STATEMENT ON PRINCIPAL ADVERSE IMPACTS OF INVESTMENT DECISIONS ON SUSTAINABILITY FACTORS

Implementation of Regulation (EU) 2019/2088 Art. 4

Generali Investments CEE, investiční společnost, a.s.
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Company Reg. No.: 438 73 766

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1 Introduction

European Regulators have developed a framework to enhance the adoption of environmental, social and governance factors in investment and finance activities in order to achieve long-term sustainable development. In this framework, financial market participants are required to implement an appropriate governance structure and to provide accurate information about the sustainability risks.
In this regard, on the 27 November 2019 the European Parliament and the Council adopted Regulation (EU) 2019/2088 "Sustainable Finance Disclosure Regulation" or "SFDR" which entered into force on the 29 December 2019.
The Regulation aims at providing homogeneous information to end-investors about sustainability risks and at the promotion of ESG factors in financial investment activities. This Regulation was enhanced by the Regulation (EU) 2020/852 (Sustainable Finance Taxonomy) that provides the criteria for determining whether an activity can be considered environmentally sustainable.

According to the requirements laid down by EU regulations, including Reg. EU 2019/2088 ("Sustainable Finance Disclosure Regulation" or "SFDR") and Del. Reg. EU 2022/1288 supplementing Reg. EU 2019/2088 (RTS), Generali Investments CEE, investiční společnost, a.s. (hereinafter also referred to as the "Company") publishes this statement on due diligence policies with respect to the principal adverse impacts of investment decisions on sustainability factors[1] (hereinafter also referred to as the "Principal Adverse Impacts (PAI) Statement" or the "Statement" that includes:

- information about its policies on the identification and prioritisation of principal adverse sustainability impacts and indicators;
- a description of the principal adverse sustainability impacts and of any actions in relation thereto taken or, where relevant, planned;
- a reference to adherence to responsible business conduct codes and internationally recognised standards for due diligence and reporting and, where relevant, the degree of their alignment with the objectives of the Paris Agreement.

1.1. ROLES AND RESPONSIBILITES

This document was approved by the Board of Directors of the Company.

This document will be reviewed on at least yearly basis.

The approval date of this document is 30. 6. 2023

2 Statement on principal adverse impacts of investment decisions on sustainability factors

2.1 SUMMARY

The Company considers principal adverse impacts of its investment decisions on sustainability factors. The present statement is the consolidated principal adverse sustainability impacts statement of Generali Investments CEE, investiční společnost, a.s. which is fund manager of its own investment funds and moreover of Generali Invest CEE plc. (Ireland) and Generali Invest CEE Global Exposure ICAV (Ireland). This statement on principal adverse impacts on sustainability factors covers the reference period from 1 January 2022 to 31 December 2022.

Principal Adverse Impacts (PAIs) should be understood as those impacts of investment decisions that result in negative effects on sustainability factors.

The Company, based on the data available during the reference Period, has taken effort to evaluate the principal adverse impacts on sustainability factors in its managed portfolios and to integrate their management in the investment decision.

[1] Art. 2 (24) Reg. EU 2019/2088 'sustainability factors' mean environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

The Company has taken actions and planned next steps to address the PAIs in the investment process, as detailed below.

A summary of all the PAI indicators considered by the Company is presented in the table below, which includes the mandatory PAIs indicators and the additional ones identified by the Company. The calculation is based on the latest available information on the impacts of the investee companies as of the date of approval of this document.

Indicator applicable to	Table[2]	Number	Adverse sustainability indicator	Data source
Investee Companies	1	1	GHG emissions	External data provider[3]
	1	2	Carbon footprint	External data provider
	1	3	GHG intensity of investee companies	External data provider
	1	4	Exposure to companies active in the fossil fuel sector	External data provider
	1	5	Share of non-renewable energy consumption and production	External data provider
	1	6	Energy consumption intensity per high impact climate sector	External data provider
	1	7	Activities negatively affecting biodiversity-sensitive areas	External data provider
	1	8	Emissions to water	External data provider
	1	9	Hazardous waste and radioactive waste ratio	External data provider
	1	10	Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	External data provider
	1	11	Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	External data provider
	1	12	Unadjusted gender pay gap	External data provider
	1	13	Board gender diversity	External data provider
	1	14	Exposure to controversial weapons (anti- personnel mines, cluster munitions, chemical weapons and biological weapons)	External data provider; Generali internal analysis
	2	4	Investments in companies without carbon emission reduction initiatives	External data provider
Sovereigns and supranationals	1	15	GHG intensity of investee countries	External data provider
	1	16	Number of investee countries subject to social violations (absolute number and relative number divided by all investee countries), as referred to in international treaties and conventions, United Nations principles and, where applicable, national law	External data provider
	3	22	Non-cooperative tax jurisdictions	External data provider
Real estate assets	1	17	Exposure to fossil fuels through real estate assets	Generali Real Estate
	1	18	Exposure to energy-inefficient real estate assets	Generali Real Estate

