zero incidences of corruption were reported.



Italy Employees incl.
Managers & Execs.



Total Financial
Advisors

Industry leading healthcare benefits

Work-life balance

Wellbeing

"Pure" Welfare – annual employee welfare reward of choice

Supplementary pensions



Engagement

The 4th Generali Group Global Engagement Survey results:


Response rate **96%**


Engagement Score **84%**

Reflecting on our commitment to BG employees and our effective initiatives

Key Figures

 **2,162** (+3.6%)
people

Male 81%
Female 19% 

 **153** (+4)
customers
per FA

€39.2m
AuM per FA
(+€4.1m vs 2019) 

Client Satisfaction

67.8%
score
Best FA
network
in Italy

Managerial Training

My Webinar Digital
Training Scheme

Female Leadership
Programme

Marilyn
Project

Junior FA
Mentoring

Commercial Training

New Banca Generali
LAB Training Portal

New Innovation
HUB

Anti-money
laundering

ESG Training

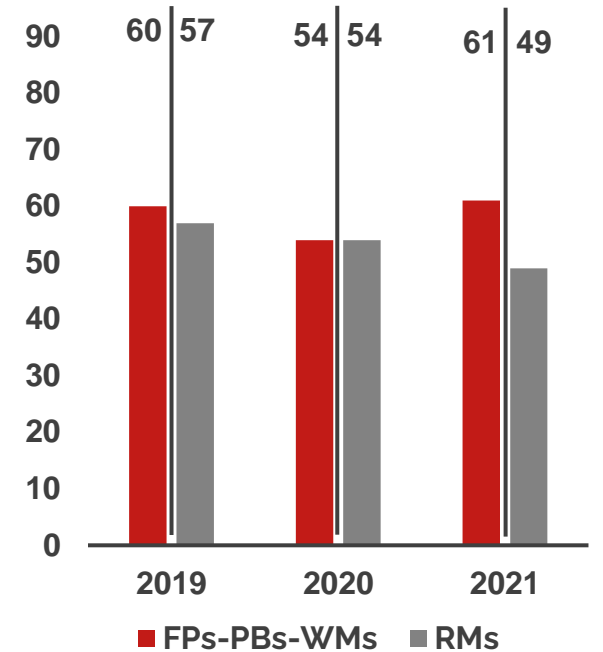
In 2021 our FAs received **10,580 ESG specific training hours**, with an average of 5 training hours per FA.

In-class training led by
Mainstreet Partners, with **700
FAs trained** to date

EFPA ESG Advisor Certificate:
**1st and 2nd Edition with 92% pass
rate** 3rd Edition ongoing

*In collaboration with Politecnico
di Milano Business School*

Average training for FAs*



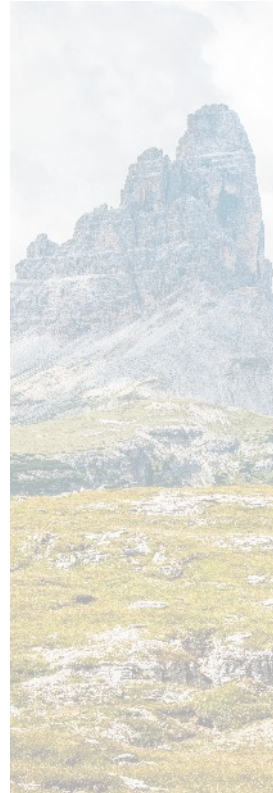
Financial Planners (FPs)
Private Bankers (PBs)
Wealth Managers (WMs) } Freelance professionals

Relationship Managers (RMs) } Company Employees



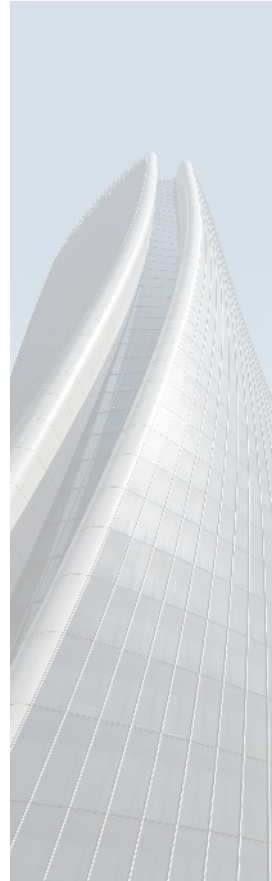
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into Banca
Generali's 2022-
2024 financial
targets

