

Extract of the Guidelines
on Principal Adverse Impacts (PAI)
of Poste Vita

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1. OBJECTIVES AND SCOPE OF APPLICATION

1.1. Objective of the Document

The purpose of this document is to identify the criteria, methodology, and activities for the consideration and evaluation of the principal adverse impacts on sustainability factors arising from investment decisions (hereinafter "Principal Adverse Impacts – PAI") made at the company level by Poste Vita S.p.A., in accordance with Article 4 of Regulation (EU) 2019/2088 (hereinafter "SFDR Regulation") and Articles 4 et seq. of Delegated Regulation (EU) 2022/1288, or at the level of insurance-based investment products (IBIP) and/or single-option Pension Fund or investment option (for multi-option products), in accordance with Article 7 of the SFDR Regulation.

1.2. Glossary

For the purposes of these Guidelines, the following definitions are provided:

- **"Company"**: Poste Vita S.p.A.
- **"Delegated Regulation of SFDR"**: Commission Delegated Regulation (EU) 2022/1288 of 6 April 2022 supplementing Regulation (EU) 2019/2088 of the European Parliament and of the Council with regard to regulatory technical standards specifying the details of the content and presentation of information relating to the principle of 'do not significantly harm,' specifying the content, methodologies, and presentation of information on sustainability indicators and adverse sustainability impacts, as well as the content and presentation of information on the promotion of environmental or social characteristics and sustainable investment objectives in pre-contractual documents, on websites, and in periodic reports.
- **"IBIPs"**: Insurance Based Investment Products – Class III, V, and I life products with regard to segregated funds with the exclusion of supplementary pension products.
- **"LGSS"**: *Guidelines for the Investment in Sensitive Sectors of the Poste Vita Group* that establish the monitoring processes of issuers that operate in sectors and/or areas of business that present significant inherent risk on the ESG level.
- **"PAI"**: Principal Adverse Impacts, it refers to the main negative effects of the investment decisions on sustainability factors¹, introduced by the EU Regulation 2019/2088 and identified by the EU Delegated Regulation 2022/1288.

¹ PAI indicators can be used to identify and measure positive/negative sustainability outcomes, also in accordance with what envisaged by the PRI framework.

- **“Pension Funds”**: pension products as defined in Article 2(2)(e) of Regulation (EU) No. 1286/2014, or an individual pension product as defined in Article 2(2)(g) of Regulation (EU) No. 1286/2014, or a pan-European personal pension product (PEPP) as defined in Article 2(2) of Regulation (EU) 2019/1238.
- **“POG”**: Product Oversight Governance, the set of provisions regarding the governance and control of the product, which includes appropriate measures and procedures aimed at the design, monitoring, review, and distribution of the products.
- **“Responsible Investment Policy”**: Policy describing the approach adopted by the Poste Vita Group in managing risks and opportunities related to ESG factors within the investment processes of its Companies.
- **“SFDR Regulation”**: Regulation (EU) 2019/2088 of the European Parliament and of the Council, of 27 November 2019, on sustainability-related disclosures in the financial services sector.
- **“Sustainability factors”**: environmental, social, and personnel-related issues, respect for human rights, and matters concerning the fight against active and passive corruption.

1.3. Scope of application

These Guidelines apply to Poste Vita S.p.A. (hereinafter the **“Company”**) regarding the consideration and evaluation of the principal adverse impacts on sustainability factors arising from investment decisions made at the company level or in insurance-based investment products (IBIP) and/or single-option Pension Fund or investment option (for multi-option products).

These Guidelines will be subject to periodic review for updating considering any emerging evidence and monitoring of national and international trends, and in any case, whenever an update becomes necessary.

1.4. Reference principles

The activities governed by this document must be carried out in compliance with current legal provisions and the principles and rules of conduct contained in the Code of Ethics and the Integrated Policy of the Poste Italiane Group and other corporate regulatory instruments².

RISK- AND PROCESS-BASED APPROACH – Based on an integrated representation of the risks affecting the Poste Italiane Group's business provided by RMG, the ESG process is based on a preventive approach to risks, helping with the making of informed decisions and, where possible, translating the main risks into opportunities and competitive advantage.

APPROACH TO PROCESSES - The SCIGR is inspired by a rationale used with processes, regardless of the location of its activities in the organizational and corporate structure of Poste Italiane S.p.A.

REPUTATION-DRIVEN APPROACH AND STAKEHOLDER MONITORING - Management of company activities with a view to governance of the reputational perception that stakeholders have of the Company. Constant monitoring of the sentiment of the different stakeholders to manage the potential impacts deriving from a negative perception of the Company's behaviour and image. Understanding the main expectations and concerns of our stakeholders means knowing and protecting the value deriving from the company's reputation.

