

ESG INVESTOR PRESENTATION

BORSA ITALIANA SUSTAINABILITY CONFERENCE
JUNE 2021



**BANCA
GENERALI**

CONTENTS

AREAS OF FOCUS

Our Vision:
To Be the
No.1 Private Bank
unique by Value of
Service, Innovation
and Sustainability

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BANCA GENERALI'S FINANCIALS IN A NUTSHELL

KEY FACTS & FIGURES

Vision, Mission and Purpose



VISION

To be the No. 1 private bank, unique by value of Service, Innovation and Sustainability



MISSION

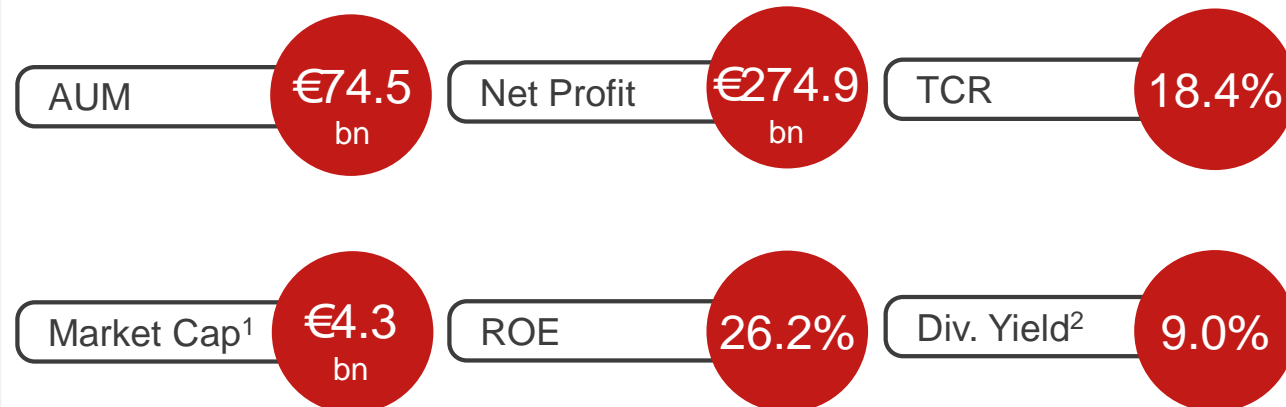
Trusted professionals always by the Customers' side, developing and looking after their life plans



PURPOSE (Sustainability Charter)

To protect and improve the lives of people and businesses by enhancing the management of their assets and savings

