

RESPONSIBLE
INVESTMENT
POLICY OF
BANCOPOSTA FONDI
S.p.A. SGR

Preamble

BancoPosta Fondi S.p.A. SGR (hereafter "BPF SGR") is aware that by implementing effective investment processes, the asset management sector can help to protect the company, promote innovation and support economic growth, providing an important contribution to the sustainable development of the Country.

As an institutional investor, BPF SGR has the duty of creating long term value and in the interest of the customers. For this reason, BPF SGR adopts this responsible investment policy (hereafter "the Policy") which describes the approach followed in managing the risks and the opportunities connected to environmental, social and governance factors "ESG" within the traditional investment processes. This choice comes from the conviction that assessing ESG risks and opportunities positively influences the management of the investment portfolios and gives a concrete response to the social and environmental needs expressed by the company at the same time.

The adoption of the Policy is in line with the Sustainability Plan of the Gruppo Poste Italiane and strengthens its commitment to integrate ESG matters in its strategy with specific reference to the finance sector.

Objectives

Through its Policy, BPF SGR intends:

- to define principles that allow BPF SGR to include considerations of ESG aspects in the management of its own investment activities, always taking into account the relevant peculiarities;
- to contribute positively to the economic, social and environmental impacts of the issuers present in its own financial portfolios (both those managed directly and those delegated) and their fund managers, always in view of satisfying the investors' expectations;
- to communicate to all the *stakeholders*, including the personnel, the enterprises, the financial community and the institutions, its own vision of corporate social responsibility towards managing the economic, social and environmental impacts generated by the enterprises and financial institutes which BPF SGR enters into business relations with as an investor;
- to concretely follow the principles and guidelines acknowledged on a domestic and international level for integrating sustainability criteria in the traditional investment processes.

General principles

BPF SGR considers it essential to follow principles and standards shared internationally that may operate as guidelines for defining their approach as a responsible investor. This allows BPF SGR to participate in important initiatives on the subject of the integration of ESG criteria in the investment processes, offering an important opportunity for dialogue and sharing the best practises used amongst the main actors of the finance and asset management sector.

In particular, the Policy is based on the *Principles for Responsible Investment* ("PRI"), the six principles defined on the initiative of the United Nations, that indicate the main actions to be performed for the investor and offer specific instruments aimed at integrating ESG factors within traditional investment policies.

BPF SGR's responsible investment process and this Policy apply to all the managed assets (both benchmark and flexible ones), whereas investments in ETF, Passive/Index Funds, Third Party funds (i.e. not delegated) and the so-called "wrapper" schemes (such as, mutual funds, retail portfolio management, etc.) or any mandates characterised by the presence of specific indications within the respective investment policies are excluded.

For management delegated to third parties as laid down by article 33 of the Amalgamated Law on Finance - TUF, BPF SGR undertakes to transmit the Policy to third party managers so that they consider the same principles or use them as a starting point to develop their own.

ESG Assessment

BPF SGR's responsible investment policy is based on an activity of assessing the investment operations that also takes into account the environmental, social and governance profile of the asset issuers present in their own portfolios. In particular:

- for "corporate" issuers, the sustainability profile is defined by analysing the management method and the performances in sectors connected to environment, 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 the subject of environmental protection, civil society and solidarity, governance of the institutions.

These analyses are carried out by assessing the respect by the issuers of universally acknowledged laws and standards issued by international organisations like the United Nations, International Labour Organisation and OECD. In this regard, BPF SGR excludes issuers operating directly in the production of weapons banned by UN¹ conventions that violate the basic humanitarian principles (anti-personnel landmines, cluster bombs, depleted uranium, biological weapons, chemical weapons, non-detectable cluster munitions, blinding laser weapons, incendiary weapons and white phosphorus) from the investment universe.

The assessment of the ESG profiles of the BPF SGR investments is performed by an internal managerial committee and is based on the data and information processed internally and provided by external *info-providers* specialised in this kind of analysis. In particular, the Committee is responsible for examining and periodically assessing the criteria for defining the ESG profiles and the list of issuers to be excluded from the investment universe.

In order to make the ESG assessment process adopted efficient and to ensure the respect of the established criteria, BPF SGR applies the second and third level controls formalised within the company procedures.

ESG Monitoring

The Committee carries out monitoring in order to analyse the evolution of the ESG profile of the asset issuers present in the portfolios (managed directly or delegated to third parties as laid down by art. 33 of

¹ Biological weapons as laid down by the BWC convention of 1970; chemical weapons as laid down in the OPCW convention of 1993; cluster munitions as laid down in the Oslo Convention of 2008; Anti-personnel landmines as laid down in the Ottawa Convention of 1997; non-detectable cluster munitions, laser weapons, incendiary devices, white phosphorous weapons as laid down in the relevant Convention of 1983; depleted uranium as laid down by the Resolution of the General Assembly of the United Nations of 2010

the Amalgamated Law on Finance - TUF). The activity consists of verifying the periodic update of the ESG profiles provided by the external *info-providers* and of any follow-up that may be necessary, performed through ad hoc surveys, case studies and liaising with the issuers (so-called *engagement*).

The *engagement* activity may consist of meetings with the *management* of the issuers, communications for the governing bodies or liaising in *pools* with other institutional investors.

By implementing the principles and the processes adopted, BPF SGR pursues the objective of having a global ESG profile on its own investments that is one of the best on the market according to assessments carried out by external *info-provider* recognised at an international level and specialised in this kind of analysis.

Responsible investments

Within the strategy of responsible investment, the Company is engaged in investing in sectors that contribute to the objectives of sustainable development on an international level, like the *Sustainable Development Goals* ("SDGs") defined by the United Nations. Amongst these, the Company considers it important to focus on investments in "*Green*", "*Social*" and "*Sustainable*" bonds, in line with the standards and principles defined by the *International Capital Market Association* (ICMA).

Reporting

BPF SGR undertakes to communicate, at least annually, the methods for implementing the principles contained in this Policy and to also publish it on its own website.

Disclosure and Updating

The Policy is communicated to all the BPF SGR personnel, also assessing special and specific training sessions according to the operative environments, to the roles and responsibilities, and is made available on the corporate website of BPF SGR to all the stakeholders, including the market, the financial community and the institutions.

The managers of the company departments are responsible for integrating the commitments defined by the Policy inside decisions and business operations.

This Policy will be assessed for the purposes of being updated at least once a year, in the light of anything emerging from the monitoring of the domestic and international trends of responsible investing.