CORPORATE AUTONOMY OF SUBSIDIARIES - The corporate autonomy of the subsidiaries is guaranteed with regard to the establishment and maintenance of an adequate and functioning SCIGR, in compliance with the management and coordination guidelines defined by Poste Italiane S.p.A.

CONSISTENCY WITH COMPANY OBJECTIVES - Activities on ESG issues are aimed at ensuring that the management of the company is oriented towards sustainable development and maximization of the value of the company, in line with the company's objectives and the expectations of stakeholders.

COMMUNICATION AND INFORMATION FLOWS - Each body/structure is provided with the information necessary to full its responsibilities, including those relating to SCIGR.

COMPLIANCE WITH THE LAW AND CONSISTENCY WITH THE GENERAL REGULATORY FRAMEWORK OF REFERENCE – The Guideline is defined in compliance with the applicable

² The non-compliance with the principles outlined in this regulatory document may result in the application of sanctioning measures provided for by the corporate regulatory system.

European and national regulations, in line with the internal reference framework, which includes but is not limited to: the Articles of Association, the Code of Ethics, the Organization, Management and Control Model pursuant to Legislative Decree 231/01, the organizational system, the system of powers and proxies and national and international best practices.

KNOWLEDGE AND AWARENESS – The SCIGR plays a central role in the company's organisation represents a fundamental element of knowledge for the bodies in order to ensure full awareness of the situation and effective control of risks and their interrelationships, guides change in strategic guidelines and policies and allows for consistent adaptation of the organisational context.

CULTURE OF RISK AND CONTROL - Also with reference to ESG processes, RMG spreads the culture of risk and control, understood as the set of rules of conduct that determine the collective and individual ability to identify, measure and mitigate the current and future risks of the organisation.

ETHICS, CORRECTNESS AND TRANSPARENCY IN BUSINESS CONDUCTION - The Poste Italiane Group is committed to consolidating an increasingly integrated management system to put in place suitable tools to ensure a transparent dialogue with customers, suppliers and citizens. In this context, the Poste Italiane Group adheres to the UN PRI (United Nations Principles for Responsible Investments) initiative officially promoted by the United Nations, in partnership with the Global Compact and UNEP FI (the partnership between the global financial sector and the United Nations Environment Programme).

GOVERNANCE OF REPUTATIONAL RISK - Integrated system for monitoring reputational risks during all phases of the company's activities. The framework provides for the management and mitigation of reputational risks to be pursued through specialised controls by company structures with specific reputation defence tasks and through centralised control that coordinates the Reputational Risk Management process.

INCLUSION - The Poste Italiane Group works to promote diversity with a view to sustainable and inclusive corporate growth, preventing and combating all forms of discrimination.

RESPONSIBLE INVESTMENTS - The Poste Italiane Group believes that the definition of a Sustainable Finance Strategy is fundamental and is committed to implementing its guidelines in its operations, using the main components of the sustainable finance policy as operational elements for the performance of responsible investment activities.

MANAGEMENT ACCOUNTABILITY - The Management, within the scope of the functions covered and in the achievement of the related objectives, actively participates in the Group Risk Management

process and ensures the adequacy of the SCIGR for the activities for which it is responsible, actively participating in its proper functioning.

REDUCTION OF THE ENVIRONMENTAL IMPACT - The approach of the Poste Italiane Group is based on respect for the environment, both with reference to buildings (green building) and with reference to internal processes (digitalisation) and means of transport (green mobility and sustainable logistics).

SEGREGATION OF DUTIES AND ACTIVITIES - The Group's Risk Management process includes, including on the ESG side, segregation of duties and responsibilities between separate organisational units or within them, in order to avoid incompatible activities being concentrated under common responsibilities.

INTEGRATED SYSTEM - The components of the integrated internal control and risk management system are coordinated and interdependent and the system as a whole is integrated into the overall organisational, administrative and accounting framework.

DEVELOPMENT OF THE TERRITORY – In line with its territorial capillarity, the Poste Italiane Group, also through a structured and transparent dialogue with its stakeholders, aims to accompany local communities in the modernization and digitalization processes underway, thus contributing to the processes of development and social cohesion of the country.

TRACEABILITY - The people involved in the implementation of the Guidelines must ensure, each for the part of its competence, the traceability of the activities and documents relating to the process, ensuring the identification and reconstruction of the sources, information elements and controls carried out that support the activities.

1.5. Regulatory framework

To the purposes of these Guidelines, the following provisions, guidance and preparatory documents were primarily considered.

- Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector;
- Commission Delegated Regulation (EU) 2022/1288 of 6 April 2022, supplementing Regulation (EU) 2019/2088 of the European Parliament and of the Council;

- “Consolidated questions and answers (Q&A) on the SFDR (Regulation (EU) 2019/2088) and the SFDR Delegated Regulation (Commission Delegated Regulation (EU) 2022/1288)” of 17 May 2023;
- Code of Ethics of the Poste Italiane Group;
- Responsible Investment Policy;
- Guidelines for the investment in sensitive sectors;
- Guidelines on the exercise of voting rights and engagement activities.

2. PAI CONSIDERATION AT THE COMPANY LEVEL

The SFDR Regulation and its Delegated Regulation establish specific transparency information requirements on Principal Adverse Impacts (PAI). Specifically, Article 4 of the SFDR Regulation stipulates that parent companies of a large group - qualifying as Financial Market Participants - with an average number of employees exceeding 500 units during the previous financial year on a consolidated basis, are required to publish on their website a statement regarding how they take into account the principal adverse impacts generated by their investment decisions on sustainability factors.

The format and presentation methods of the PAI statement are governed by Articles 4 et seq. of the Delegated Regulation SFDR, which, in Annex I, provides a specific template.

2.1. Prioritization and selection of PAI

The assessment of the principal adverse impacts on sustainability factors is conducted through the development, analysis, and monitoring of quantitative PAI indicators related to investments in companies, sovereign issuers (and supranational organizations), and real estate assets, aiming to measure the adverse effects on sustainability factors resulting from investments. These indicators consist of a core set of 18 mandatory universal indicators, outlined in Table 1 of Annex I of the Delegated Regulation SFDR, and an additional 46 indicators, detailed in Tables 2 and 3, focusing respectively on environmental and social factors. The Company is required to assess the adverse effects generated by its investment decisions with respect to the 18 mandatory indicators and at least one of the additional indicators for each of Tables 2 and 3.

The prioritization and selection of PAI indicators must take into account the following aspects:

- the requirements specified by regulations;
- the principles outlined in the Responsible Investment Policy and the rules defined by the Guidelines for Investment in Sensitive Sectors (LGSS);
- an analysis of the level of availability of data useful for the calculation of each indicator within the investment universe, considering the percentage of issuers that report the necessary information for this activity;
- the consistency between the indicators and the responsible investment strategies applied by financial products, ensuring that investors' choices align the demand for responsible investments with achieving financial performance in line with their expectations;

- the relevance for the Company (market positioning, types of investments, business activities, etc.) of sustainability challenges related to PAI indicators, taking into account, in particular, those addressed through the Guidelines for Investment in Sensitive Sectors (i.e., climate change and human rights);
- the complexities of the monitoring phase (e.g., understanding and significance of the values assumed by the metric) and the subsequent possibility of defining any actions to mitigate the effects.

In accordance with these guidelines, the Company considers the following indicators as priorities:

- PAI Indicator No. 4 (Table 1) "Exposure to companies active in the fossil fuel sector";
- PAI Indicator No. 10 (Table 1) "Violations of the principles of the United Nations Global Compact and the guidelines of the Organization for Economic Co-operation and Development (OECD) for multinational enterprises";
- PAI Indicator No. 11 (Table 1) "Lack of procedures and compliance mechanisms to monitor compliance with the principles of the United Nations Global Compact and OECD guidelines for multinational enterprises";
- PAI Indicator No. 14 (Table 1) "Exposure to controversial weapons".

Moreover, the Company has selected the following additional PAI indicators:

- PAI Indicator No. 4 (Table 2) "Investments made in companies that do not adopt initiatives to reduce carbon emissions";
- PAI Indicator No. 14 (Table 3) "Number of identified cases of serious human rights problems and incidents".

The choice of prioritized and additional indicators may be modified in accordance with the aforementioned principles.

Where appropriate, additional PAI indicators beyond those expressly provided by the Delegated Regulation of SFDR may be selected and used.

2.2. Methodology for calculating PAI indicators

The PAI indicators measure the adverse effects on sustainability factors generated by the investments underlying the Insurance-Based Investment Products (IBIPs) and Pension Funds offered by the Company to its clients, as well as those resulting from investments in the Company's free or proprietary assets.

These indicators are collected for each issuer on a quarterly basis (March 31, June 30, September 30, December 31).

PAI indicators vary based on the type of issuer (corporate or sovereign) considered for the calculation of values.

The annual data for PAI at the Company level is the average of the values obtained in quarterly assessments for each indicator.