Key financial numbers, 2020



Company structure

Banking & Wealth Mgmt. Services



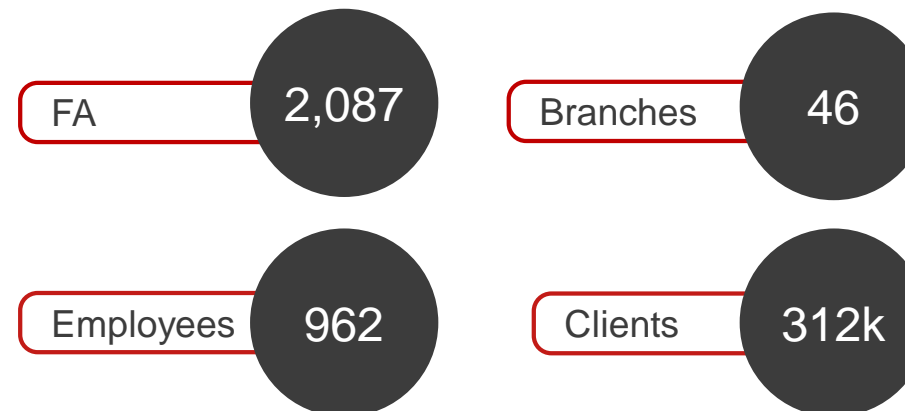
Asset Management



Fiduciary Services



Key commercial numbers, 2020



BANCA GENERALI'S SUSTAINABILITY EVOLUTION

TIMELINE

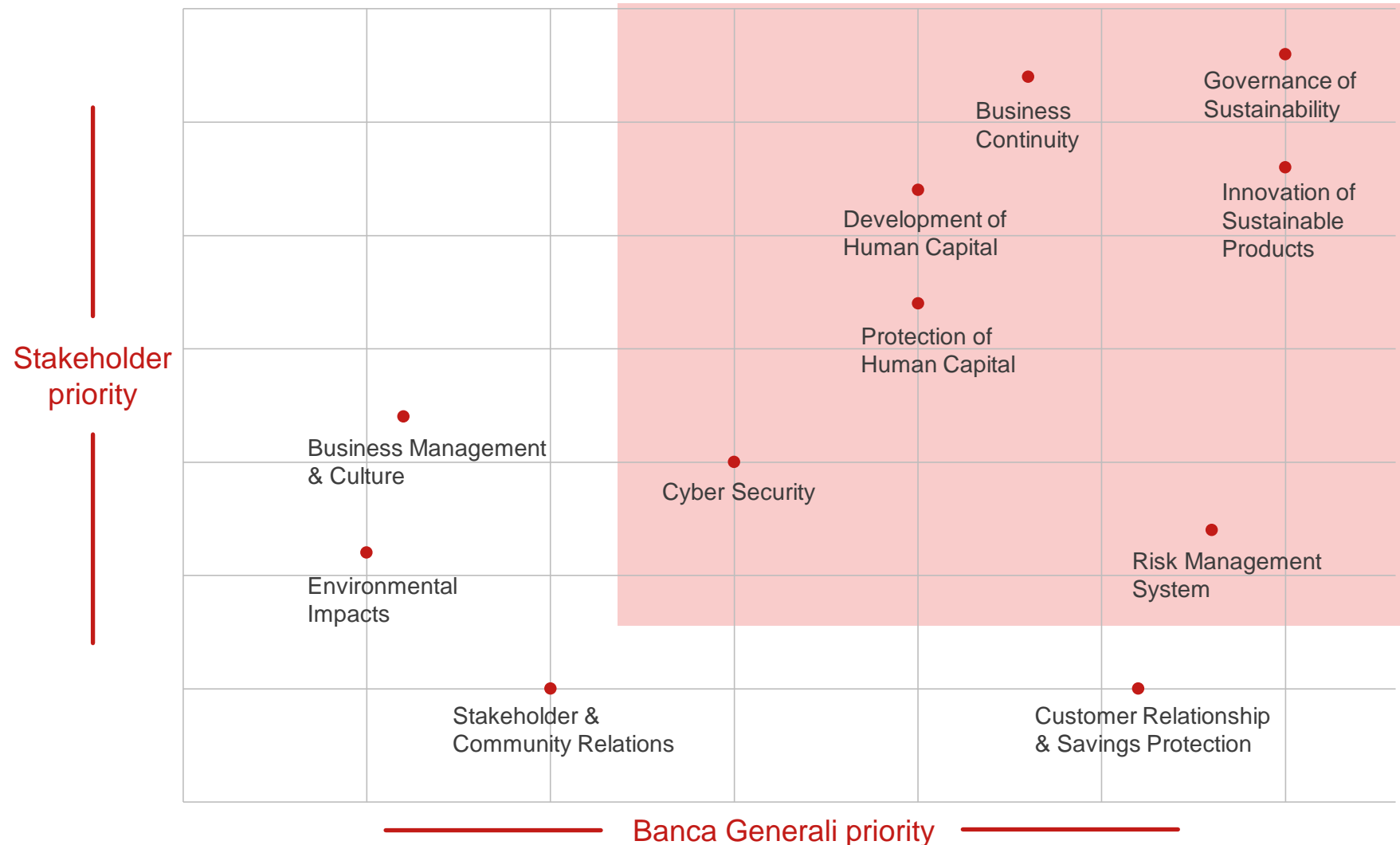


2021 MATERIALITY MATRIX

IDENTIFYING KEY MATERIAL ISSUES

KEY TAKEAWAYS

- Our 2020 materiality analysis identifies 11 material issues, 10 of which had already been identified in previous years
- Risk management system has emerged as a new relevant issue for Banca Generali and its stakeholders







BANCA GENERALI'S SUSTAINABILITY IN A NUTSHELL

SUSTAINABILITY PERFORMANCE & FOCAL POINTS

Our Governance of Sustainability

- The Board of Directors, with the advice of the Nomination, Governance and Sustainability Committee, sets the sustainability strategy of the Group. The implementation of the strategy rests on the Executive Committee and the Group Sustainability Team which foster relevant initiatives throughout the various departments in the Bank.

2020 Sustainability Performance		1-Year Trend
 Low Environmental Impact	Emissions	1,330 tCO ₂ equivalent
	Water consumption	5,041 m ³
 Human Capital Focus	Employees / Gender split	962 / 49% F : 51% M
	Training hours	48,805
 Client Satisfaction	Clients / AUM	311,947 / €74.5bn
	Customer retention rate	96.3%
 Community Impact	Supporting the Red Cross through the COVID crisis	€ 1 million fund donating 4 mobile COVID-19 ICUs
	Youth Investment Challenge: 2021 Sustainable theme	14,500 student participants

ANTI-CORRUPTION FOCUS

Banca Generali continues its' commitment to preventing corruption at every level of our business, with **no incidents reported in 2020.**

96.7%
of all employees in Italy
&
97.6%
of all Financial Advisors
undertook training on
anti-corruption issues

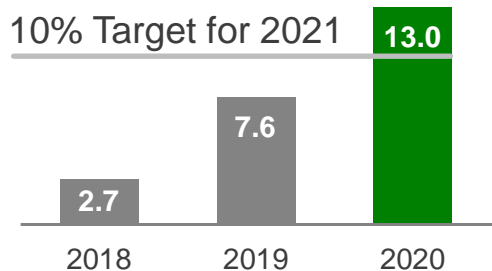
SUSTAINABILITY CONTINUES TO DRIVE OUR BUSINESS

KEY DATA TRENDS

ESG Growth

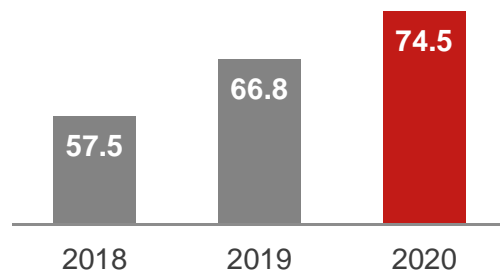
Managed ESG Assets, % ESG assets on total products

10% Target for 2021



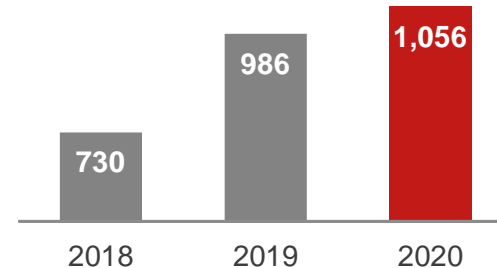
Managing Asset Growth

Assets under management (€ billion)



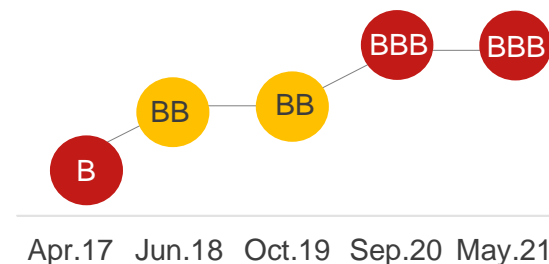
Financials¹

Global Value Added (€ million)