pg. 3



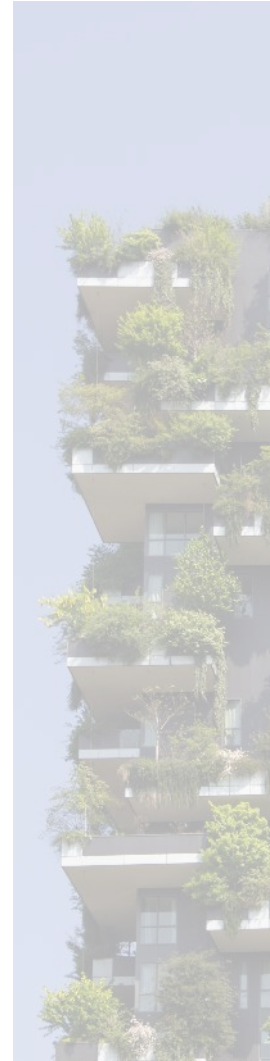
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journey,
materiality and
key trends

pg. 6



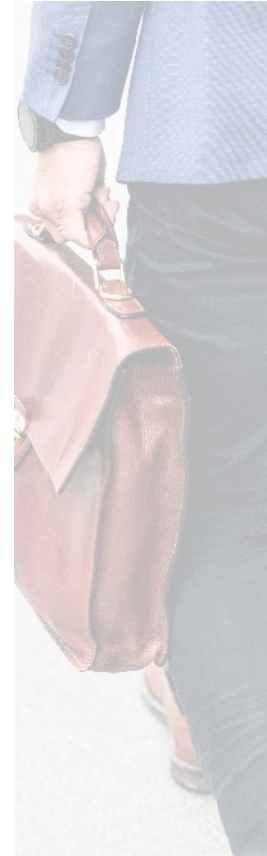
Governance -
Clear
Accountability

pg. 10



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Value
Proposition -
A Unique
Commercial
Approach

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Community
Impact

pg. 23

ESG Presentation 2022

Data Security Strategy and Risk Mitigation



Integrated as a Risk

IT and Security risks are integrated in the Operational Risk Framework, including identification, assessment and management aspects

Defined Risk Indicators

Key Risk Indicators (KRIs) to monitor threats and challenges, and streamlined process for reporting incidents

CSTP 2.0

Cyber Security Transformation Program 2.0 – strategy to build our cyber resilience to be completed by 2023

Data Privacy and Protection



Data Protection Officer

Oversees processing and protection of personal data acting in total independence from other corporate functions.

Employee Training

Including the provision of specific training courses for employees and our extended network

Zero Sanctions

2021 saw zero confirmed sanctions against Banca Generali regarding breaches of data protection laws.

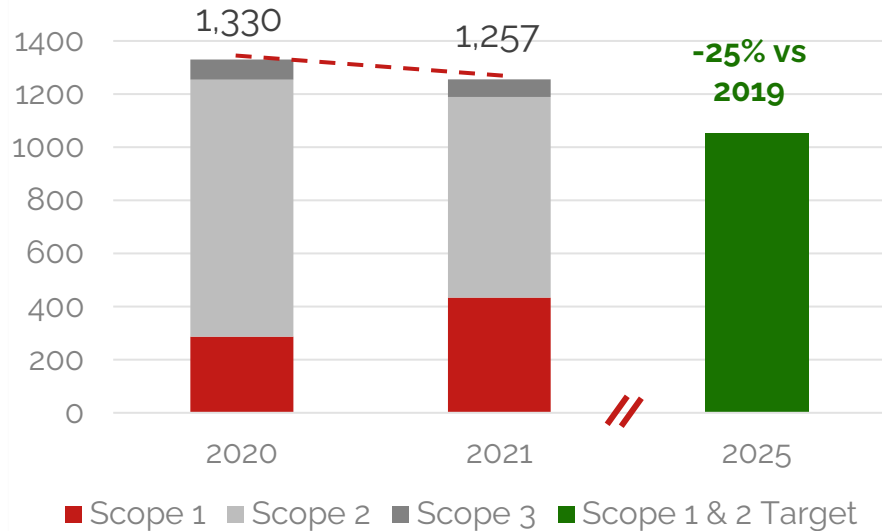
Banca Generali Security Model:

- ✓ **Security Policy** aligned with **NIST** processes
- ✓ Third party IT system and services **certified with ISO 27001 : 2013**
- ✓ **Chief Security Officer** who reports:
 - 1. Annually** to the BoD with an overview of activities, critical issues if they arise, and security strategy
 - 2. Semi-annually** to the risk committee, covering implementation of the security operation plan and analysis of potential or real security threats
 - 3. Quarterly** to the COO, providing in-depth analysis of security activities and planned mitigation approaches

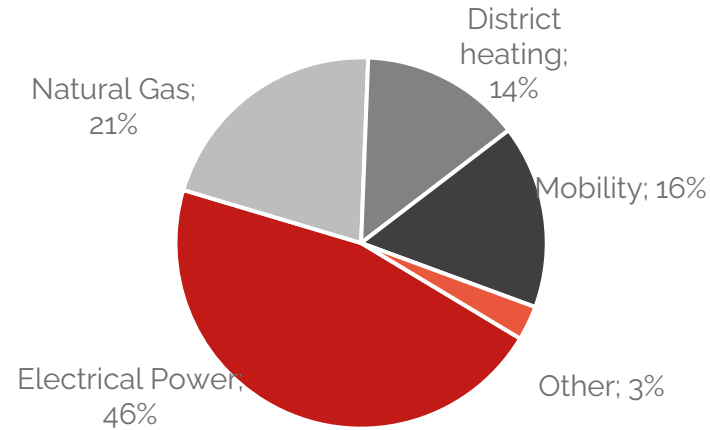
Environmental Impact

Reducing our operational impact

GHG Emissions (tCO₂e)



GHG Breakdown by Source



Additional Indicators

100% of electrical power from renewables



3,883 m³ water consumption
**(-23% vs 2020
-54% vs 2019)**



1.9m km travelled
**(+148% vs 2020
-35% vs 2019)**



115 quintals of paper used
**16kg per capita
(+80% vs 2020
- 57% vs 2019)**



>95% recycling index achieved after eco-friendly renovations

Sustainable Architecture Project 2021

- Pilot project in 2020 which consisted in renovating the FAs' office in Pesaro
- Other 5 sustainable renovations were carried out in 2021 (Brescia, Milano S. Alessandro, Recco, Savona, Udine).
- A specialised third-party body has certified that renovation work has been done according to sustainability criteria and with a recyclability index (IRA) as close to 100% as possible.
- Target 2022: 5 additional renovations

Based on offices within our **Environmental Management System**, the environmental data includes Generali Hadid Tower, and Trieste Offices, which reflects 734 employees (74% of our workforce).

Having a positive impact on our communities

Community Engagement

University Collaborations

O-Fire Observatory, Bicocca Univ. & AIFI | Observatory on SME Governance, SDA Bocconi, CeTIF | Centre for Technology, Innovation and Financial Services, Cattolica University

REPLY Challenge 3rd edition

13,750 Students participating in artificial \$1m ESG investment portfolio to learn and devise a sustainable investment strategy.

Milano Art Week

Starting on 2nd April 2022, we offered 3,000 tickets for Museo del Novecento exhibition to art enthusiasts and casual attendees and we welcomed >300 visitors to BG Art Gallery.

Community Education



Citizens of the Future

Partnering with FEduF education foundation to educate primary and middle school students on sustainability and saving money.

BG4SDGs Time for Change

To complement our SDG focused investment solutions, photographer Stefano Guindani seeks to bring greater media attention to the SDGs.

Traiettorie Liquide

An awareness programme to raise issues on water-related environmental issues with Ski Racer Federica Brignone.

Community Protection

Redooc

A program purchased for Banca Generali employees' children to help with remote learning.

Art restoration

BG supported restoration of important works: Virgin with Child; John the Baptist and Magdalene; The Shepherds Adoring the Infant by Perugino; among others.

The Human Safety Net

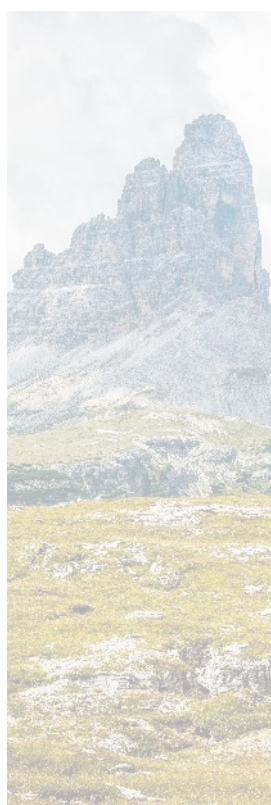
A Group Generali foundation supported by BG to promote volunteering in social projects and help vulnerable people.