The currently implemented PAI reporting solution that fulfills to the best of the Company's understanding the requirements currently expressed by the regulations, taking into account the limitations encountered such as data availability and regulatory interpretation topics, as well the reliance on independent external providers both in terms of data and reporting solutions.

The approach presented herein covers the portion of direct and indirect investments in portfolios setup and managed by the Company covered by the data needed to assess PAIs. For transparency, the coverage on the assets for which a single PAI indicator is applicable to is reported in this Statement when relevant. The approach is limited by the availability of information from the main ESG data providers used, the availability of reported data from certain issuers, the limited availability on data on indirect investments, the evolving interpretation of the regulation as for calculation and aggregation methods.

[2] Table 1 refers to mandatory PAIs, Table 2 and 3 refer to additional PAIs.
[3] The external provider used is MSCI ESG.

During 2023 and going forward the Company plans to improve the reporting, engaging also with data providers to increase coverage and to further develop its methodology, consistently with the instructions of the regulation to provide a best effort view of its portfolio's exposure to adverse impacts.

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2.2 DESCRIPTION OF THE PRINCIPAL ADVERSE IMPACTS ON SUSTAINABILITY FACTORS

Table 1

Indicators applicable to investments in INVESTEE COMPANIES							
Adverse sustainability indicator		**Metric**	**Impact [year n] (2022)**	**Impact [year n-1]**	**Coverage[4]**	**Explanation**	**Actions taken, and actions planned and targets set for the next reference period**
CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS							
Greenhouse gas emissions	1.GHG emissions	Scope 1 GHG emissions	204436,21		88,13%	Impact measured as: Sum of portfolio companies' Carbon Emissions - Scope 1, 2, 3 (tCO2e) weighted by the portfolio's value of investment in a company and by the company's most recently available enterprise value including cash.	The Company has taken commitment to limit investments into companies with coal exposure on selected assets, and plans to limit further the exposure to companies not showing progress on decarbonization path. The Company plans a material alignment to the Generali Group Strategy on Climate Change. The Company ESG committee will monitor the portfolios carbon footprint and the GHG emissions of investee companies with the aim to define limits to investments in the companies lagging on these parameters. The Company will be evaluating the possibility to actively engage with issuers, eventually in cooperation with other investors, to promote a just transition towards Net Zero economy. The Company's ESG Committee will evaluate on at least yearly basis the effectiveness of actions taken and the need to take further actions.
		Scope 2 GHG emissions	31622,87		88,13%		
		Scope 3 GHG emissions	1077470,89		88,13%		
		Total GHG emissions	1313530,49		88,13%	Impact measured as: The total annual Scope 1, Scope 2, and estimated Scope 3 GHG emissions associated with the market value of the portfolio. Companies' carbon emissions are apportioned across all outstanding shares and bonds (based on the most recently available enterprise value including cash).	
	2.Carbon footprint	Carbon footprint	1246,15		88,13%	Impact measured as: The total annual Scope 1, Scope 2, and estimated Scope 3 GHG emissions associated with 1 million EUR invested in the portfolio. Companies' carbon emissions are apportioned across all outstanding shares and bonds (based on the most recently available enterprise value including cash).	
	3.GHG intensity of investee companies	GHG intensity of investee companies	2043,85		92,43%	Impact measured as: The portfolio's weighted average of its holding issuers' GHG Intensity (Scope 1, Scope 2 and estimated Scope 3 GHG emissions/EUR million revenue).	
	4.Exposure to companies active in the fossil fuel sector	Share of investments in companies active in the fossil fuel sector	20,74%		88,77%	Impact measured as: The percentage of the portfolio's market value exposed to issuers with fossil fuels related activities, including extraction, processing, storage and transportation of petroleum products, natural gas, and thermal and metallurgical coal.	