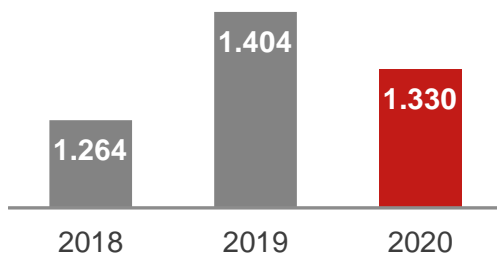
ESG Ratings

MSCI Scores on a scale from CCC to AAA



Environmental Impact

GHG Emissions, tCO₂eq - 33% v 2013



2018 data did not include Q4 emissions due to the HQ relocation

Board Diversity



44%

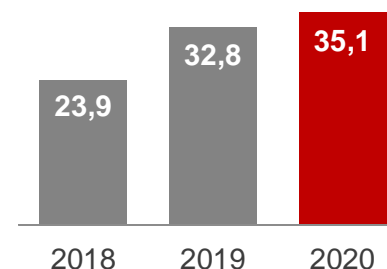
Women on Board
(vs. Italy's 1/3 legal requirement)

56%

Independent Board Members

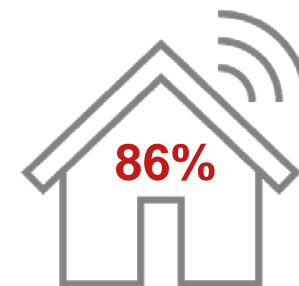
Financial Advisor Assets

Average FA Portfolio (Assets/FA)



Remote Working

Smart Work readiness

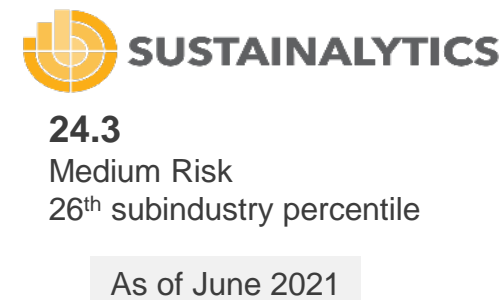


employees with Smart Work & Emergency Smart Work contracts

ESG RATING AND RELEVANT INITIATIVES

SUSTAINABILITY CREDENTIALS

Rating Agencies



Other ESG Ratings

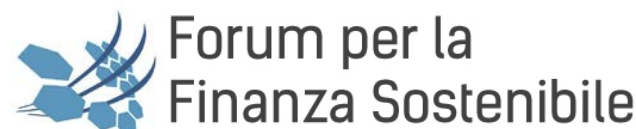
- Full Investment Grade Sustainability Rating: EE (strong)
* (On a scale of EEE to F)
- Focus on detecting areas for improvement within ESG strategy
- Sector benchmarking



- Banca Generali rated among the top 5 for ESG Identity in Italy
- It scores alignment with an ESG purpose, integration into the business culture, compliance and corporate strategy



Awards & Memberships¹



DELIVERING FOR OUR CLIENTS

CARING FOR OUR CLIENTS' BEST INTERESTS

Client growth



Knowing our clients

Banca Generali is launching an enhanced individual client profiling process as part of MIFID II client sustainability preferences beside:

- Knowledge and experience of products
- Financial situation
- Investment objectives

Client profiling highlights opportunities to match needs with our ESG solutions



Our platform allowing for a unique investment choices aligned to the UN SDGs, the range of investments was expanded in 2020

Sustainability
Focused Funds

Focusing on strong environmental sustainability, efficient use of natural resources & energy, and reduced pollution



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

PROTECTING CLIENT DATA

Banca Generali considers safeguarding information assets as fundamental to protecting its business and client trust.

The measures to protect data security include:

- Adoption of clear policies and strategic direction on data protection
- Use of preventative systems such as firewalls and anti-virus
- The provision of specific training courses for employees
- Initiatives to raise awareness on data protection & fraud

SUSTAINABILITY FOR BANCA GENERALI

RESPONSIBLE INVESTMENTS

ESG Integration



Company exclusions:

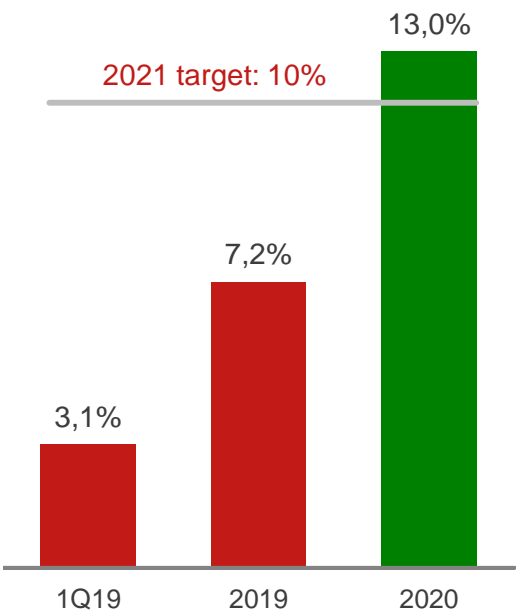
- Violation of the UN Global Compact Ten Principles
- Controversial activities based on revenue thresholds for weapons, tobacco and coal production.

