

# INSURING CLIMATE CHANGE: GENERALI'S SUPPORT OF EUROPEAN COAL

## ASSICURAZIONI GENERALI AND EUROPEAN COAL

Generali is the main Italian insurance company and one of the leaders in the insurance sector at global level, with € 70.7 billion in gross premiums written and € 664 billion in assets managed in 2020<sup>1</sup>, including those on behalf of third parties such as for several pension funds.

In 2018 Generali announced its first steps for a coal phase-out with the aim of divesting up to approximately € 2 billion of coal assets and the exclusion of insurance coverage for both new clients in the sector and building new coal-fired power plants and mines. Those first commitments have also been the last ones announced by Generali, diverging from the progress made by other competitors at the European level.

The lack of development in its positioning on coal is demonstrated by the total volume of investments in the coal sector to date, still amounting to € 203 million.<sup>2</sup> In addition, the Italian group continues to supply big coal companies in Poland and the Czech Republic. Those countries, still heavily reliant on coal, have been labelled by Generali as "exceptions" to its own coal policy; such a loophole allows the group to keep relations with Polish and Czech companies like PGE and ČEZ, both record breaking in terms of their GHG emissions in Europe. In addition, contained within Generali customer lists are the names of high polluting energy companies like EPH (Czech Republic) and RWE (Germany).

GENERALI EXPOSURE TO EUROPEAN COAL		
COMPANY	INSURANCE COVERAGE	INVESTMENTS
PGE	✓	✓
ČEZ	✓	✓
EPH	✓	
RWE		✓

<sup>1</sup> <https://bit.ly/3tbEsT1>

<sup>2</sup> The research has been led by the independent specialized not-for-profit company Profundo B.V. The data updated on 01.01.2021 have been processed by Re: Common from the Refinitiv database (formerly known as Thomson EIKON). By "coal sector", the briefing refers to the companies analyzed by the Global Coal Exit List ([Home | coalexit.org](https://www.coalexit.org))

## PGE

PGE is Poland's largest energy sector company. It is a state-controlled company, and its energy production depends largely on coal at (91%)<sup>3</sup>. PGE has officially announced to go carbon neutral by 2050 but the loopholes are gaping: sale of coal assets instead of closure and use of fossil gas as “transition fuel”. PGE is also involved in various disputes, such as the lawsuit filed by ClientEarth for the Bełchatów plant<sup>4</sup> - the most polluting coal plant in Europe - and the one filed by the Czech Republic at the European Court of Justice, due to the air and ground water pollution caused by the Turów mine<sup>5</sup>. The volume of Generali investments in PGE has decreased considerably since 2018 and it is now residual. It is time for a complete divestment.

## ČEZ

The Czech state-controlled company ČEZ produces electricity, 39% of which comes from coal<sup>6</sup>. A coal phase-out is planned by 2050<sup>7</sup>. Like PGE, ČEZ's strategy does not foresee closing but only a sale of dirty assets. Among these, the Počerady power plant, one of the thirty most polluting power plants in Europe, insured until 31 December 2020 by Generali<sup>8</sup> who recently decided to stop its insurance coverage. Apart from Počerady, Generali still invests € 17 million in ČEZ<sup>9</sup> and insures the company, demonstrating that its financial link with Czech coal is still robust.

## EPH

The Czech energy company EPH is widely known for its bad habit of buying obsolete and polluting coal mines and power plants and simultaneously pressuring governments to obtain clean up compensation. Until 2017, Generali has been always been listed as one of the insurers of EP Energy, a subsidiary of EPH<sup>10</sup>. However, even today, the Italian group has never denied current existing relations with EPH that - among others - is the owner of the coal power plant of Fiume Santo (Sardinia), one of the main sources of pollution in the northern part of the island<sup>11</sup>.

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<sup>3</sup> <https://coalexit.org>

<sup>4</sup> [Breaking: EU's biggest coal plant must negotiate closure with environmental lawyers, court decides](#)

<sup>5</sup> [Czech Republic will sue Poland over coal mine](#)

<sup>6</sup> <https://coalexit.org>

<sup>7</sup> <https://companyprofiles.carbontracker.org/CEZ>

<sup>8</sup> [Generali non assicurerà la centrale di Počerady \(Repubblica Ceca\). Greenpeace e Re:Common: «Buona notizia, ora lasci il carbone in Repubblica Ceca e Polonia»](#)

<sup>9</sup> The research has been led by the independent specialized not-for-profit company Profundo B.V. The data updated on 01.01.2021 have been processed by Re: Common from the Refinitiv database (formerly known as Thomson EIKON). By "coal sector", the briefing refers to the companies analyzed by the Global Coal Exit List ([Home | coalexit.org](#))

<sup>10</sup> [Annual Reports - EP ENERGY as](#)

<sup>11</sup> [Il carbone della Sardegna: la centrale di Fiume Santo](#)

## RWE

The German RWE is one of the longest-running energy companies in Europe<sup>12</sup>. 41% of its electricity production comes from coal<sup>13</sup>. The Neurath, Niederaußem and Weisweiler coal plants will continue to operate well beyond 2030, making RWE the most polluting company in Europe<sup>14</sup>. Generali is the leading Italian investor of RWE, totaling investments of € 20 million<sup>15</sup>. When the Netherlands decided to shut down coal for electricity generation by 2030, RWE requested and obtained an international arbitration using the Energy Charter Treaty<sup>16</sup>. Because of this, citizens of the Netherlands may be obliged to reimburse RWE with € 1.4 billion<sup>17</sup>.

## OUR REQUESTS TO GENERALI

- To immediately stop providing insurance coverage to coal companies that do not plan a complete coal phase out by 2030.
- To implement a complete coal phase-out plan that includes insurance and investment, bringing the group's exposure to coal to zero by 2028.
- By 2021, implement a public policy on the oil & gas sector related to insurance and investments, starting from what has already been regulated for tar sands; in particular to immediately stop insuring projects - and related companies - aimed at exploring new reserves of fossil fuels, expanding current extractions, expanding infrastructures that bring further extractions or extend the life cycle of existing projects.
- To implement a complete phase-out plan from fossil fuels in line with the Paris Agreement, covering both investments and insurance.

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<sup>12</sup> [Our energy for a sustainable life](#)

<sup>13</sup> <https://coalexit.org>

<sup>14</sup> [A briefing for investors, insurers and banks](#)

<sup>15</sup> The research has been led by the independent specialized not-for-profit company Profundo B.V. The data updated on 01.01.2021 have been processed by Re: Common from the Refinitiv database (formerly known as Thomson EIKON). By "coal sector", the briefing refers to the companies analyzed by the Global Coal Exit List ([Home | coalexit.org](#))

<sup>16</sup> [Meet the Energy Charter Treaty](#)

<sup>17</sup> [Coal company RWE is suing the Netherlands for €1.4 billion for coal phase out](#)