[4] Coverage is calculated with a sub-portfolio approach, which only aggregates PAIs across the asset classes relevant for each indicator

Indicators applicable to investments in INVESTEE COMPANIES							
Adverse sustainability indicator		**Metric**	**Impact [year n] (2022)**	**Impact [year n-1]**	**Coverage[4]**	**Explanation**	**Actions taken, and actions planned and targets set for the next reference period**
	5.Share of non-renewable energy consumption and production	Share of non-renewable energy consumption and non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage of total energy sources	69,88%		80,28%	Impact measured as: The portfolio's weighted average of issuers' energy consumption and/or production from nonrenewable sources as a percentage of total energy used and/or generated	
	6.Energy consumption intensity per high impact climate sector	**Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector:**	-	-	79,71%	Impact measured as: The portfolio's weighted average of Energy Consumption Intensity (GwH/million EUR revenue) for issuers classified within NACE Code A, B, C, D, E, F, G, H, L	For high impact climate sectors, energy consumption is one of the inputs used for building the ESG ratings considered by the Company in the investment process. The Company plans to limit exposure to issuers which are laggards on ESG strategy. The Company's ESG Committee will evaluate on at least yearly basis the effectiveness of actions taken and the need to take further actions.
		NACE Code A (Agriculture, Forestry and Fishing)	1,08		79,71%		
		NACE Code B (Mining and Quarrying)	1,64		79,71%		
		NACE Code C (Manufacturing)	3,52		79,71%		
		NACE Code D (Electricity, Gas, Steam and Air Conditioning Supply)	8,54		79,71%		
		NACE Code E (Water Supply; Sewerage, Waste Management and Remediation Activities)	0,85		79,71%		
		NACE Code F (Construction)	0,28		79,71%		
		NACE Code G (Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles)	0,06		79,71%		
		NACE Code H (Transportation and Storage)	0,68		79,71%		
		NACE Code L (Real estate activities)	0,50		79,71%		
Biodiversity	7.Activities negatively affecting biodiversity-sensitive areas	Share of investments in investee companies with sites/operations located in or near to biodiversity-sensitive areas where activities of those investee companies negatively affect those areas	0,53%		88,94%	Impact measured as: The percentage of the portfolio's market value exposed to issuers' that reported having operations in or near biodiversity sensitive areas and have been implicated in controversies with severe or very severe impacts on the envi-	The Company has monitored controversies and involvement in severe environmental damages by investee companies, and plans to limit exposure to issuers which are laggards on ESG strategy. Activi-

Indicators applicable to investments in INVESTEE COMPANIES							
Adverse sustainability indicator		**Metric**	**Impact [year n] (2022)**	**Impact [year n-1]**	**Coverage[4]**	**Explanation**	**Actions taken, and actions planned and targets set for the next reference period**
						ronment	ties with a severe and extensive impact on biodiversity of sensitive areas, e.g. extraction of tar sands), will be the focus of investment restrictions. The Company plans to limit exposure to issuers which are laggards on ESG strategy. The Company's ESG Committee will evaluate on at least yearly basis the effectiveness of actions taken and the need to take further actions.
Water	8.Emissions to water	Tonnes of emissions to water generated by investee companies per million EUR invested, expressed as a weighted average	907,95		2,54%	Impact measured as: The total annual wastewater discharged (metric tons reported) into surface waters as a result of industrial or manufacturing activities associated with 1 million EUR invested in the portfolio . Companies' water emissions are apportioned across all outstanding shares and bonds (based on the most recently available enterprise value including cash).	Topics such as water stress and the overall framework of the company to manage water resources and reduce environmental impact, where relevant to the sector considered, are one of the inputs used for building the ESG ratings considered by the Company in the investment process. The Company plans to limit exposure to issuers which are laggards on ESG strategy. The Company's ESG Committee will evaluate on at least yearly basis the effectiveness of actions taken and the need to take further actions. -
Waste	9.Hazardous waste and radioactive waste ratio	Tonnes of hazardous waste and radioactive waste generated by investee companies per million EUR invested, expressed as a weighted average	2,27		37,70%	Impact measured as: The total annual hazardous waste (metric tons reported) associated with 1 million EUR invested in the portfolio. Companies' hazardous waste is apportioned across all outstanding shares and bonds (based on the most recently available enterprise value including cash).	Topics such as waste management practice, including management of any hazardous waste and radioactive waste, where relevant to the sector considered, are one of the inputs used for building the ESG ratings considered by the Company in the investment process. The Company plans to limit exposure to issuers which are laggards on ESG strategy. The Company's ESG Committee will evaluate on at least yearly basis the effectiveness of actions taken and the need to take further actions.

