

GUIDELINE

for the Investment in Sensitive Sectors of the Poste Vita Group

TABLE OF CONTENTS

1. OBJECTIVES, SCOPE AND MANNER OF IMPLEMENTATION	3
1.1. Objective of the Document.....	3
1.2. Glossary	4
1.3. Scope of Application and Manner of Implementation	4
1.4. Reference Principles	5
1.5. Regulatory References.....	6
2. INVESTMENT IN SENSITIVE SECTORS	8
2.1. Environmental Criteria	8
2.1.1. Fossil Fuels	8
2.1.2. Coal.....	9
2.1.3. Biodiversity.....	10
2.2. Animal Testing.....	11
2.3 Social Criteria	12
2.4 Governance Criteria.....	13
3. MONITORING AND MANAGEMENT OF REMEDIAL ACTIONS	15

1 OBJECTIVES, SCOPE AND MANNER OF IMPLEMENTATION

1.1. Objective of the Document

The Poste Vita Group's Guidelines for Investing in Sensitive Sectors (the "**Guidelines**"), consistent with the provisions of the Responsible Investment Policy, establishes measures to find, assess and monitor exposure to activities that have an intrinsic relevant risk in terms of ESG, thereby enabling the incorporation of environmental, social, and governance aspects into the investment process of Poste Vita S.p.A., Poste Assicura S.p.A., Net Insurance S.p.A. e Net Insurance Life S.p.A. (hereafter each referred to as the "**Company**" and, jointly, the "**Companies**" and/or the "**Poste Vita Group**").

The Companies have adopted investment policies ("**Investment Policies**") in accordance with IVASS Regulation No. 24/2016. The Responsible Investment Policy of the Poste Vita Group, consistent with the Investment Policies as well as with the Group's sustainability plan – which is aligned with the sustainability strategy of the Poste Italiane Group – outlines the Companies' commitment to integrating ESG considerations into their strategy and into investment-related decision-making processes.

In this context, the purpose of this document is to identify specific sectors and/or areas from an ESG perspective, establishing dedicated monitoring processes for investments in issuers operating within those sectors/areas. For Poste Vita S.p.A., the implementation of this Guideline also serves as a tool to manage and mitigate the Principal Adverse Impacts ("**PAIs**¹") on sustainability factors arising from the Company's investment decisions relating to those sectors.

¹ Pursuant to EU Regulation 2019/2088 (SFDR).

1.2. Glossary

For the purposes of this Guideline, the following definitions apply:

- **“AuM”**: *Asset under Management*.
- **“Investment Committee”**: established for each Company, it is a managerial committee with an advisory role to the Chief Executive Officer. It provides guidance and support in processes related to investment management and is involved, inter alia, in the definition and implementation of ESG-related Policies/Guidelines and in monitoring the evolution of the ESG profile of the assets held in each Company’s financial portfolios.
- **“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*.
- **“FPIC”**: *Free, Prior and Informed Consent*.
- **“Delegated Managers”**: asset management companies and/or asset managers 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.
- **“IPCC”**: *Intergovernmental Panel on Climate Change*.
- **“IUCN”**: *International Union for Conservation of Nature*.
- **“OECD”**: *Organisation for Economic Co-operation and Development*.
- **“UN”**: *United Nations*.
- **“PAI”**: *Principal Adverse Impacts*, meaning the main adverse impacts of investment decisions on sustainability factors, introduced by EU Regulation 2019/2088 and identified by EU Delegated Regulation 2022/1288.
- **“Sensitive Sectors”**: sectors and/or business areas identified within this Guideline.

1.3. Scope of Application and Manner of Implementation

This Guideline applies to the companies of the Poste Vita Group, in line with the scope of application defined within the Poste Vita Group Responsible Investment Policy and is approved by the Chief Executive Officer of the parent company Poste Vita and acknowledged by the Chief Executive Officers of Poste Assicura, Net Insurance, and Net Insurance Life.

In particular, the Guideline applies to equity and debt securities, both corporate² and government-instruments, issued by entities that are involved according to the thresholds outlined in the specific paragraphs (where provided), within the Sensitive Sectors defined by the Guideline.