Alignment to the SFDR¹ and EU Taxonomy

Banca Generali is in the process of labelling its financial products according to SFDR's Article 8 and 9

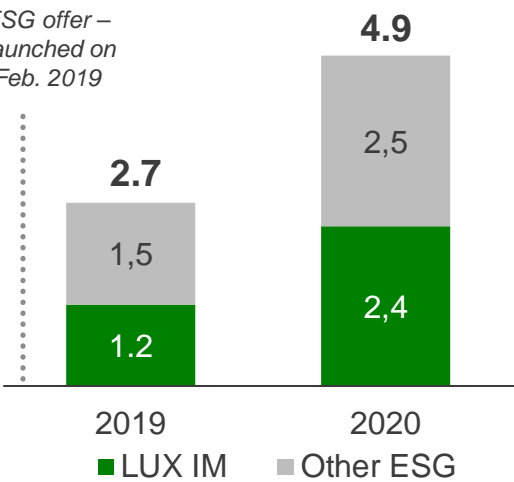
Additionally, Banca Generali is also placing a major focus on the EU Taxonomy and will be creating a structured system for identifying and managing the inherent risks

% of ESG products² on Managed Solutions



Total assets in ESG products €/bn

ESG offer –
Launched on
Feb. 2019



Product Universe

Wide and growing offer: ~240 ESG funds with 32 AMs and a wide coverage of UN SDGs



New products

LUX IM expected to double offer with focus on current and new ESG investment approaches, new generation sustainable themes, health-related strategies

ESG products already above 2021 target


Total ESG products reached €4.9bn at 2020-year end, representing 13% of total managed solutions (funds/SICAVs, insurance and financial wrappers)

CLIENTS OF BANCA GENERALI HAVE AN ESG FOCUS


MEASURING IMPACT ACCORDING TO THE SDGs

Based on our proprietary ESG platform we can analyse the positive impact of our clients' sustainable investments, and which SDGs clients focus on.


Our clients' sustainable investment feats in 2020:




- Saved **1.6 million tonnes of CO2**, equal to 11.1 million car journeys from Milan to Rome;




- Saved **272 billion liters of water**, equivalent to 3.9 billion showers;



- Distributed over **2 million organic meals**;



- Offered **health care to nearly 80,000 patients**;



- Greater **protection of child labor** and enhancement of Diversity.

Our clients have access to a unique SDG platform

Sostenibilità Banca Generali impact (SBGi) allows our clients to invest in solutions which contribute towards the 17 UN Sustainable Development Goals.



Top 5 SDGs prioritised by our clients in 2020:

13 CLIMATE ACTION 	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 	3 GOOD HEALTH AND WELL-BEING 
17 PARTNERSHIPS FOR THE GOALS 	7 AFFORDABLE AND CLEAN ENERGY 	SUSTAINABLE DEVELOPMENT GOALS 

WEALTH MANAGEMENT APPROACH

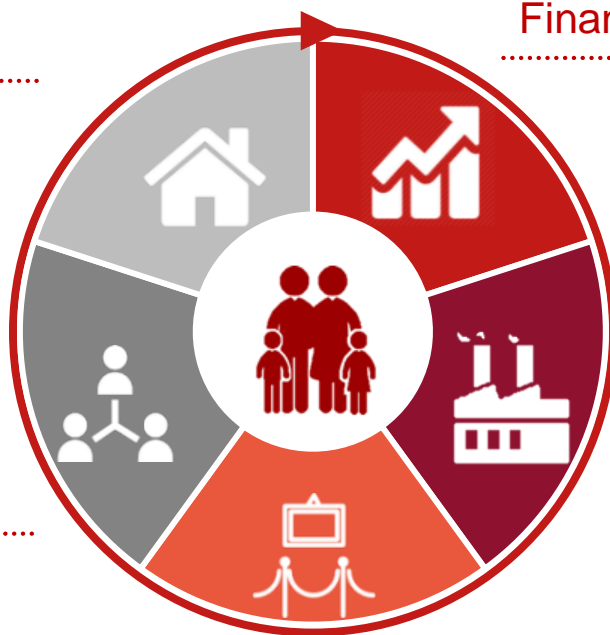
INVESTMENT OPTIONS & ADVANCED ADVISORY

Real estate

- Advisory
- Valuation
- Agency

Family protection, wealth planning

- Succession planning
- Legal and fiscal support
- Wealth protection
- Trust services



Financial assets

- Open architecture
- In-house funds
- Bespoke financial & insurance solutions
- Banking platform

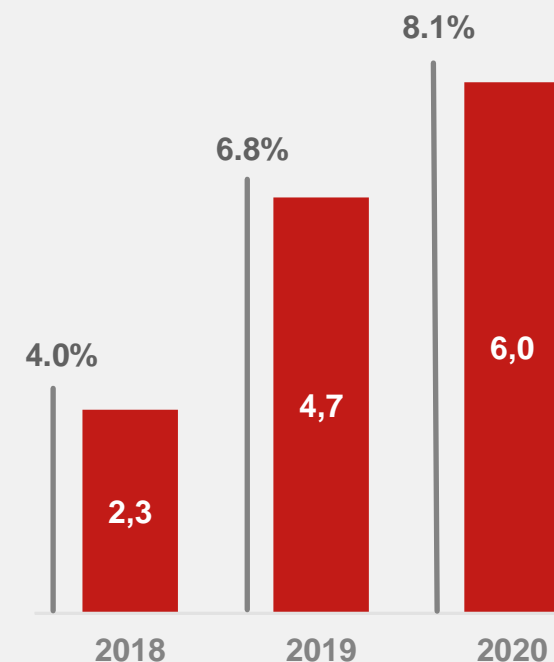
Corporate

- Merger & Acquisitions
- Dynamic hedging
- Subsidised finance

Art advisory

- Evaluation of artistic heritage
- Delivery of exhibitions and publication
- Custody, conservation & restoration
- Purchasing & sale of art works