Indicators applicable to investments in INVESTEE COMPANIES							
Adverse sustainability indicator		**Metric**	**Impact [year n] (2022)**	**Impact [year n-1]**	**Coverage[4]**	**Explanation**	**Actions taken, and actions planned and targets set for the next reference period**
INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS							
Social and employee matters	10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	1,39%		90,18%	Impact measured as: The percentage of the portfolio's market value exposed to issuers with very severe controversies related to the company's operations and/or products.	This PAI is of priority importance for the Company: the Company plans to limit or exclude direct investments in investee companies involved in violations of the UNGC principles or OECD Guidelines for Multinational Enterprises according to the characteristics of the portfolios.
	11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises	Share of investments in investee companies without policies to monitor compliance with the UNGC principles or OECD Guidelines for Multinational Enterprises or grievance /complaints handling mechanisms to address violations of the UNGC principles or OECD Guidelines for Multinational Enterprises	42,45%		88,77%	Impact measured as: The percentage of the portfolio's market value exposed to issuers that are not signatories in the UN Global Compact	The quality of policies to manage ESG controversies and breach of international standards are one of the inputs used for building the ESG ratings considered by the Company in the investment process The Company plans to limit exposure to issuers which are laggards on ESG strategy. The Company's ESG Committee will evaluate on at least yearly basis the effectiveness of actions taken and the need to take further actions.
	12.Unadjusted gender pay gap	Average unadjusted gender pay gap of investee companies	15,27%		15,00%	Impact measured as: The portfolio holdings' weighted average of the difference between the average gross hourly earnings of male and female employees, as a percentage of male gross earnings.	The evaluation of the governance framework of companies and their policies is one of the inputs used for building the ESG ratings considered by the Company in the investment process The Company plans to limit exposure to issuers which are laggards on ESG strategy. The Company's ESG Committee will evaluate on at least yearly basis the effectiveness of actions taken and the need to take further actions.
	13.Board gender diversity	Average ratio of female to male board members in investee companies, expressed as a percentage of all board members	30,54%		88,75%	Impact measured as: The portfolio holdings' weighted average of the ratio of female to male board members.	
	14.Exposure to controversial weapons (anti-personnel mines,	Share of investments in investee companies involved in the manufacture or selling of controversial weapons	0,04%		88,77%	Impact measured as: The percentage of the portfolio's market value exposed to issuers with an industry tie to landmines, cluster munitions, chemical weapons or biological weapons. Note: Industry ties includes ownership, manufacturing and	This PAI is of priority importance for the Company: the Company plans to deinvest and exclude any new direct investments in investee companies involved in the manufacture or selling of controversial weapons

Indicators applicable to investments in INVESTEE COMPANIES							
Adverse sustainability indicator		**Metric**	**Impact [year n] (2022)**	**Impact [year n-1]**	**Coverage[4]**	**Explanation**	**Actions taken, and actions planned and targets set for the next reference period**
	cluster munitions, chemical weapons and biological weapons)					investments. Ties to landmines do not include related safety products	as defined herein.