The Companies undertake to transmit the Guideline to the Delegated Asset Managers so that they may take these principles into consideration and apply the contents, insofar as relevant to their investment activities.

This Guideline is communicated to all personnel, including through dedicated training sessions if deemed necessary, and is made available to all stakeholders (including the market, the financial community, and institutions) through the publication of ESG policies on the corporate website of each company.

1.4. Reference Principles

The activities governed by this document must be carried out in compliance with applicable laws as well as the principles and rules of conduct contained in the Code of Ethics, the Poste Italiane Group Integrated Policy, and other corporate regulatory instruments³.

Reference is also made to the principles outlined in the Guideline on the Internal Control and Risk Management System of the Companies.

In addition to the above, within the process relating to investment in sensitive sectors, the following reference principles also apply:

REPUTATION-DRIVEN APPROACH AND STAKEHOLDER MONITORING
– Management of corporate activities with a focus on governing the reputation of the Company as perceived by stakeholders. Continuous monitoring of stakeholder sentiment to manage potential impacts arising from a negative perception of the corporate conduct and image. Understanding stakeholders' main expectations and concerns means protecting and enhancing the value derived from corporate reputation.

2 The scope of this Guideline includes investments in equity and debt securities issued by entities operating in sensitive sectors in which the Companies and/or Delegated Managers have directly invested. With regard to any equity and debt securities underlying UCITS and/or other equivalent investment vehicles in which the Companies and/or Delegated Managers have invested, managed independently by specific (external) asset management companies and/or asset managers, only the monitoring activities described in the Poste Vita Group Responsible Investment Policy are carried out, where the necessary data are available.

3 Non-compliance with the principles contained in this regulatory document may result in the application of the disciplinary measures provided for in the CCNL disciplinary system.

ETHICS, FAIRNESS, AND TRANSPARENCY IN BUSINESS CONDUCT

– The Poste Italiane Group is committed to further strengthening an integrated management system designed to ensure transparent dialogue with customers, suppliers and citizens. In this context, the Poste Italiane Group adheres to the UN PRI (United Nations Principles for Responsible Investment), an 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 UN Environment Programme).

REPUTATIONAL RISK GOVERNANCE – An integrated system for managing reputational risks throughout all stages of business activities. The framework provides that the management and mitigation of reputational risks are pursued through specialized oversight by corporate structures with specific responsibilities for protecting the Company's reputation, as well as through a centralized unit coordinating the Reputational Risk Management process.

INCLUSION – The Poste Italiane Group promotes diversity as part of a sustainable and inclusive corporate growth strategy, preventing and countering any form of discrimination.

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

REDUCTION OF ENVIRONMENTAL IMPACT – The approach of the Poste Italiane Group is based on environmental respect, both in terms of buildings (green building) and internal processes (digitalization), as well as transportation (green mobility and sustainable logistics).

TERRITORIAL DEVELOPMENT – In line with its widespread territorial presence, the Poste Italiane Group, also through structured and transparent dialogue with its stakeholders, aims to support local communities in ongoing modernization and digitalization processes, thus contributing to the country's social cohesion and development.

1.5. Regulatory References

The main external and internal references of this Guideline are listed below.

External:

- 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.
- Law No. 220 of 9 December 2021.

Internal:

- Code of Ethics of the Poste Italiane Group.
- Investment policies pursuant to IVASS Regulation No. 24/2016 (Framework Resolution) of each Company.
- Responsible Investment Policy of each Company.
- ESG Process Guideline of each Company.
- Guideline on the exercise of voting rights and engagement activities of each Company.
- Guideline on product governance and control (POG) of Poste Vita and Net Insurance.

2. INVESTMENT IN SENSITIVE SECTORS

2.1. Environmental Criteria

The Poste Vita Group is aware of the important role it can play, as an Insurance Group, in environmental protection. In particular, through its investment choices, the Insurance Group can have an impact on reducing carbon dioxide emissions, primarily from fossil fuels and coal, in order to combat climate change.

