

# Responsible Investment Policy of the Poste Vita Group

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## 1. Introduction

The Poste Vita Group (as defined below) is aware that, through the implementation of effective investment processes, the insurance sector can help promote innovation and support economic growth, making an important contribution to the sustainable development of the country.

As institutional investors, Poste Vita S.p.A. (**"Poste Vita"**), Poste Assicura S.p.A., Net Insurance S.p.A. and Net Insurance Life S.p.A. (hereinafter each the **"Company"** and, jointly, the **"Poste Vita Group"** and/or the **"Companies"**) have therefore the duty to act with the aim of creating long-term value. For this reason, this Responsible Investment Policy (hereinafter the **"Policy"**) is adopted, which describes the approach followed for managing risks and opportunities connected to environmental, social and governance (**ESG**) factors within the Companies' investment processes. This choice stems from the belief that evaluating ESG risks and opportunities allows to positively influence the management of investment portfolios and, at the same time, to provide a concrete response to the social and environmental needs conveyed by the community.

The Companies have already adopted - in line with the provisions of IVASS Regulation n. 24/2016 - investment policies (the **"Investment Policies"**) consistent with the prudent person principle, the strategy as well as the defined risk appetite.

In this context, it is adopted this Policy, which, consistent with the Investment Policies, as well as with the broader sustainability plan of the Poste Italiane Group, defines the Companies' commitment to integrate ESG issues into their strategy with specific reference to the insurance and financial sectors.

### 1.1. Objectives

Through the Policy, the Companies intend to:

- define principles on the integration of sustainability risks in decision-making processes relating to investments, always taking into account the specificity of each individual operation;
- contribute positively to the economic, social and environmental impacts of the issuers of the assets present in their financial portfolios, always with the view of satisfying investors' expectations;
- communicate to all stakeholders (including staff, businesses, the financial community and institutions), also through the publication on the Company's website of the ESG policies, their vision of social responsibility towards the management of economic, social and environmental impacts;
- concretely adhere to the principles and guidelines recognised at national and international level for the integration of sustainability criteria into the traditional investment processes.

### 1.2. Glossary

For the purposes of this Policy, the following definitions are provided:

- **"Investment Committee"**: established for each Company, it is a committee with an advisory role to the CEO to whom it provides advice and support in the context of processes related to investment management and intervenes, inter alia, in monitoring the evolution of the ESG profile of the assets in the financial portfolios of each Company.
- **"Companies"**: Poste Vita S.p.A., Poste Assicura S.p.A., Net Insurance S.p.A. and Net Insurance Life S.p.A.
- **"ESG"**: Environmental, Social, Governance.

- **“Delegated Managers”**: asset management companies and/or asset managers (selected by each Company in accordance with outsourcing guidelines, conflict of interest management guidelines as well as, more generally, applicable corporate regulations) to which each Company has outsourced management and investment activities and which operate in accordance with the guidelines provided by the Companies and relevant policies, approved and forwarded from time to time.
- **“OECD”**: Organisation for Economic Co-operation and Development.
- **“UN”**: the United Nations.
- **“PAI”**: Principal Adverse Impacts; it refers to the main negative effects of the investment decisions on sustainability factors, introduced by the EU Regulation 2019/2088 and identified by the EU Delegated Regulation 2022/1288.
- **“Policy”**: *Responsible Investment Policy of the Poste Vita Group*.
- **“PRI”**: Principles for Responsible Investment promoted by the United Nations.
- **“Sensitive Sectors”**: sectors and/or areas of business considered for the purposes of the guidelines for investments in sensitive sectors, i.e. Fossil Fuels, Coal, Animal Testing, Social and Environmental Controversies.

### 1.3. Scope of application and manner of implementation

The Policy is approved by the Administrative Body of each Company and applies to Poste Vita S.p.A., Poste Assicura S.p.A., Net Insurance S.p.A. and Net Insurance Life S.p.A.

This Policy, inspired by the responsible investment strategy, applies to Companies' investments, according to the methods and areas of application defined below.

This Policy will be periodically reviewed to be updated in the event of any emerging evidence and monitoring of national and international trends regarding the responsible investments and in any case whenever an update is necessary.

The Companies commit to transmitting the Policy to the Delegated Managers so that the latter consider the same principles and apply its content, for the aspects relevant to their investment activities.