The data necessary for calculating PAI indicators are collected from both internal and external data sources. Metrics related to individual issuers required for the calculation of PAI indicators are provided by a specialized info-provider.

In case of data unavailability situations (e.g., low coverage³ percentages for the funds), the Company adopts a conservative approach in calculating PAI indicators to avoid underestimating adverse effects. Specifically, considering the materiality of investments for which data may be incomplete, insufficient, or missing, the Company will take "best efforts" actions and try to obtain information by consulting, if possible, additional data sources that may be available.

Each PAI indicator represents the adverse effects related to specific environmental, social, or governance aspects, and specific calculation methods are outlined in Annex I of the Delegated Regulation of SFDR. The calculation methodology for PAI indicators follows the approach adopted by the selected info-provider.

2.3. Monitoring and analysis of PAI indicators trends

In order to assess the progression over time of PAI indicators and analyse the trends of issuers, a monitoring and analysis process has been implemented. In this context, the function in charge of investment management examines the Company's indicator trends during the annual preparation of the PAI statement to develop a historical comparison between the reporting period and previous ones, as required by Article 10 of the Delegated Regulation SFDR.

Specifically, the function in charge of investment management monitors the trends of PAI indicators quarterly (March 31, June 30, September 30, December 31). The monitoring activities consist of conducting an analysis of the PAI indicator at issuer level to identify the issuers for which it is necessary to target specific PAI indicator performance management activities. These monitoring activities include general monitoring and monitoring compared to the previous period.

³ The coverage percentage represents the percentage of assets under management covered through the indicator provided by the info-provider.

2.4. PAI management and mitigation activities

The function in charge of investment management submits to the Investment Committee a report containing the evidence arising from the analyses conducted on PAI indicators. Any potential actions to be taken based on monitoring results fall into the following areas of action:

- PAI dedicated monitoring: Inclusion of the issuer in the list of investments for which periodic monitoring of the PAI indicator values is planned.
- Engagement: Implementation of engagement initiatives and/or investor relations (e.g., informal dialogues) with issuers or fund managers aimed at increasing awareness of sustainability factors.
- Future Investment Prohibition: exclusion from future investments of issuers that have significant adverse effects on sustainability factors.
- Partial Divestment: partial divestment from investments in issuers that have severe adverse effects on sustainability factors.
- Total Divestment: complete divestment from issuers that have severe and repeated adverse effects on sustainability factors.

The actions defined above can also be activated in a combined manner, according to assessments by competent bodies, taking into account the potentially irreparable nature of the adverse effects.

2.5. Engagement policies related to PAI

The Company defines the criteria and methods for conducting dialogue activities with issuers, aimed, *inter alia*, at managing ESG issues and reducing the negative impacts generated by the companies benefiting from investments, in accordance with its Guideline on the exercise of voting rights and engagement activities. The potential topics for engagement are identified in accordance with the provisions of the Responsible Investment Policy and the LGSS and are related to the negative impacts considered a priority by the Company.

3. PAI CONSIDERATION AT THE PRODUCT OR INVESTMENT OPTION LEVEL

The SFDR Regulation introduces additional disclosure requirements for transparency on the adverse impacts of investment decisions for sustainability at the product level. The objectives of considering PAI at the product level are the same as those outlined at the company level but limited to the investments underlying the product itself.

It is specified that, in this context, the consideration of PAI takes place at the level of a single-option product or a single investment option (e.g., segregated funds, internal fund, specific asset provision), if it is included within a multi-option product (so-called MOP).

3.1. Selection of PAI at the product or investment option level

The consideration of PAI at the single-option product or investment option level is not mandatory. However, in line with internal corporate regulation, single-option products and investment options – related to segregated funds, specific asset provisions, and internal funds – classified under Article 8 or 9 of the SFDR Regulation consider some PAI-related topics.

The selection of PAI indicators to be considered may vary for each single-option product or investment option. In any case, the following criteria are considered in the selection of PAI indicators:

- The type of investments made (e.g., single-name, UCITS);
- The level of data coverage related to PAI indicators;
- The investment strategy defined for the product;
- Specific needs related to sustainability preferences (as defined by Delegated Regulations (EU) 2021/1253 and 2021/1257) and the product's target market.

3.2. Approach to considering PAI indicators at the product or investment option level

In this context, the consideration of PAI refers only to the selected indicators and follows a quantitative approach that involves the application – limited to the investments underlying the single-option product or the individual investment option – of the same logic and methods related to the calculation and monitoring – conducted on a semi-annual basis – of the trends of PAI indicated for consideration at the company level, to which reference is made.