Therefore, in the best interest of its stakeholders, the Poste Vita Group has outlined criteria aimed at limiting investments in Sensitive Sectors, with the purpose of mitigating climate change and protecting biodiversity.

8/15

2.1.1. Fossil Fuels

The sector of Fossil Fuels has an important role in supplying energy to privates and companies at global level. Nonetheless, at the same time, the sector strongly contributes to emissions in the atmosphere. Therefore, in light of the European objective of limiting global warming, investing in issuers operating in this sector entails the need to manage the associated risks, as “carbon-intensive” activities may experience substantial value losses over time.

Monitoring and managing exposures to this sector may contribute to reducing the level of long-term risks in one’s portfolio and accelerate the global transition towards an economy with low carbon emissions.

For the purposes of this Guideline, the sector includes corporate issuers that:

- lead activities in the sector of Fossil Fuels (coal, unconventional and conventional oil and natural gas such as tar sands, shale oil and gas, arctic oil and gas, offshore oil and gas, liquified natural gas deriving from

unconventional fossil fuels⁴), in particular, in upstream (exploration, drilling, extraction, and production, etc.), midstream (transport and refining), downstream (distribution/sales), and electricity generated from Fossil Fuels (excluding biofuels);

- own Fossil Fuel Reserves, including companies that hold less than 50% of a field.

Portfolio issuers are subject to periodic assessment on a half-yearly basis in order to identify any exposure to the Fossil Fuel sector. The following exposures have been considered particularly relevant:

ISSUER TYPE	INDICATOR	CRITERION
Corporate	Percentage of revenue derived from fossil fuel activities	≥20%
Corporate	Evidence of owning fossil fuel reserves	Yes

Companies monitor the total amount of investments in corporate issuers involved in the Fossil Fuels sector in order to assess the negative effects of investment decisions in line with the relevant PAI indicator⁵. If this amount exceeds 10% of each Company's total AuM⁶, remedial actions are considered in accordance with what is described in Chapter 3.

2.1.2. Coal

Coal is one of the fossil fuels with the highest impact in terms of emissions in the atmosphere compared to the amount of energy produced. For this reason, in line with the greenhouse gas emission reductions necessary to achieve the European objective of limiting global warming, this sector may experience a contraction due to the closing of the current plants and reduced openings of new coal power plants.

Accordingly, the Poste Vita Group considers that investing in equity and debt securities of issuers involved in the coal sector may expose portfolios to specific risks, over the financial risks.

⁴ Where revenue data is not available, the Poste Vita Group monitors issuers involved in the listed activities regardless of their exposure in the sector.

⁵ PAI Indicator 4: Share of investments in companies active in the fossil fuels sector, identified pursuant to Regulation (EU) 2018/1999 of the European Parliament and of the Council. It should be noted that this indicator is monitored cumulatively with exposure to the coal sector.

⁶ Any share of investments in Alternative Investment Funds is excluded.

As for fossil fuels, monitoring and managing exposures to this sector can help to reduce the long term risk of the portfolio accelerating global transition towards an economy with low carbon emissions.

For the purposes of this Guideline, the sector includes corporate issuers:

- engaged in activities related to the extraction and sale of thermal coal (including lignite, bituminous coal, anthracite, and steam coal). It excludes: revenues from metallurgical coal, coal mined for internal power generation (e.g., in the case of vertically integrated power producers), intra-company sales of mined thermal coal, and revenues from coal trading;
- generating power from thermal platform;
- involved in thermal coal distribution or other infrastructural activities (e.g. pipelines, coal terminals, coal processing facilities).

Portfolio issuers are subject to periodic evaluation on a semi-annual basis in order to identify any exposure to the Coal sector. Specifically, the following exposures are considered quite relevant:

ISSUER TYPE	INDICATOR	CRITERION
Corporate	Percentage of revenue derived from thermal coal extraction and its sales	≥20%
Corporate	Percentage of thermal coal in the power generation mix	≥20%
Corporate	Revenues from thermal coal transportation	Yes

Companies monitor the total amount of investments in corporate issuers involved in the Coal sector in order to assess the negative effects of investment decisions in line with the relevant PAI indicator⁷. If this amount exceeds 5% of each Company’s total AuM, remedial actions are considered in accordance with what is described in Chapter 3.