### 1.4. Reference principles

The Policy is based on the Principles for Responsible Investment (**“PRI”**), six principles defined under the initiative of the United Nations, which indicate the main actions expected from the investor and offer specific tools aimed at integrating ESG factors within the traditional investment policies.

The people involved in the scope of this Policy therefore operate in compliance with the principles set out below:

- **PRI – Principle 1**: We will incorporate ESG issues into investment analysis and decision-making processes.
- **PRI – Principle 2**: We will be active owners and incorporate ESG issues into our ownership policies and practices.
- **PRI – Principle 3**: We will seek appropriate disclosure on ESG issues by the entities in which we invest.
- **PRI – Principle 4**: We will promote acceptance and implementation of the Principles within the

investment industry.

- **PRI – Principle 5:** We will work together to enhance our effectiveness in implementing the Principles.
- **PRI – Principle 6:** We will each report on our activities and progress towards implementing the Principles.

Respect for these principles and their concrete implementation, in line with the commitment undertaken through the signing of the PRI, are also consistent with the signing of the principles of the United Nations Global Compact by the Poste Italiane Group.

Furthermore, the Poste Vita Group believes it is essential to monitor the international scenario and evaluate adherence to further internationally shared principles and standards that can act as guidelines for defining its approach as a responsible investor. Such possible subsequent adherences could allow participation in significant initiatives on the topic of integrating ESG criteria into investment processes, offering an important opportunity for dialogue and sharing of best practices, spread among the main players in the insurance and financial sector.

## 1.5. Recipients

The Policy is communicated to all employees, also through specific training sessions, if deemed necessary, and is made available to all stakeholders (including the market, the financial community and institutions), through the publication of the policies adopted in the ESG context on the corporate website of each Company.

## 2. Integration of sustainability factors within investment choices

On a general level, the approach to integrating sustainability factors into the investment processes of the Poste Vita Group includes consideration of the sustainability risks associated with the investment, also in light of the results of the analyses carried out for the purposes of the ORSA report.

Furthermore, assessments are conducted on issuers and financial instruments, also on the basis of environmental, social and governance criteria, to determine any impacts (positive or negative) on the economic system.

The scope of application of the Policy includes direct investments in bonds and shares made by each Company and/or by the Delegated Managers. The shares and bonds underlying UCITS and/or other comparable investment vehicles in which the Companies and/or Delegated Managers have invested, managed independently by specific external parties such as asset management companies and/or asset managers, are exclusively subject to (where the necessary data is available) monitoring activities, as better described in the following chapter *“Monitoring of sustainability factors in investments”*. Finally, as regards the application of the Policy to investments in alternative asset classes<sup>1</sup>, the same applies exclusively to the due diligence activities described below.

The Companies' investment processes integrate ESG factors through the following:

- Exclusion criteria: exclusion of investments in corporate bonds and shares issued by issuers that operate directly in the production of weapons banned by the UN Conventions<sup>2</sup> that violate fundamental

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<sup>1</sup> These asset classes represent a small part of the Companies' overall portfolio.

<sup>2</sup> Biological weapons referred to in the 1975 BWC Convention; chemical weapons referred to in the 1993 OPCW Convention;

humanitarian principles (anti-personnel mines, cluster bombs, depleted uranium, biological weapons, chemical weapons, stealth fragmentation weapons, blinding lasers, incendiary weapons, white phosphorus, nuclear weapons).

The Poste Vita Group periodically approves the list of excluded issuers, on the basis of data provided by external info-providers.

- ESG Assessment: the evaluation process of investment operations also takes into account the environmental, social and governance profile of bond and equity issuers, whether “corporate” or “government”. In particular:
  - for “corporate” issuers, the sustainability profile is defined by analysing the management methods and performance in areas related to climate change, natural resources, customers, suppliers, human rights, human resources, local communities and corporate governance;
  - for “government” issuers, the sustainability profile is defined by analysing commitments and results in terms of environmental protection, civil society and solidarity, institutional governance.

The aforementioned assessment can be carried out with the support of info-providers specialized in ESG analyses, evaluating, among others, compliance with universally recognized norms and standards issued by international bodies including the United Nations, International Labour Organization and the OECD.