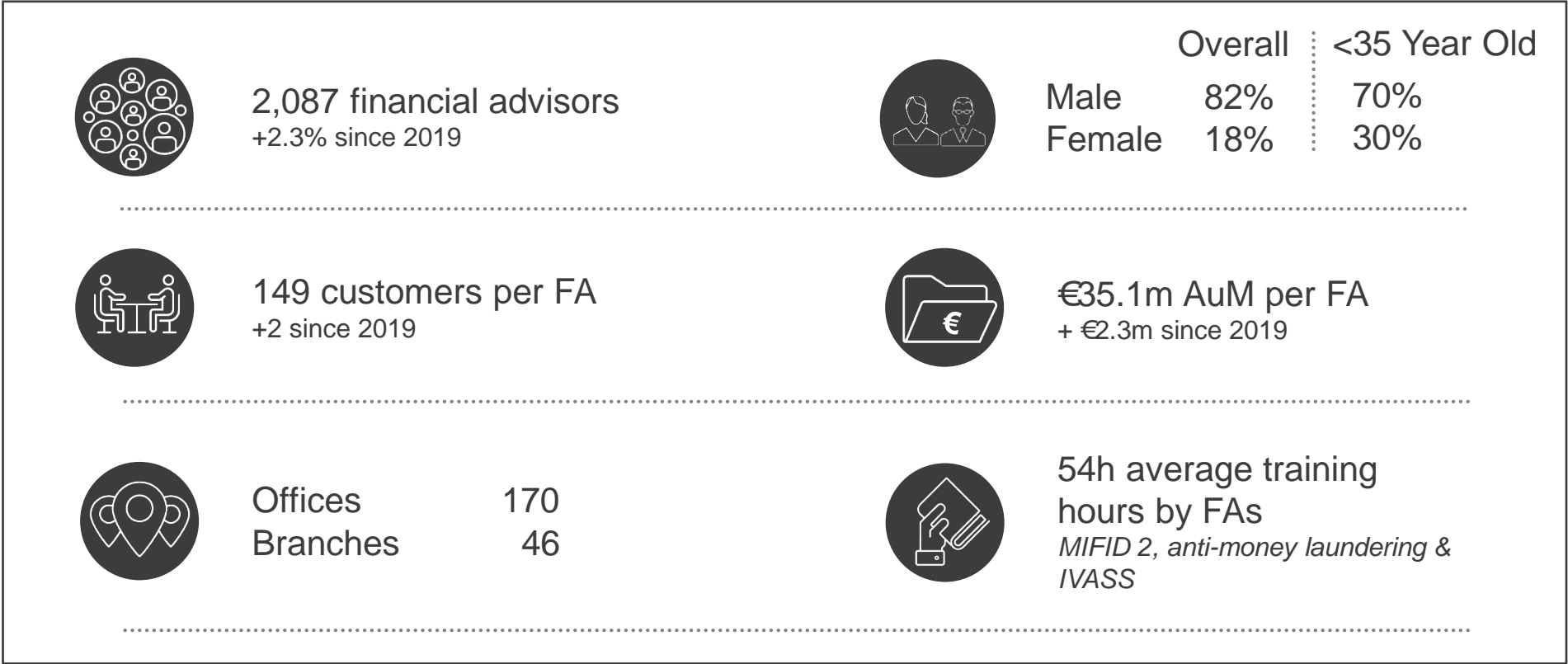
Assets under Advanced Advisory* (€bn) and % of total assets



*The advanced advisory service offers a holistic view of the overall client and their family wealth including both financial and non-financial components (real estate, corporate, family protection & art advisory)

OUR PEOPLE – THE FA NETWORK

FINANCIAL ADVISORS



- Private Bankers (PBs)/Financial Planners (FPs) and Wealth Advisors (WAs) collaborate with the Company as freelance professionals

TRAINING FOR FINANCIAL ADVISORS

ONGOING FOCUS ON TRAINING

Double edged training strategy

Training for FAs is organised into two areas: managerial training in support of FAs, and technical/commercial training which addresses evolving customer needs

MANAGERIAL TRAINING



- **My Webinar Digital Training Schedule** – supporting personal growth and guidance of FAs



- **Female Leadership Programme** – improving work-life balance and development



- **BG Private Counselling** – in collaboration with SDA Bocconi University and focused on client family wealth management

COMMERCIAL TRAINING



- **EFPA ESG Advisor Certification** in collaboration with Polytechnic University of Milan focusing on ESG investment strategies. Minimum 24-hour duration



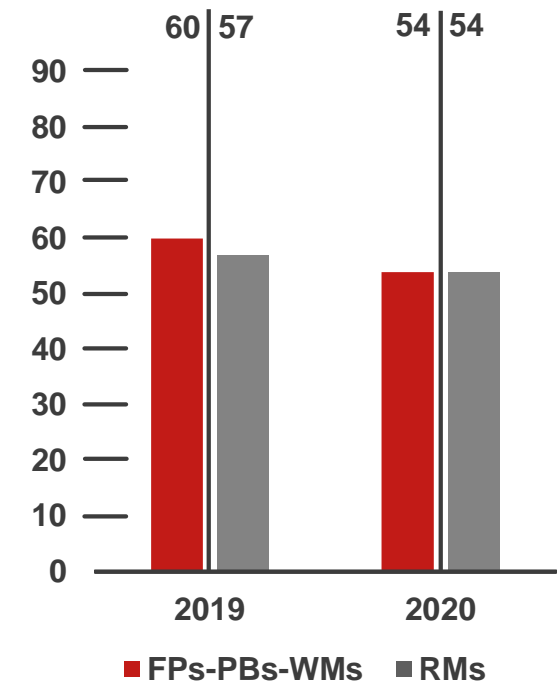
- **Training tools** – new BGLAB training portal & Training & Innovation HUB



- **Anti-money laundering** – in collaboration with the Anti-Money Laundering Service, trained entire network through webinars & real-world cases

Average training for FAs

Which dropped primarily due to in-person events being cancelled



Financial Planners (FPs), Private Bankers (PBs) and Wealth Managers (WMs) – freelance professionals
Relationship Managers (RMs) - company employees.