2.1.3. Biodiversity

Biodiversity represents one of the fundamental pillars of environmental, social, and economic well-being, as it ensures ecosystem stability, the availability of natural resources, and resilience to climate change. Its degradation constitutes a material financial risk, as it can lead to operational disruptions, increased procurement costs, loss of productivity, and heightened exposure

⁷ PAI Indicator 4: Share of investments in companies active in the fossil fuels sector, identified pursuant to Regulation (EU) 2018/1999 of the European Parliament and of the Council. It should be noted that this indicator is monitored cumulatively with exposure to the coal sector.

to regulatory and reputational risks. Therefore, integrating biodiversity protection into investment decisions helps reduce long-term risks, seize opportunities related to sustainable development models, and contribute to the safeguarding of natural capital upon which the global economy depends.

Consequently, the Poste Vita Group closely monitors issuers involved in serious controversies related to biodiversity protection in order to limit exposure. This activity is carried out through PAI 7 “Activities that negatively affect biodiversity-sensitive areas” from Table 1 of Delegated Regulation (EU) 2022/1288, which measures the share of investments in companies that own sites or operate in biodiversity-sensitive areas, or adjacent areas, where the companies’ activities negatively impact such areas, or in companies involved in controversies with significant impacts on local biodiversity.

Portfolio issuers are subject to periodic evaluation on a semi-annual basis in order to identify any exposure to the biodiversity sector. Specifically, the following exposures are considered quite relevant:

ISSUER TYPE	INDICATOR	CRITERION
Corporate	PAI 7 “Activities negatively affecting biodiversity-sensitive areas”	Yes

Companies monitor the total amount of investments in corporate issuers that negatively impact biodiversity-sensitive areas. If this amount exceeds 10% of each Company’s total AuM, remedial actions are considered in accordance with what is described in Chapter 3.

2.2. Animal Testing

Animal testing is an issue that raises ethical questions. These can be effectively managed by following internationally recognized criteria and standards. In particular, the use of modern scientific methods and procedures - that limit suffering and harm to animals - may allow these activities to be carried out, protecting as much as possible the well-being of the animals involved.

The Poste Vita Group considers that investing in equity and debt securities of issuers directly or indirectly involved in animal testing may expose the portfolios to ethical issues and reputational risks.

This Guideline applies to issuers that use animal testing for:

- Chemicals

- Food ingredients
- Cosmetics
- Consumer products (e.g., household detergents)
- Agricultural products (e.g., tobacco, crop protection)
- Other non-medical products (e.g., marine equipment, materials)

Portfolio issuers are subject to periodic evaluation on a semi-annual basis in order to identify any exposure to the animal testing sector. Specifically, the following exposures are considered quite relevant:

ISSUER TYPE	INDICATOR	CRITERION
Corporate	Conducting animal testing for non-medical purposes	Yes

Companies monitor the total amount of investments in corporate issuers involved in non-medical animal testing activities. If this amount exceeds 5% of each Company's total AuM, remedial actions are considered in accordance with what is described in Chapter 3.

2.3 Social Criteria

Poste Vita Group pays particular attention to social issues, especially to the respect of human rights, both within its internal operations and its investment activities. The insurance group monitors, based on international standards such as the *International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work*, the *Global Compact*, the *United Nations Universal Declaration of Human Rights*, and PAI indicators⁸, the corporate issuers in which it invests to ensure that they have not been sanctioned for human rights violations related to controversies concerning any of the following aspects:

- Very serious incidents that may harm local communities and/or the environment, assessed according to the severity of controversies related to the company's interactions with the communities in which it operates.
- Relocation of local populations without a prior consultation - thus causing physical damages – or involving the revision of property rights and rights on land and water.
- Involvement in child labor, forced labor, or other practices harmful to human and fundamental labor rights, including within the supply chain,

⁸ PAI Indicator 10: Violation of the principles of the UN Global Compact and the OECD Guidelines for Multinational Enterprises. PAI Indicator 11: Lack of compliance processes and mechanisms to monitor adherence to the principles of the UN Global Compact and the OECD Guidelines for Multinational Enterprises.

assessed on the basis of the company's alignment with the *OECD Guidelines for Multinational Enterprises*, as well as the presence of significant controversies related to the company's activities or products and the severity of the associated social or environmental impact.