- Sector-based Watchlists: monitoring activities and limits on the exposure are envisaged for investments in corporate bonds and shares issued by issuers belonging to the following sectors: tobacco, alcohol, gambling.

In order to make the ESG evaluation and integration process effective, the Companies apply the necessary controls formalised within the internal regulations.

With regards to the investments made by each Company in UCITS or comparable financial instruments, during due diligence an assessment is carried out considering the approach adopted by the UCITS manager for ESG integration. Specifically, the assessment focuses on aspects such as, among others, exclusion criteria, governance, ESG assessment processes in the life cycle of investments and investment policies implemented by the UCITS manager.

In addition to the abovementioned ESG integration elements, Companies may consider adopting specific strategies on some portfolios, the management of which is focused on promoting environmental and/or social characteristics. Such additional responsible investment strategies may include, but are not limited to:

- SRI exclusions;
- best-in-class selection;
- selection of third-party UCITS through the application of ESG screening on fund houses and individual UCITS.

### 3. Monitoring of sustainability factors in investments

The Poste Vita Group implements monitoring processes relating to sustainability factors. These processes are aimed, on the one hand, at monitoring compliance with the strategies applied investment-wise and, on the other hand, at containing the risks associated with ESG and SRI issues. Monitoring can focus on the general ESG profile of the portfolios or concern specific sustainability issues with a systematic nature. In carrying out

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cluster bombs referred to in the 2008 Oslo Convention; anti-personnel mines referred to in the 1997 Ottawa Convention; undetectable fragment, laser, incendiary, white phosphorus weapons referred to in the related 1983 Convention; depleted uranium referred to in 2010 UN General Assembly Resolution; nuclear weapons referred to NPT (1970) and TPNW (2021).

monitoring activities, the Poste Vita Group relies on data provided by external info-providers specialized in this type of analysis and may consider a market benchmark performance as a reference to evaluate its relative positioning, where possible.

The Investment Committee periodically receives specific reports regarding the monitoring of ESG profiles.

With regard to the ESG profile of the portfolios, the Poste Vita Group uses ratings and ESG indicators, calculated on the basis of information from info-providers, relating to “corporate” issuers and “government” issuers, including, where the necessary information is available, the securities underlying UCITS and/or other comparable investment vehicles.

In parallel, specific monitoring of environmental impact indicators is carried out at portfolio level. These indicators measure, among others, the carbon footprint and an energy transition score, the latter representing the risks linked to climate change, with a view to mitigation of the same.

The Companies have also established specific monitoring logics, and possible escalation, in the event of exposure to shares and bonds of issuers<sup>3</sup> operating in Sensitive Sectors exceeding the thresholds established in the *“Guidelines for the Investment in Sensitive Sectors”*.

Moreover, Poste Vita monitors the PAI indicators, as defined in the relevant internal regulations.

#### 4. Engagement and exercise of voting rights

The Poste Vita Group’s approach to responsible investment is also based on the adoption of active shareholding practices, which may consist of carrying out engagement activities or exercising the voting rights connected to the shareholdings held by the Companies. The objective of these practices is to establish effective forms of dialogue towards the issuers in the portfolio, also in collaboration with other institutional investors, in order to promote, as much as possible, the adoption of policies and practices aimed at sustainable development and manage the ESG risks emerging from portfolio analyses.

For further details on how engagement activities are carried out and on the criteria for exercising voting rights, please refer to the *“Guidelines on the Exercise of Voting Rights and Engagement Activities”*.

#### 5. Reporting

The Companies publish this Policy on their websites for the benefit of customers, investors and, in general, all stakeholders.

The Poste Vita Group provides periodic information regarding the methods of implementation of the principles contained in the Policy within the *“Sustainable Finance”* section of the Annual Report of the Poste Italiane Group.

Furthermore, in line with the provisions of the relevant legislation, Poste Vita publishes on the company website information relating to the policies regarding the integration of sustainability risks into investment decisions, the consideration of the principal adverse impacts on sustainability factors and the consistency between remuneration and sustainability risk integration policies.

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<sup>3</sup> The monitoring of Sensitive Sectors is carried out with reference only to direct investments in corporate bonds and shares.

As a signatory to the PRI, Poste Vita also provides an annual report on its responsible investment activities by compiling the annual PRI Report.