OUR PEOPLE - THE EMPLOYEES

BG PEOPLE IN A NUTSHELL



962 people
+12 since 2019



Male 51%
Female 49%



Italy 94%
Abroad 6%



Average age 45



Senior Managers 7%
Middle Managers 33%
Employee 60%



Almost 49,000 training hours
Average of 51 hours per employee

Our People are one out of five pillars of the **BG Sustainability Index**

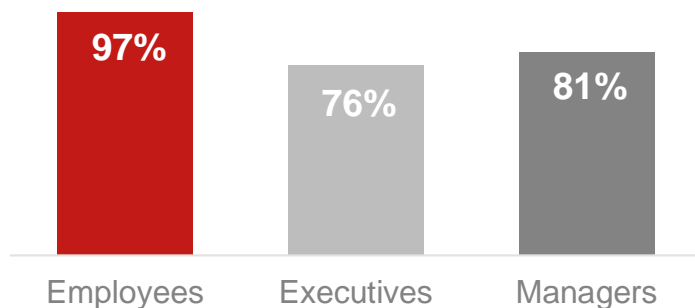


OUR PEOPLE

DIVERSITY & INCLUSION

2020 Remuneration ratio: Women vs. Men¹

Women Average Percentage Pay vs. Men (=100%)



Diversity & Inclusion (D&I) are two key elements of the corporate culture and the Banking Group's strategy

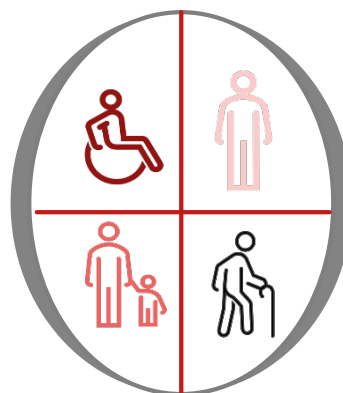
Workforce composition:



At least **25%** of the people on the short list within our hiring processes must be women

0 confirmed episodes of discrimination in 2020

Focuses of our D&I programme



FOCUS ON THE AGE/GENERATIONS THEME

- Inter-functional projects aimed at knowledge sharing and mentoring programmes to promote intergenerational exchange.

COMMITMENT TO GENDER ISSUES

- Training to support the development of female leadership; training programmes dedicated to Managers on the themes of Unconscious Bias, Woman Empowerment and Diversity Management and a focus on the gender pay gap.
- BG4Women to support their professional development via webinars and digital classrooms.

Diverse Ability Week

First week of December 2020 was dedicated to the theme of Diverse Ability, celebrating the International day of persons with disabilities. All employees were able to access tips and messages through the "DiverseAbility Helpline" website.

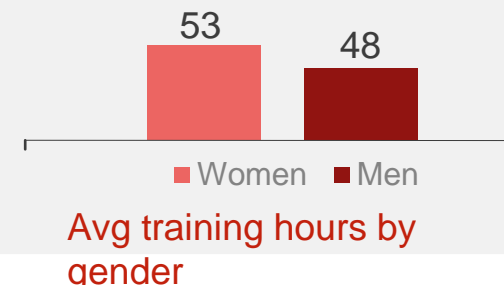
OUR PEOPLE

TRAINING ACTIVITY

Key Figures



48,805
training hours
in 2020
(vs 48,021 hrs in 2019)



Key training subject goals

MANAGERIAL AND BEHAVIOURAL SKILLS

- To support people in the major strategic changes and build a unique managerial style/approach

TECHNICAL (BUSINESS AND NON-BUSINESS) SKILLS

- To continue to ensure a widespread technical leadership within the Organisation and competitive on the market

REGULATORY/SAFETY

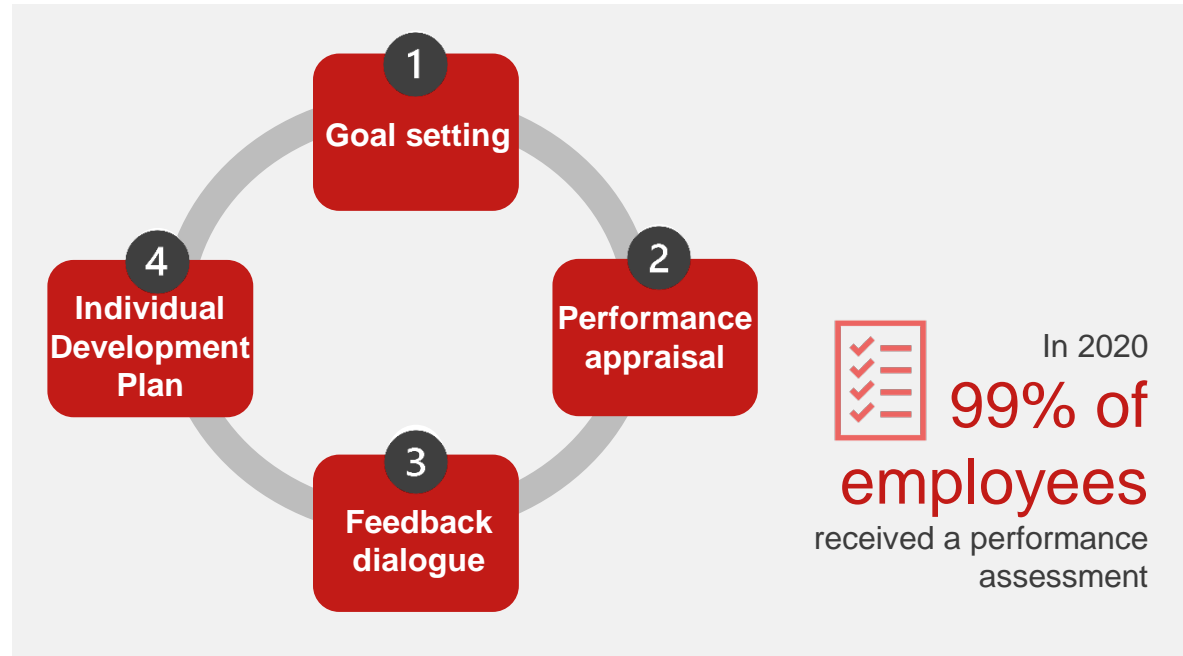
- To make the Bank sustainable in the long-term and protect its employees and the Organisation

