Generali Group

Our Corporate Reporting Evolution

Massimo Romano,
Head of Group Integrated Reporting & CFO Hub

Milano, 5th February 2015
 Agenda

- «Integrated Reporting» and «Generali Corporate Reporting Evolution» programme

- IIRC Insurance Network
Why «Integrated Reporting»

Main drivers of the <IR> momentum

- The Corporate Disclosure has proved during the recent crisis (especially for the financial and insurance sector) to be inadequate for the stakeholders’ needs.

- Global and European regulations are moving towards the concept of Integrated Reporting in order to enhance the informative power and the transparency of the corporate reporting (see for example the EU Directive on non-financial disclosure).

- Integrated Reporting is a powerful tool also for breaking the so called «silos-approach», thus helping the company to perform better thanks to an improved decision making process and to an enhanced internal communication.
Corporate Reporting Evolution: Generali business case
What we have done and what we are going to do

«Our TIPS»:

- Deliver a medium-term plan with measurable and reliable milestones

Implementation of Internal IR at Group Level and IR at company level

IR 2.0 (Focus on non-financial KPIs)

- Simplification of Interim Reporting

Integrated Report (IR) 1.0 and Financial Supplement

2015-2016

YE2014

HY2014 - 1Q2014

YE2013

YE2014
### Corporate Reporting Evolution: Generali business case

#### The benefits

- Integrated Reporting is a process based on Integrated Thinking. One of the main benefits of that is the disclosure of a Report capable of showing the ability of Generali to create value over time in a sustainable way.

- Integrated Thinking overcomes the so-called «silos approach». As a consequence, it leads to an improvement in the performances thanks to a better decisional process and an overall more efficient communication.

<table>
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<tr>
<th>Main benefits</th>
<th>Coherence with the values of Generali</th>
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<td>— Give a more complete global vision of the Group and communicate more efficiently the ability of Generali to create value</td>
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<td>— Connection of strategy and performances</td>
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<td>— Rationalize the reporting production</td>
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<td>— Be more open thanks a principle based approach</td>
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<td>— Show leadership in corporate reporting</td>
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Generali Group Annual Integrated Report 2013

How we meet conciseness, materiality...

Integrated Review (about 110 pages)
+ Other mandatory information (220 pages)
The content of the Annual Integrated Review

Sections of the Annual Integrated Review

- Vision, Mission and Values
- External Context
- Governance and Compensation Policy
- Strategy
- Business

Organizational overview and external environment

- Governance
- Strategy
- Performance
- Outlook

Business model
Corporate Reporting Evolution: Generali business case
Integrated Reporting (IR) 1.0 and Financial Supplement

«Our TIPS»:
- Understand financial analysts needs
- Communicate our strategy, vision, and mission
- Friendly format

EXANE BNP PARIBAS – Niccolo’ Dalla Palma (report on 14 March 2014)

“Improved reporting: we rarely mentioned this as a key point on day of results but it’s worth noting that the new financial supplement includes significantly improved disclosure”

Citi Research – Farooq Hanif (script conference call on 13 March 2014)

“... Thanks also, by the way, for your excellent improvement in disclosure. I was really quite impressed. And I didn't think I'd say this, but I think you're getting to be one of the best in terms of disclosure in the sector ...”
In line with the 2014/2016 Road Map of the Generali Group Corporate Reporting Evolution, the interim financial information has been simplified.

Single source of information, through the merger of both financial report and press release in a single document.

The investor info package (investor presentation, financial supplement, and CFO speech) and condensed consolidated financial statements (quantitative reports and explanatory notes) remain unchanged.

«Our TIPS»:

- Compliance with the regulations
- Simplification and better disclosure
- Single message
Corporate Reporting Evolution: Generali business case

The Generali Group, pioneer in the use of Internal Integrated Reporting

“I think we are pioneers in bringing to life the Integrated Reporting within our Group. We do believe the IR is the right step forward in the Corporate Reporting evolution which will help us to improve the communication”

“The whole process has proved to be a great way for everyone to gain greater internal visibility, leading us to work collectively to a better understanding on how our department ultimately contributes to the company value creation process”

“One of the biggest benefits from Internal IR is that we have begun to break down thinking silos inside our own department”

“«Our TIPS»:

- Communicate our value creation story
- Greater team engagement and transparency
- Fast and inexpensive implementation

Source: IIRC newsletter November 2013
Final TIPS

The 3Rs rule:
- Reuse
  
  A single doc for different stakeholders
- Reduce
  
  The number of pages
- Recycle
  
  Apply the IR framework to different contexts

It’s not only a CFO toy!

It’s not just a report!

It’s a brand new way to live the company!

It’s our story made by our people!
Agenda

- «Integrated Reporting»
- IIRC Insurance Network
The International Integrated Reporting Council (IIRC) is set up: this coalition shares the view that communication about value creation should be the next step in the evolution of corporate reporting.

The Pilot Programme starts for the developing and practical application of <IR> principles and content by businesses and investors.

The IIRC Pilot Programme came to an end after three successful years in September 2014.

The IIRC Business Network is an ideal prosecution of the IIRC Pilot Programme. The Pilot Programme’s members were firms coming from almost all the business sectors. Some specific networks have been set up: bank, technology, pension fund and Insurance Network.
The <IR> Insurance Network extends the work of the <IR> Business Network, bringing together insurers and re-insurers, and enabling them to focus together on the aspects of applying <IR> particularly relevant to the industry.

Under the lead of Aegon and Generali, with the help of Mazars, over 15 participants from all over the world share best practice and experiences in order to support each other as they implement integrated thinking and reporting. They discuss practical solutions in order to unlock the benefits of applying the International <IR> Framework.

Network participants join monthly calls, hearing from peers and experts in the fields to support their progress with implementing <IR>. 
Why

The aim is to create a network of players in the Insurance Business arena for the elaboration and sharing of experiences and best practices related to Integrated Reporting. Specifically, the Network’s main goals are:

- share practices and experiences to support participants to prepare their integrated reports and to implement Integrated Thinking;
- discuss practical solutions to apply the International <IR> Framework for a business in the insurance sector and in the context of current industry related regulation;
- provide structured feedbacks to the IIRC for further technical developments;
- build momentum towards <IR> through engagement with international and national industry bodies, where relevant, and businesses outside the Network to encourage wider interest in <IR>;
- create connectivity with other <IR> Networks in order to evolve the <IR> insurance practices.
IIRC Insurance Network (cont’d)

❖ Who
A group of some of the most important insurance companies and associations

❖ How
Mainly conference calls.

The outcome of these network initiatives is the drawing up of a business case on how Integrated Thinking and Integrated Reporting can help insurance and reinsurance companies in creating value for their stakeholders.
Team for the Integrated Report

Massimo ROMANO
Group Integrated Reporting
massimo.romano@generali.com

Annamaria BRADAMANTE
Group Integrated Reporting
annamaria.bradamante@generali.com

Michela GIOVANNINI
Group Social Responsibility
michela.giovannini@generali.com

Marco PLOS
Group Integrated Reporting
marco.plos@generali.com