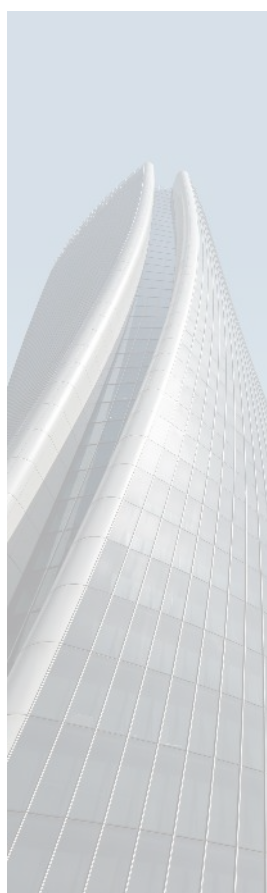
Integrating ESG
into Banca
Generali's 2022-
2024 financial
targets

pg. 3



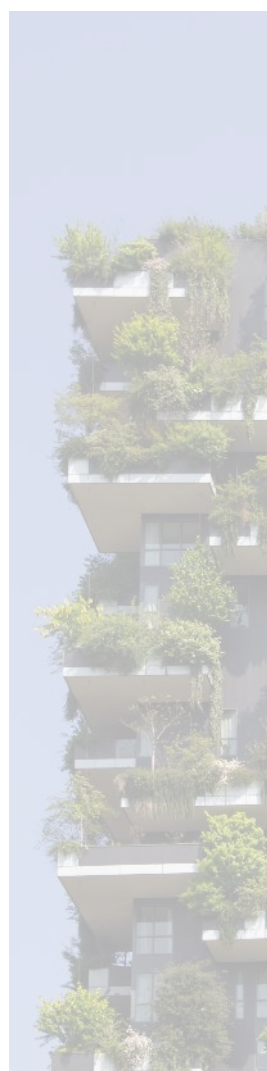
Our ESG
journey,
materiality and
key trends

pg. 6



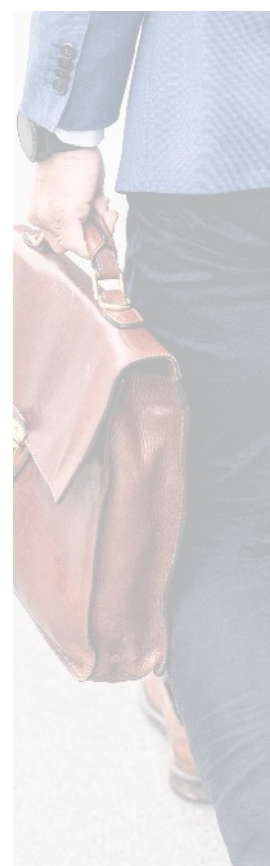
Governance -
Clear
Accountability

pg. 10



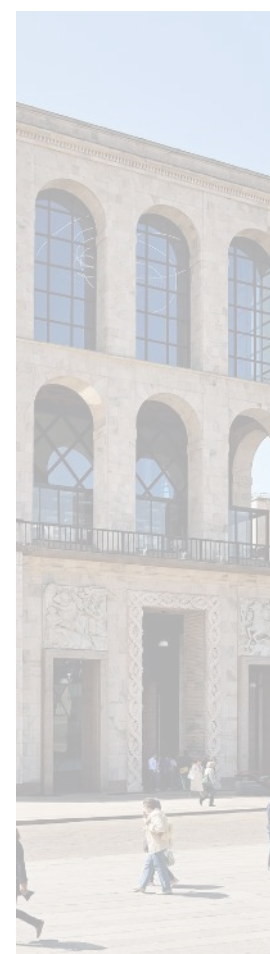
Our Sustainable
Value
Proposition –
A Unique
Commercial
Approach

pg. 16



Our people,
Our FAs, and
Training -
Distinctive
Culture

pg. 19



Digital Strategy,
Environment, &
Community
Impact

pg. 23

ESG Presentation 2022

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Banca Generali ESG Presentation

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