Key training projects

- **“New Normal” Training** – embracing diversity and recognising different needs
- **The Mind Fitness** – mental and emotional resilience training, an opportunity where employees can learn how to implement mindfulness techniques
- **Road to Sustainability** – educating employees about current & future sustainability projects incl. training clips & visualising the SDGs
- **D&I – Diversity & Inclusion**
 - Women’s Leadership Programme
 - Mentoring Programme
 - Unconscious Bias

OUR PEOPLE

EMPLOYEE PERFORMANCE, ESG CHAMPIONS & WELFARE INITIATIVES



Employee sustainability initiative

ESG CHAMPIONS



- 27 employees identified as ESG Champions identified and shared a list of potentially relevant topics to be included in the materiality matrix.

Employee benefits and welfare

INDUSTRY LEADING HEALTHCARE BENEFITS

- Expense reimbursements for employees or their dependent family members.

“PURE” WELFARE

- Annual one-off amounts to be used through the Welfare Portal for the reimbursement and/or purchase of welfare services.

WORK-LIFE BALANCE

- Range of measures to boost work-life balance including flexible & remote working, support for motherhood, parents, & disabilities.

SUPPLEMENTARY PENSIONS

- Through a contribution provided by the Company, employees can create a private pension position designed to supplement their future public pension.

DIGITAL STRATEGY

ENHANCED DIGITAL TOOLS FOR FAS & CLIENTS

TOOLS FOR FAs



- Wealth advisory portal (BGPA) with a comprehensive view on financial and non-financial wealth (real-estate, corporate, succession planning, family protection, art advisory)



- IT solution dedicated to AuC investments with the aim of supporting FA's productivity and monitor clients' portfolios on an ongoing basis



- BG Store - digital desk for FAs with a multi-device approach
- Launch of several digital tools to support FA's activity (BG Editor, BG Products)
- Digital collaboration boosted by the release of new functions
- ESG Platform- analysis, optimisation tool for ESG products and portfolio



QUICLIC

- Digital onboarding platform for handling electronic client registration, bank account opening, credit line applications, succession processes & smart mail

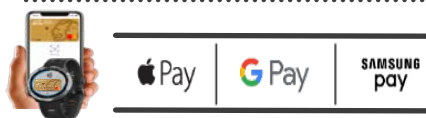


- E-learning platform for FAs

TOOLS FOR CLIENTS



- Full range of digital touchpoints
- New Mobile Banking App (fingertips, face ID)



- 100% digital onboarding process - account opened in 20 minutes
- Mobile payments: Apple pay Google Pay and Samsung pay integrated



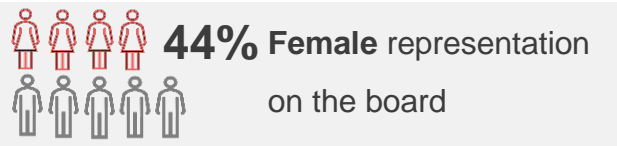
- Trading Platform with on a comprehensive range of trading features

GOVERNANCE AND SUSTAINABILITY FOCUS WITHIN THE BOARD

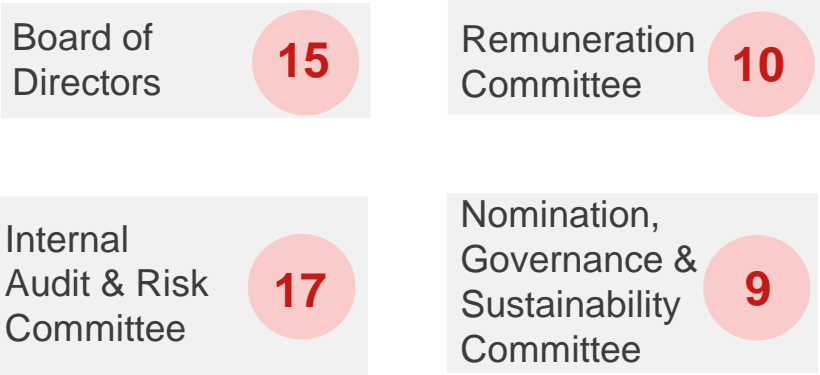
RESPONSIBILITY FOR SUSTAINABILITY OVERSIGHT

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



No. of Board and Committee Meetings



Capital-focused competencies of board members

		Board competencies relating to the 6 asset types as stated 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

SUSTAINABILITY EMBEDDED WITHIN REMUNERATION

LINK TO SUSTAINABILITY PERFORMANCE

LTI remuneration best practice: a) ESG component b) paid in shares. c) 2:1 cap on variable to fixed remuneration for CEO and other selected roles. d) shares in variable remuneration subject to deferral, retention, and performance criteria.

Banca Generali Short Term Incentive Plan

- Short-term variable remuneration is based on an individual scorecard mechanism.
- These scorecards are built on financial and two sustainability focused areas (seen to the right).