Indicators applicable to investments in SOVEREIGNS AND SUPRANATIONALS							
Adverse sustainability indicator		**Metric**	**Impact [year n] (2022)**	**Impact [year n-1]**	**Coverage[4]**	**Explanation**	**Actions taken, and actions planned and targets set for the next reference period**
Environmental	15.GHG intensity	GHG intensity of investee countries	581,03		100,00%	Impact measured as: The portfolio's weighted average of sovereign issuers' GHG Emissions Intensity (Scope 1, 2 and 3 emissions/EUR M GDP)	The use of resources and environmental impact, social factors and governance of the country is one of the inputs used for building the ESG ratings considered by the Company in the investment process. Additional approaches to be applied on select assets include limit or excluding investments in issuers considered as not aligned with international guidelines and norms on money laundering, financing of terrorism or tax practices, presenting very severe environmental issues (deforestation) Investments in sovereign countries are carried out in accordance with applicable sanctions.
Social	16.Investee countries subject to social violations	Number of investee countries subject to social violations (absolute number and relative number divided by all investee countries), as referred to in international treaties and conventions, United Nations principles and, where applicable, national law	1		100,00%	Impact measured as: The portfolio's number of unique sovereign issuers with European External Action Service (EEAS) restrictive measures (sanctions) on imports and exports	
			9,97%		100,00%	Impact measured as: The portfolio's percentage of unique sovereign issuers with European External Action Service (EEAS) restrictive measures (sanctions) on imports and exports	

Indicators applicable to investments in REAL ESTATE ASSETS						
Adverse sustainability indicator		**Metric**	**Impact [year n] (2022)**	**Impact [year n-1]**	**Explanation**	**Actions taken, and actions planned and targets set for the next reference period**

Indicators applicable to investments in REAL ESTATE ASSETS						
Adverse sustainability indicator		**Metric**	**Impact [year n] (2022)**	**Impact [year n-1]**	**Explanation**	**Actions taken, and actions planned and targets set for the next reference period**
Fossil fuels	17.Exposure to fossil fuels through real estate assets	Share of investments in real estate assets involved in the extraction, storage, transport or manufacture of fossil fuels	0%		Methodological notes: Assets under construction, under refurbishment or vacant are considered as “non-exposure to the fossil fuels sector”. For direct investments the exposure is observed based on the primary intended use of the assets~~,~~	Through Generali Real Estate SpA, the Group specialized Real Estate asset manager, the Company implements a specific framework and actions to manage the principal adverse impacts, including sustainability due diligence for acquisitions, data analytics solutions to gather buildings' sustainability data and engagement of tenants also through proposal of green leases. For more information on methodologies and actions, see (https://www.generalirealestate.com/regulatory/). With regard to the PAI 17: Portfolio is mostly invested in commercial/residential buildings, so the exposure to buildings involved in fossil fuels is by default minimum. In any case, the aforementioned sustainability due diligence carried out on all investments assures that any potential exposure is taken into account in the investment decision. With regard to PAI 18: the aforementioned objective to align the portfolio of real estate assets towards the trajectory of 1.5°C is an ambitious plan in the long-term perspective that requires the understanding the peculiarities of each building to define a dedicated implementation plan. Within this scope, since 2022 an improvement plan was defined for the individual properties with the aim of aligning these properties with the decarbonisation target set for 2050 and with the Generali Group's sustainability ambitions. Currently, such plan refers to the major part of the real estate portfolio (ca. 24 Bn (EUR) at Genrali Group level and will result in a number of recommendations, both on Capex and Opex, on the short-term (2025) and the long-term (2050). The suggested actions aim at reducing emissions and improving energy efficiency; they can vary from: renovations (light or heavy), upgrading systems, changes to the energy mix and engagement with tenants.
Energy efficiency	18.Exposure to energy-inefficient real estate assets	Share of investments in energy-inefficient real estate assets	87,49%		Methodological notes: For direct investments, actual information is directly collected and, when not available, estimated using data provider's proprietary methodology, based on national regulatory frameworks, statistics and scenario analysis and is built on the estimation of the EPC Letter of the building, fundamentals from which it is determined whether the asset is energy inefficient by applying the criteria set by the RTS. Buildings for which the project has been authorized after 31st December 2020 for construction and for which no energy efficiency classification information is available, will be verified to be located in Member States that have implemented from 2021 minimum energy performance requirements for new buildings aligned with NZEB rules, as reported by BPIE – Building Performance Institute Europe in its document “Nearly Zero: a review of EU Member State implementation of new build requirements”. Therefore, assets satisfying the requirements are assumed to be energy efficient according to the RTS. Buildings constructed before 31st December 2020, for which EPC information is not always available are located in Italy, France, Germany, Poland, Czech Republic and Spain. For these assets, the EPC Letter corresponding to the energy efficiency class is attributed starting from the Primary Energy Demand value through criteria established or assumed by external references at national level, in particular Germany, Poland, Czech Republic and Spain – the energy-inefficiency threshold has been determined as the PED belonging to the Top 15% (for each building's intended use type) in terms of energy efficiency of the national real estate stock defined by the Real Estate ESG Index developed by Deepki. Where the actual data on the Primary Energy Demand of the asset in the portfolio is not available, the actual energy consumption intensity figure is adopted, assuming it as being comparable	