- Inadequate working conditions, for example regarding remuneration, health, and safety, assessed on the basis of the company's alignment with the broader set of labor standards defined by the International Labour Organization (ILO).
- Workplaces discrimination, based for example on gender, ethnicity, geographical origin, disability, sexual orientation, or religious belief, assessed by considering the number of serious or very serious controversies recorded over the past three years related to employee discrimination or gender diversity issues.
- Violation of workers' rights to union activity and collective bargaining, assessed on the basis of the company's alignment with the *United Nations Guiding Principles (UNGP) on Business and Human Rights*.
- Violation of the UN Global Compact principles and the OECD Guidelines for Multinational Enterprises.
- Lack of processes and compliance mechanisms to monitor adherence to the UN Global Compact principles and the OECD Guidelines for Multinational Enterprises (e.g., in relation to human rights, labor due diligence, or anti-corruption).

Furthermore, with respect to government issuers, the insurance group applies the exclusion criteria set out in the Responsible Investment Policy of the Poste Vita Group. Companies monitor the total amount of investments in corporate and government issuers involved in controversies or sanctions related to the social issues described above. If this amount exceeds 5% of each Company's total AuM, remedial actions are considered in accordance with what is described in Chapter 3.

2.4 Governance Criteria

The Poste Vita Group considers governance issues to be particularly important, recognizing their central role in creating sustainable value and safeguarding investors' interests. In this context, the Companies pay specific attention to compliance with good governance practices, with a particular focus on regulatory compliance and the adoption of ethical and transparent behaviors, as well as issues such as corruption and anti-money laundering.

The Poste Vita Group aims to ensure that its investment decisions are consistent with principles of responsibility and integrity, thereby strengthening stakeholder trust and contributing to a more solid and transparent financial system.

In particular, the Poste Vita Group applies the exclusion criteria outlined in the Responsible Investment Policy of the Poste Vita Group.

3. MONITORING AND MANAGEMENT OF REMEDIAL ACTIONS

To monitor the environmental, social, and good governance criteria described in the previous chapters, the Poste Vita Group relies on public information, data and indicators from external information providers, and, where possible, information obtained during engagement activities with the issuer. In particular, the Companies verify on a semi-annual basis compliance with each of the limitation criteria related to ESG dimensions and share the monitoring results at the Investment Committee.

When exposures exceeding the thresholds defined above are identified, they are presented to the Investment Committee in order to consider, taking into account their materiality relative to the total AuM of each Company and/or the issuer's inclusion in sustainability indices such as the *MSCI World Selection Index*⁹ and/or the *ICE Global Corporate ESG Tilted Index*¹⁰, potential engagement activities. If the Companies decide to undertake engagement activities, the process defined in the Guideline on the Exercise of Voting Rights and Engagement Activities of the Poste Vita Group is followed.

9 Global Equity Index with the following ESG tilts:

- Inclusion of companies with an MSCI ESG Rating of 'BB' or higher;
- Inclusion of companies with an MSCI ESG Controversies Score of 3 or higher (i.e., not involved in very severe ESG controversies);
- Exclusion of companies meeting the following involvement criteria: controversial weapons, nuclear weapons, civilian firearms, tobacco, alcohol, conventional weapons, gambling, nuclear energy, fossil fuel extraction, thermal coal, palm oil, Arctic oil & gas.

10 Global Investment-Grade Corporate Bond Index with the following ESG tilts:

- Exclusion of companies involved in controversial weapons;
- Best-in-class selection of issuers with the most favorable ESG scores.