1. People Value	2. Sustainability Commitment
- Diversity & Inclusion	- Sustainable products, investments & management
- Succession Planning	- Sustainable processes & updating internal policies
- Engagement Survey	- Sustainable planning, improving governance
	- Sustainable people, with internal & external activities

Banca Generali Long Term Incentive Plan

Banca Generali’s Long Term Incentive plan rewards performance of both Banca Generali and Generali Group, whilst also integrating an ESG elements:

- The Banca Generali ESG multiplier is based on a target % of assets under management being considered ESG assets;
- Whereas the Group Generali ESG multiplier is based on MSCI ESG Ratings and a three-year average of S&P’s corporate sustainability assessment.

%LTI	Entity	KPIs			± 0.2x ESG Multiplier		
80%	Banca Generali Group	Economic Value Added	+	Return on Equity	% of assets under management which are considered ESG assets		
		50%		50%	<8% = x0.8	10% = x1	≥13% = x1.2
20%	Group Generali	Net Holding Cash Flow	+	Total Shldr. Return	MSCI ESG Ratings Indicator & S&P ESG three-year average percentile		
		50%		50%	2023 rating < A	2023 rating ≥AA	2023 rating >AAA
					< 75° percentile	≥ 90° percentile	≥ 95° percentile

ENVIRONMENTAL IMPACT

FOCUS ON CLIMATE

2020 Environmental Performance



1,330

tCO₂eq

(Scope 1, 2 & 3)
Vs 1,403 tCO₂eq in 2019



100%

ELECTRICITY

from renewable sources*



-74%

PAPER

consumption
Vs 2019



-40%

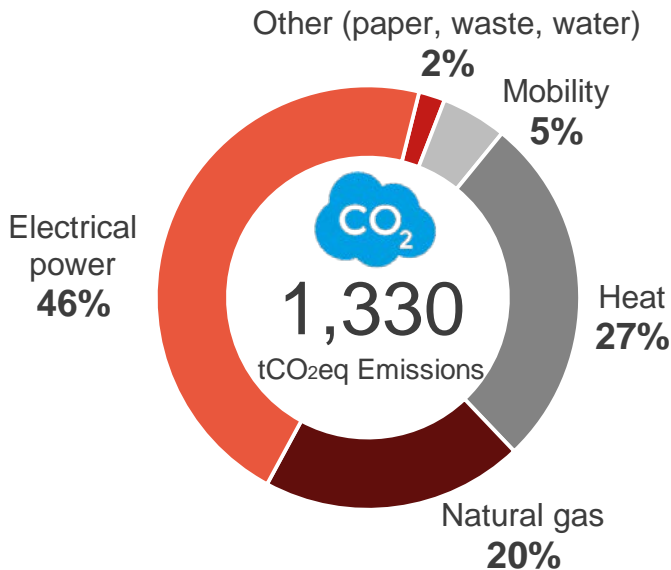
WATER

consumption
Vs. 2019



Hadid Tower (Milan Headquarter):
Platinum Environmental Certificate
LEED 2009 Standard

2019-2020 GHG EMISSION BREAKDOWN



96.8%

recycling index
following the renovation
of Pesaro operating site



81%

of paper is green
and certified

COMMUNITY PROJECTS

IMPROVING THE LIVES OF OTHERS

Community involvement

- **"O-Fire" Observatory** ("Impact finance and its economic implications"), partnership with the Bicocca University of Milan and AIFI, the Italian association of private equity, venture capital and private debt. A scientific center of excellence for the development of research in the field of green finance & ESG.
- **Sustainable Investment Challenge:** in collaboration with Reply and MIP-Politecnico di Milano, MainStreet Partners and CFA Society. >14,500 students participated to design an investment strategy for a 1 million USD virtual portfolio.

Community protection

- **Covid-19 Support:** creation of two Covid-19 centres and a post-hospitalisation centre for the sick in addition to donating life saving equipment and more than 5,000 PPE to hospitals.
- **The Human Safety Net:** foundation set up in 2017 by Generali and supported by BG to promote volunteering in social projects that support people in vulnerable circumstances.



- **Milano Art Week (Sept 2020):** main partner to the Milano Art Week, the week of special art gatherings and events held in Milan.
- **Reedoc:** purchase of platform to help employee children manage with remote learning.
- **Traiettorie Liquide:** education & awareness on water-related environmental issues with ski racer Federica Brignone.



Innovation & Training

- **"Recipes for Recovery":** live talk show on YouTube to discuss the recovery with the main interlocutors of the economy and markets in the post-Covid-19 phase.
- **Training & Innovation Hub:** laboratory center dedicated to innovation and training as well as to developing investment solutions alongside AM partners.



SUSTAINABILITY & GOVERNANCE POLICIES

KEY DOCUMENTS



SUSTAINABILITY
CHARTER &
POLICY



RESPONSIBLE
INVESTMENT
POLICY
(OWN FUNDS)



RESPONSIBLE
INVESTMENT
POLICY
(INVESTMENTS)



RESPONSIBLE
INVESTMENT
POLICY
(BANKING)



ANTI-MONEY
LAUNDERING &
TERRORISM
POLICY



RULES OF
CORPORATE
COMMITTEES



RULES OF
INTERNAL
GOVERNANCE &
MANAGERIAL
COMMITTEES



RULES FOR
SELECTION OF
EXTERNAL
PROVIDERS



REMUNERA-
TION
POLICY



DIVERSITY
POLICY FOR
MEMBERS OF
THE COMPANY
BODIES



INTERNAL
CODE OF
CONDUCT



SECURITY
POLICY



ENVIRONMENT
& CLIMATE
POLICY



GROUP INTER-
NATIONAL
SANCTIONS
POLICY



COMMERCIAL
POLICY

STAYING IN TOUCH

ESG PRIORITY CONTACTS

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