Table 2 - Additional climate and other environment-related indicators

Indicators applicable to investments in INVESTEE COMPANIES							
CLIMATE AND OTHER ENVIRONMENT-RELATED INDICATORS							
Adverse sustainability indicator		**Metric**	**Impact [year n] (2022)**	**Impact [year n-1]**	**Coverage[4]**	**Explanation**	**Actions taken, and actions planned and targets set for the next reference period**
Emissions	4.Investments in companies without carbon emission reduction initiatives	Share of investments in investee companies without carbon emission reduction initiatives aimed at aligning with the Paris Agreement	37,34%		92,37%	Impact measured as: The percentage of the portfolio's market value exposed to issuers without a carbon emissions reduction target aligned with the Paris Agreement	Not specified on additional indicators

Table 3 - Additional indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters

Indicators applicable to investments in SOVEREIGNS AND SUPRANATIONALS							
ADDITIONAL INDICATORS FOR SOCIAL AND EMPLOYEE, RESPECT FOR HUMAN RIGHTS, ANTI-CORRUPTION AND ANTI-BRIBERY MATTERS							
Adverse sustainability indicator		**Metric**	**Impact [year n]**	**Impact [year n-1]**	**Coverage[4]**	**Explanation**	**Actions taken, and actions planned and targets set for the next reference period**
Governance	22.Non-cooperative tax jurisdictions	Investments in jurisdictions on the EU list of non-cooperative jurisdictions for tax purposes	0,22%		100,00%	Impact measured as: The percentage of the portfolio's market value exposed to issuers' domiciled in jurisdictions on the EU list of non-cooperative jurisdictions for tax purposes	Not specified on additional indicators

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2.3 DESCRIPTION OF POLICIES TO IDENTIFY AND PRIORITISE PRINCIPAL ADVERSE IMPACTS OF INVESTMENT DECISIONS ON SUSTAINABILITY FACTORS

Policies to identify and prioritise principal adverse impacts on sustainability factors

The Company considers the Generali Group sustainability materiality matrix, available on Generali public website, as an important reference in order to identify and prioritize external adverse impacts. Taken into consideration is also the availability of data on invested and investable issuers.

The Company recognizes relevance to climate change in regard to the impacts of its activities. The Company can have an important impact on the environment through its investment choices. As an asset manager, the Company can influence the investee issuers, by addressing investments towards cleaner and more environmentally friendly business activities, and privileging issuers contributing to transition to cleaner and more environmentally friendly business activities.
In regard to Social and Governance factors, the Company deems business involvement and behavior of the investee companies to be of the utmost importance. These factors could impact negatively the broader society and the corporate governance, hence the long-term performance, of the investee companies.
Also in light of the above, the Company identifies and prioritizes principal adverse impacts listed in the following table.

Applicable to	Table	Number	Principal Adverse Sustainability Indicator
Investee Companies	1	2	Carbon footprint
		10	Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises
		14	Exposure to controversial weapons (anti- personnel mines, cluster munitions, chemical weapons and biological weapons)

Additional principal adverse impact indicators

For what concerns the two additional principal adverse impact indicators required by the Reg. EU 2019/2088, the Company selected those indicators most aligned with the sustainability factors relevant and material for its investments, also taking into consideration data availability. As output of this assessment, the two following indicators were chosen:

- Table 2 - Additional climate and other environment-related indicators (indicators applicable to investments in investee companies): N.4. Investments in companies without carbon emission reduction initiatives
- Table 3 - Additional indicators for social and employee, respect for human rights, anti-corruption and anti-bribery matters (indicators applicable to investments in sovereigns and supranationals): N. 22. Non-cooperative tax jurisdictions.

Data sources, scope and overall limitations for the principal adverse impact figures disclosed

For the purpose of this disclosure, and in particular for the calculation of the PAI figures, the Company has adopted its best efforts to complete the values for each indicator. As mentioned above, the currently implemented PAI reporting solution that fulfills to the best of the Company's understanding the requirements currently expressed by the regulations, taking into account the limitations encountered such as data availability and regulatory interpretation topics, as well the reliance on independent external providers both in terms of data and reporting solutions.

Data sources

The Company leverages mainly on independent external data providers for the calculation of the PAIs disclosed in this report. Specifically:

- for PAIs on Corporate and Sovereign Investments: the Company relies on MSCI both in terms of data and reporting solution for all PAIs,. We relied on the regulatory interpretation of the external provider when it comes to technical details such as the application of the formulas for PAI calculation and the use of estimations in the data set.
- For PAI on Real Estatethe Company relies on the PAIs gathered and calculated by Generali Real Estate SpA

Scope

The approach presented herein covers the portion of direct and indirect investments in portfolios setup and managed by the Company covered by the data needed to assess PAIs. For transparency, the coverage on the assets for which a single PAI indicator is applicable to is reported in this Statement when relevant.

Data limitations

The approach is limited by the availability of information from the main ESG data providers used, the availability of reported data from certain issuers, the limited availability on data on indirect investments, the evolving interpretation of the regulation as for calculation and aggregation methods. These imply a margin of error which will be addressed as well in future reports.

Monitoring and consideration going forward

During 2023 and going forward the Company aims to improve the reporting, engaging also with data providers to increase coverage and to further develop our methodology, consistently with the instructions of the regulation to provide a best effort view of our portfolio's exposure to adverse impacts.

The prioritized Principal Adverse Impacts will be regularly monitored going forward, with periodical reporting to the Company "ESG/Engagement Committee" (hereinafter "ESG Committee"). Considering the limitations specified above, the Company may expect PAI figures to vary not solely based on investment decision and application of policies influencing investment decisions, but also based on changes in underlying data and in underlying data availability. In case the trend of the principal adverse impacts over more than one period reported does not show a satisfying mitigation of at least the prioritized factors, the ESG Committee might enact escalation procedures foreseen by policies of the companies, amend existing policies and commitments, set or change targets, implement additional policies and processes aimed to increasing the mitigation efficacy.

2.4 ENGAGEMENT POLICIES

Engagement policy of the Company is available on the Company's website.

2.5 REFERENCES TO INTERNATIONAL STANDARDS

The Generali Group is among the signatories of the United Nations Global Compact (2007), Principles for Responsible Investments (2011), Paris Agreement (2015), TCFD (2017) and Net Zero Asset Owner Alliance (2020). These commitments are deemed relevant also for the Company publishing this statement.

This paragraph outlines the concrete link between PAIs indicators prioritized main commitments and internationally recognized standards.

Paris Agreement

Reference PAIs: PAI 1 to 5

Data sources for the calculation of PAIs: MSCI

Climate change is counted among the most important challenges that the global society is facing. As for sustainability in a broad sense, fighting climate change is part of our moral duties for a more sustainable future and our risk management duties towards our stakeholders.

The adherence to this commitment is measured by the PAIs indicated in the "reference PAI" section, no forward-looking climate scenario are used. The Company contributes and plans to further contribute to the commitment referenced above by means of the actions detailed in paragraph 2.2.

United Nations Global Compact

Reference PAI: PAI 10, PAI 11, PAI 16

Data source for the calculation of PAIs: MSCI

Certain issuers can be responsible for serious violations perpetrated against the environment, the communities or their own employees, thus destroying their human capital, its legitimacy to operate and the ability to create value in the long term

The adherence to this commitment is measured by the PAIs indicated in the “reference PAI” section. The Company contributes and plans to further contribute to the commitment referenced above by means of the actions detailed in paragraph 2.2.

International treaties on controversial weapons

Reference PAI: PAI 14

Data source for the calculation of PAIs: MSCI

The adherence to this commitment is measured by the PAIs indicated in the “reference PAI” section. The Company contributes and plans to further contribute to the commitment referenced above by means of the actions detailed in paragraph 2.2.

2.6 HISTORICAL COMPARISON

Historical comparison will be provided by June 2024, when will be issued the statement on principal adverse impact indicators with the figures for both 2022 and 2023 reference periods.